

Good nike iconic brand analysis research paper example

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Abstract

Iconic brands are authentic which people can relate to. The Nike brand entertains a wide variety of customer segments of all ages.

The global customer base is the strength of Nike's business, which is always expanding.

The consumers all around can relate to the iconic status of Nike, which is its foremost success.

The unique selling proposition of Nike is to instill values that are difficult to imitate and at the same time transfer the brand meaning in a relevant manner.

Key Words: Nike, icon, status, brand, marketing, customer

Introduction:

In order to achieve the iconic status, a brand requires consistent performance. For that reason, the brand promise must represent the fundamental functional and emotional benefits that the brand must deliver. Furthermore, the promise of the brand needs to be unique in a sense that it should reproduce distinctive features that can make it stand out from the crowd.

It is for this reason, not every brand is able to achieve the iconic status and very few are able to replicate excellent performance over a period.

The key to success is effective integration of the firm's resources and positioning to the customer segments.

Positioning offers clarity to the customers in understanding the essence and spirit of the brand.

The paper investigates about an iconic brand Nike from several perspectives.

The research includes the qualitative as well as quantitative facets to understand every element that have made Nike a global iconic brand.

History of Nike:

The inception of Nike is as iconic as the brand itself. Phil Knight started the Nike project named after the Greek victory goddess. After humble beginnings, Nike transformed into a multi-billion global enterprise that is now one of the iconic sports brand in the world.

The history of Nike is all about attending to details and delivering different products that are high in quality.

Additionally, the success story of Nike is attributed to visionary leadership and the ability of the executives to tap new opportunities and realize business objectives that were measurable and sustainable.

The hallmark of the modern day Nike Inc is innovation in evolving the concept of sports marketing and taking it to a new level of customer experience.

Category of Nike:

Nike sells different categories of sports shoes and apparel. This includes basketball, soccer, cricket, golf, running, training, skateboarding, baseball etc to name a few. Different sportswear for men, women, boys, girls and

toddlers are designed for different purposes.

In addition, Nike also offers gift hampers and guidance through their calendar about the latest product. Nike also offers the apparel products to men, women, and children.

The different variety of the products offered by Nike is a strategy to leave no further choice for the customers. Therefore, through its iconic status, Nike is able to offer a holistic platform for the customers to purchase products from different categories.

According to Hill and Jones (2009), the various product offerings of Nike also outline the significance of expanding multiple brands in a given category.

Therefore, the categories relating to both genders along with children are heavily guarded by several variants in the product category.

Nike and consumer trends:

Nike uses the cultural branding model as its platform to develop an emotional connection with the customers. The foremost customers of Nike are customers who want to relate Nike with their own set of values.

The emotional aspects help in motivating the customer segments and eventually the new offerings of Nike produces a viral branding effect. It is important to note that the DNA of Nike customers is deeply rooted in experiencing the emotional side of the brand. The set of intangible connections offered by Nike allow the customers to exhibit their distinctiveness.

In this regard, Nike is able to successfully have a positive impact on the psyche of the customers. The loyalty base increases as the customers

believe Nike to be offering the genuine value through their offering.

This individual inclination can be contagious to encourage others to follow in the footsteps, especially among the younger market segment where group norms have an impact on the buying behaviour.

The mindshare model is aptly executed by Nike that has a global presence and as the relationship becomes more intense, the level of trust expands which offers new opportunities to be tapped.

The customers of Nike behave like ardent followers. Every individual wants success in life, Nike serves as the leader who is able to ascertain the course of action for the customers to think, feel and act like a leader and set goals in life that others may deem unachievable.

The Nike brand entertains a wide variety of customer segments of all ages. The 'Just Do It' slogan has such strong connotations that it is cherished by all and sundry globally.

This not only infuses empowerment among individuals, through association with athletes from different sports, the authentication of connecting winning with Nike is validated.

Iconic brands therefore are genuine which people can relate to. As the truth unveils, it becomes easier to motivate the customers to associate with the iconic brand.

Consumers all around the world have shown a liking for Nike products. In addition, a sports spectacle can drive sales to unprecedented level. For instance, during the Soccer World Cup in Brazil 2014, the demand for training and running shoes was soaring up.

The main source of Nike revenue is from its footwear and apparel brands.

Nike enjoys 18.6% of the world sports footwear market. The consumer trends will also get better once the economies get out of the clutches of recession.

According to Trefis team (2014), the customer base in North America contributed to the bulk of the Nike revenue beyond 40% in 2013. The men's training sportswear is driving huge sales in the region. Furthermore, the growing fondness for basketball is also helping Nike to encourage sales in this region.

The customer segment in the North America is expected to produce huge sales for Nike in future. The consumer trend in East and west Europe has also witnessed a surge in the sale of Nike products.

The revenue recorded in the Europe was 14% and more importantly, this growth has come in the region of rivals Adidas and Puma.

