

# Nike is the world largest markets of athletic marketing essay



**ASSIGN  
BUSTER**

In this century, customers are the potential buyer of products. Most of the companies are focusing on improving the relationship between with customers. The result shows that improving the relationship between companies and customers can retaining customer's loyalty and attracting new customers, this relationship is importance to most businesses. If a company having good relationship with customer they understand customer needs and wants and to satisfy the customers. Example: Nike Company have provide good customer services, when customer facing problem of Nike product customer can send e-mail with question relating to purchases and Nike Company will solve the problem within 1 working day or contact to Nike Company telephone lines of customer service to get the solution. Customer can log in Nike website to check the latest Nike products, make ordering, shipping and returns. Customers can solve the problem easily by send e-mail or calling and without going any outlet customers can buy their products through Nike website.

Nowadays, Nike Inc is the world largest markets of athletic shoe and apparel, also the world leading company of supplier athletic footwear, accessories, sportswear, and main manufacturer of sports equipments. Nike is worldwide brand and the products that sold in about 110 countries, Nike Company had more than 30, 000 employees around the world.

In 1962, Philip Knight was track athlete of middle-distance runner team member as an undergraduate at University of Oregon. Philip Knight travelling to Japan communicates with Onitsuka Tiger to import some athletic shoes to United States; Philip Knight believed that Japanese athletic shoes would break the German athletic shoes dominance in United States with Japanese

<https://assignbuster.com/nike-is-the-world-largest-markets-of-athletic-marketing-essay/>

product. In 1964, Philip Knight partnership with Bill Bowerman was track coach at University of Oregon. Bill Bowerman and Philip Knight was the founder of Nike, at the time Nike originated known as Blue Ribbon Sports. In 1968, Bowerman had worked long time to designs and modified of prototype Blue Ribbon Sports, his designed shoe was successful which known the shoe as Cortez. In 1972, Blue Ribbon Sports was manufacturing the products overseas by their own line by themselves and import to United States. At the same time, the company introduced the new symbols with Swoosh trademark and the brand name Nike it mean the Greek goddess of victory. In 1978 Blue Ribbon Sports had rename the company name to Nike Inc. In 1988, Dan Wieden who created the slogan called " Just Do It" for 1988 ad campaign and nowadays this slogan had became the recognized trademarks. In 1999, Nike had begun selling athletic shoes and other products by used e-commerce and directly selling products to consumer through company website.

## **2. 0 CONSUMER DECISION PROCESS**

The consumer decision process (CDP) model is important for making marketing decision; CDP is the stage of consumer goes through before, during, and after buying the product or service in decision making processes. In first stage of CDP starts with need recognition, the buyers understand what their problem or need in between current motivation state and desired motivation state. For example, I saw a commercial for brand new series pair of Nike shoe, to stimulate me that I need a new Nike shoe. Customer may need to pass through the stage step by step in every purchase. However, in daily purchase customer can skip the stage of information search and

evaluation straight to purchase decision. For example, I feeling hungry need to buy food and I straight forward to make purchase decision to buy my favourite food McDonald.

The next stage of CDP is information search; under information search consumers can search information according to internal or external sources of information. Internal sources of information are the information retrieved knowledge from memory and the information may be based on a person past experience, past conversation, or articles read previously. External sources of information can get from environment can be the new sources of information and include friends, family, salesperson, advertisements, brochures, websites, and media article. The marketers will identify which target markets of information sources are most influential, the impact of these sources of information will depend on the products and customers. For example, I want to buy new pair of shoe and before I buy I will take advice from my friends of their experience on different brands of shoe and search information about the company brand product quality.

The third stage of CDP model is evaluation of alternatives, which the consumer evaluation alternative bounds in the choice set by using information. Evaluation is an important determinant of the degree is whether the customers feel “involved” in the product. By involvement, that means the extent of perceived relevance and importance that accompanies with the own choice. The involvement had categories into low-involvement purchases and high involvement purchases. Low-involvement purchases mean have simple and low expenses in evaluation process. For example, buying soft drink and food in the supermarket is under low-involvement purchases. High

<https://assignbuster.com/nike-is-the-world-largest-markets-of-athletic-marketing-essay/>

involvement purchases are usually branded goods and involve in high expenses or personal risk. For example, doing business, making investment, buying house and car are under high-involvement purchases. Nike shoe is categorising in high-involvement purchases because is branded goods and comparing with other brands Nike much more expensive than usually brands.

The fourth stage of CDP model is purchase, the stage that consumer actually buy the product. For example, after I read the advertisement Nike shoe, I consider buy the Nike shoe to satisfying my need or want. The buying decision may take place immediately or in few weeks later. The seller may need to attributes the product by compared with the competition with own advantages and giving trial or sampling of the product hope the sale increasing.

