

Nike analysis term paper example

[Business](#), [Company](#)



Segmentation

Nike has created hundreds of different products in order to reach different market segments. The company's products in the shoes in the following sports basketball, action sports, cheerleading, golf, dance, lacrosse, soccer, running, volleyball, tennis, track and field, and softball. The two segments the company can serve include basketball teams and players, and basketball fans and amateurs. Basketball teams such as NBA buy basketball shoes in large quantities for their players and trainers. Some players also buy shoes for their private training. Additionally, basketball fans and amateurs buy basketball shoes to connect more with basketball players and teams. The target market comprises of young basketball amateurs who perceive basketball as fashionable. This group also associates with some sports personality such as Michael Jordan and seek that comfort by wearing basketball shoes. Basketball teams buy basketball shoes for young players who are conscious on the attractiveness of the shoes in terms of size, design, and fashion. The company charges premium price for its products because consumers associate Nike's brand with successful sports or organizations. The company targets teams and players because of the utility that comes with the product. In addition to targeting basketball players, Nike also targets the youth who have also embraced the hip-hop culture (Capon, 2008).

Market positioning

Nike positions itself as a manufacturer of quality, durable, and comfortable sports shoes. The company has successfully built a brand that appeals to

every demographic around the world. Nike has achieved this by introducing fashionable sports shoes that appeals to the young population as well as sport people. The company's positioning strategy rests entirely upon a favorable brand image that that has evolved to become a multinational power. Customers associate the company's products with style and good reputation because of the use of breakthrough design and technology, packaging, and sense of association with the best brand in the world, which gives sportsmen a positive attitude when exercising or working out. In addition, the company has been able maintain its global market share because of consistent and timely delivery of products to customers. The company's products are used by top athletes and marketed by sport celebrities, which makes many people, want to associate with Nike.

Distribution strategy

In the positioning map, Adidas, Nike and And1 are considered to be highly fashionable though their prices are also high with Adidas products going for the highest prices. Puma, despite of its high costs, it is conservative while Converse All Stars and Under Armour have low cost products but are conservative. The map positions Reebok as the only company that has been fashionable and provides low costing products.

Distribution strategies used by companies has significant implication on gaining competitive advantage. Organizations with efficient distribution channels receive more sales and thus more profits. Timely delivery of the right product to the consumer not only affects utility but also contributes to customer loyalty and satisfaction (Campbell, Edgar & Stonehouse, 2011).

Nike maintains both traditional and non-traditional distribution channels in

more than 100 countries that it targets (Nike, 2013). Nikes conducts the distribution of its products in two levels. It distributes its premium priced product through specialized distribution channels such as clubs and schools while leaving the low-priced products to be sold at highly discounted retail stores such as Wal-Mart. Nike use over 20, 000 retailers, Nike stores, Cole Haan stores, and online websites to sell its products.

References:

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