The final stage of CDP model is post-purchase evaluation, after customers buy the product and used, the customers will compares it with expectation on their past experience either the product is satisfied or not. The “ cognitive dissonance” concept will commonly occur when the customers experience concerns after making purchase decision. Cognitive dissonance mean the customers buy new product is preferable than the product is using and customers may not repurchase the product is using or switching other brands. For example, before I bought Nike shoe I was wearing Bata shoe, I feel like Nike shoe is more comfortable and good quality so I may not repurchase Bata shoe and changing the mind to purchase Nike shoe. To manage the experience success is the job of the marketers to persuade the potential customers to purchase the product will satisfy their needs, for the <https://assignbuster.com/nike-is-the-world-largest-markets-of-athletic-marketing-essay/>

customers that purchased the product should be encouraged that their decision making is right to repurchase the product and avoid them changing their mind to choose other product. For example, I had bought Nike shoe and wearing it, I feel that Nike shoe giving more comfortable and good quality than other shoe. In future purchase decision I will repurchase the Nike shoe because it satisfies my needs.

### **3. 0 Psychological core**

The process of perception, motivation, learning and attitude is under the internal process of psychological core.

### **3. 1 Perception**

There are three stages in the process of perception starts with consumer exposure and attention to stimulus the consumer to interpretation. Exposure and attention are state as highly selective mean that consumer only can use small section of the available information. Perception process which we attach meaning to the surrounding world, how consumer affect by the five senses (sight, sound, touch, smell and taste).

The first stage, exposure is the extent to people aware stimuli that within range of their sensory receptors. For example, (eyes, ears, nose, mouth, fingers) such common stimuli as sound, colour and smell.

Second stage of perception process is attention, attention happen when the stimulus activates the receptor nerves and send the result of sensations go to the brain for processing. For example, Nike has created visual identity

with their ads through television, newspaper and to captures consumer attention.

The final stage of perception process is interpretation, interpretation mean that people assign to sensory stimuli. Two people doing the same event but their interpretation maybe different with each other. For example, a glass filled with half water, person A say the glass was half full and person B say the was glass half empty.

HIGH QUALITY

AVERAGE QUALITY

LESS EXPENSIVE

EXPENSIVE

NIKE

ADIDAS

REEBOK

PUMA

NEW BALANCE

Perceptual Map of Shoes

Perceptual map at above shows that the quality and the price of shoes in perceptual map. In the map Nike shoe was the highest quality compare with

other competitors, but the Adidas shoe was the expensive than Nike or other competitors. The reason why Nike shoes the quality is better than Adidas shoe but less expensive, that is because Nike companies can get the resources from the supplier with low price than other competitor so Nike companies can provide high quality of shoe. Nike, Adidas and Reebok shoe are the nearest competitor in shoe product and Reebok is less expensive and quite low quality than Nike and Adidas. Puma shoe is at middle of the perceptual map and New Balance was the cheapest price and lowest quality in this perceptual map compare with other competitors.

### **3. 2 Learning and Memory**

Learning can defined as relatively permanent change in organization of long-term memory or experienced behaviour or in the content and is the result of information processing. There are two categories memory, short-term memory (STM) and long-term memory (LTM).

STM is known as working memory, STM only store information for limited period of time and its capacity limited, to prevent short lived memory must always repeating the information though maintenance rehearsal. For example, to remember the presentation speech in capacity limited I must constantly repeat the speech again and again to prevent the memory in short lived.

LTM is allow to store the information for permanently and its unlimited capacity. LTM consist into two type of memory there are semantic memory and episodic memory. Semantic memory refers to the person feeling and knowledge of the concept. Episodic memory is related to the sequence of



event that is personally relevant. For example, a young child who has almost drowns and causes the child phobia to the water even when the child grown up.

There are two situations in learning and memory which are high and low-involvement learning. The situation of high-involvement learning is motivated to process or learn the data by consumer, and low-involvement which the consumer has little or no motivation to the process or learn in data. Normally consumers learning happen in relatively low involvement contexts. The way of communication should be structured by the customer to expect what they have from different depending on the level of involvement.

### **3. 3 Motivation**

There are two motivation theories which are Maslow's Hierarchy of needs and McGuire's psychological motives. The theory of Maslow has 5 basic motives which general terms and not useful in marketing. McGuire theory is fairly detailed set of motives for specific aspects and developed a classification these theories into 16 categories.

This picture of advertisement shows that, this Nike shoe is categories in need for expression. This Nike shoe advertisement is colourful and the design is very attractive can attract many consumer to purchase it. This Nike shoe allows the consumer express out the identity of which they are that because this Nike shoe have own symbolic or expression meaning.

Air Jordan 1 Retro

## Retro Basketball Shoes

Our Price: \$139. 99

This picture shows that Nike shoe Air Jordan 1 Retro is categories in need for expression and need to categorize. Air Jordan 1 Retro with the silver-colour design can let consumer express out whom they are in need for expression. And this advertisement also shows that prices can be categorized in different prices mean different categories of goods, this Nike shoe price is \$139. 99 and the company avoid that this shoe is categorized over \$140 group.

This advertisement above shows that Nike basketball shoes 20-50% off is categories in need for attribution. The consumer attributes the discount advertising message receives from the internet. The consumer can save 20% or above of money.

### **3. 4 Attitude**

An attitude is define as long-lasting organization of motivation, emotional, perception, and cognitive processes with the learned predisposition to express that person like or dislike to an item and also the way one think, feels, and acts to some aspect of our environment.

Attitudes serve four key function for individuals which are knowledge function, value-expressive function, utilitarian function, and ego-defensive function.

Knowledge function is the result of need for order, structure or meaning that formed by attitudes. This need is often present when a person is in an ambiguous situation or is confronted with a new product.

Value-expressive function attitudes are perform a value-expressive function express the individual central values and self-concept. For example, people who protection the environment they will recycle, reuse, save energy and purchase “ green” product.

Utilitarian function is concern to the common principles of punishment or reward. We develop some of our attitudes for these products offer pleasure or pain. For example, A person like to drink Vanilla Coke the person will have the positive attitude for the Vanilla Coke.

Ego-defensive function means the attitudes of people that are formed to protect them-self either in internal feeling or external threats. For example, products like Marlboro cigarettes promise to help to man build macho image will attract the consumers who are interest of masculinity.

The attitude has three components which are affect, behaviour and cognitive and known as ABC model of attitudes.

Affective component consists of the consumer emotion or feeling about specific product or a brand. For example, a man is in sad mood when he see his favourites food, he not interest it.

Behaviour component consists of the consumer undertake specific behaviour or action on the attitude object by the consumer tendency or response, and refer the actual action or the intention to buy the particular products.

<https://assignbuster.com/nike-is-the-world-largest-markets-of-athletic-marketing-essay/>

Cognitive component consists of the consumer beliefs about particular product, and expecting form of belief in the future. For example, lower price product mean lower quality.

## **4. 0 Consumer Environment**

### 4. 1 Culture

Nowadays, in the culture most people are concern about their health so those people are preferred to do exercise. Doing exercise they needed exercise accessories and requiring having good quality and comfortable shoes to wear and prefer to Nike products.

### 4. 2 Subculture

Subculture made up by small group of people, the value systems based on the individual experiences and within common culture with sharing the beliefs. Subculture is build up in different criteria include age, gender, religion, and beliefs.

### 4. 3 Group

Nowadays, most of group is following the trend in fashion and that group of people is having the same interest or attitude. For example, a person wanted to join into this group by having the same interest of Nike shoes.

### 4. 4 Social

Nike is seemed to be a high-class product by the society. Therefore, a consumer who has a Nike product will also be seen as a high-class person.

For example, Nike is world leading of shoe product and the consumer who wearing Nike shoe also known as high-class person.

#### 4. 5 Lifestyle

In today life, most people are concern about their health care and they prefer doing exercise to control their health. So they need to have the accessories for doing exercise and Nike has provide those accessories that consumer needs.

### **5. 0 Marketer Controlled Activity**

The marketer controlled activity is including marketing mix 4ps, segmentation, targeting, and positioning.

#### 5. 1 Marketing Mix 4ps

Promotion: Nike brand name and the trademark swoosh is one of the famous brands in the world, Nike advertising its products though newspaper, website and television. To attractive more consumers to purchase Nike products, Nike advertisement took famous athletes to become as brand ambassadors such as basketball player Michael Jordon and Lebron James and, soccer player Cristiano Ronaldo, and Fernando Torres. To push up Nike brand image and attract consumers to purchase Nike products.

Price: Pricing is an importance role of consumer making decision, even Nike products is known as high-involvement product but Nike use pricing strategy to control the costs and influence product pricing and attract consumers.

Place: Nowadays, because Nike across the globalization when you went to shopping centre or even small town shop you will find Nike stores. Nike is selling its product in more than 110 countries around the world, and because Nike stores are everywhere Nike products can grab the consumer's attention. Nike companies also provide e-business to allow consumers purchase Nike products through Nike website.

Product: Nowadays, consumers are interesting on the product which has high quality, attractive design, and branded. Nike is famous brand and also the top-selling products in sport accessories, attractive design with good quality, and trustable product. These are the reason why most customers purchase Nike products.

## 5. 2 Segmentation

### Graph 1

The graph 1 shows that Nike shoe consumer is segmenting into 4 different groups, kid, teenager, adult, and elderly. In different group of consumer need different type of Nike shoe for application in running, soccer, and basketball or different design.

## 5. 3 Targeting

The marketers of Nike shoe will normally targeting adult consumer that age at 21 to 40, in graph 1 show that adult consumer take up 40% that purchase Nike shoe. Nowadays, a lot of people are care about their health with doing exercise and most of adult age consumer will work out at gym, play

basketball, soccer, join activities, etc and they need sport accessories.  
<https://assignbuster.com/nike-is-the-world-largest-markets-of-athletic-marketing-essay/>

#### 5. 4 Positioning

The positioning of Nike shoe is trustable brand that consumer can purchase, Nike shoe can satisfy different categorize of consumer and provide high quality of shoe. By using these benefit to attract consumer to purchase Nike shoes.