In addition, Nike is also expecting big orders from the aforementioned regions as demand for sports shoes, equipment and apparel continue to increase especially for its flagship brand.

Competitive analysis of Nike:

As the iconic brands operate on multiple levels, the competitive model becomes extremely multifaceted.

Therefore, when iconic brand is competing, the unique selling proposition is to inculcate values that are difficult to imitate and at the same time transfer the brand meaning in a befitting manner.

This becomes far more important when the rival brands are vying to instill identical emotional and functional benefits to the customer segments.

Nike has different type of competition in diverse markets where it operates. Therefore, in different markets Nike is directly competing against Adidas and Reebok.

The sport wear market has immense potential globally; therefore, the strategy adopted by Nike is precisely in accordance with the local market and the stance of the competitor.

At the same time, the value chain becomes increasingly important for Nike to attain the channel advantage and influence competition.

The foremost reason is that the bargaining power of suppliers and buyers is significantly different; therefore ‘one size fits all’ strategy may not be viable to confront the rival firms.

Nike also needs to minimize competition from low-cost producers who can infiltrate the essence of Nike brand. For instance, many low cost footwear manufacturers produce products that are not intended for athletes use.

In order to confront the competitors, Nike launched the ‘Converse’ brand, which was aimed at confronting the low cost manufacturers.

The strategy ensures that the spillover effect of the low cost brands do not influence the flagship brands of Nike.

The increased competition in the athletic footwear market has ignited competitive intensity. China has emerged as the new market with lots of potential. The outlook for the Chinese athletic footwear market is glowing in years to come.

For instance, it is reported by Trefis team (2014) that the athletic footwear

industry in China is expected to rise by 9.8% from 2013 until 2018. This new market potential has compelled Adidas and Nike to develop products that are compatible with the Chinese customers.

Trefis team (2014) also points out that it is expected that competition would be fierce in the Chinese market and Adidas has already declared to open an interactive retail store. The store enhances the experiences of the customers and this strategy outlines the significance of the Chinese market for Nike's archrival Adidas.

Goals and Objectives of Nike:

The underlying goal of Nike is to realize the corporate objective by serving to all segments of the society. This entails adhering to quality in all facets of its operations.

In addition, for an iconic brand, integrity and trustworthiness is the thread that connects the brand and the customers. Therefore, Nike has expanded the magnitude of its operations throughout the world.

Hill and Jones (2009) are of the view that Nike aims to leverage its capabilities to exploit every possible market in expanding its customer base and adding value for the customers.

Nike rigorously aspires to infuse innovation in all its endeavors. More importantly, besides accomplishing the desired revenue target, Nike firmly believes in sustainability and contributing towards the better of the society. The ' Nike Better World' aims at reducing waste materials, recycling products, and ensuring that carbon footprints could be minimized through all means.

Trend watching (2014) points out that the Nike concept store opened in Shanghai in 2013 is totally constructed from waste.

This includes the bottles, cans, and old DVDs. More importantly, this concept store can be transformed in various layouts along with the fact that the material can be recycled sustainably.

Nike also serves the vulnerable segments of the society in a befitting manner. Nike's association with different charitable events is vital to uphold its iconic status and enhance its reputation among all segments of the society.

On the contrary, the iconic brand also necessitates abstaining from any kind of negative publicity. There have been quite a few instances when Nike was involved in such unwanted incidents that tarnished its reputation a little.

Nike has exhibited on its website about developing healthy relationships with all the stakeholders in order to make public greater responsibility that is well matched with its status.

Strategy of Nike:

The Nike strategy is totally customer centric that is built on exclusive experience through differentiation. They offer shoe wear for professional athletes and for leisure seekers.

As far as their promotional activity is concerned, Nike endorses athletes, teams, and amateur to promote their products to both genders. .

The consumer culture offers Nike new opportunities and creates different value mechanisms for its offering.

Ferrell & Hartline (2012) are of the view that the consumer culture is the defining factor that helps Nike to maintain its iconic status globally.

The financial performance from different geographical regions is distributed and it becomes simple to execute the exact strategy for a particular target market.

In order to cater to the precise need of the customers, Nike has launched the 'Nike ID' website that offers customized solution. The customer can order footwear in accordance to their preferred specification.

The aforementioned example signifies that as the customers demand grows, an iconic brand like Nike also needs to create different experiences for their customer segments.

Another important goal of marketing is to position its brand towards the lifestyle segment. The identity and image that is required for effective brand positioning can be represented through the swoosh slogan of Nike which is acknowledged to be the most esteemed symbol.

According to Ferrell & Hartline (2012), the behavioral positioning is also a vital strategy that offers Nike new segments to conquer. For instance, Nike associates attitude and no holds barred approach to stimulate the younger customer segment.

At the same time, the brand also infuses distinctive style, which is a critical unique selling proposition.

The intangible elements that Nike offers to its customers increase its value proposition. It also adds a strategic dimension to their strategy in closely

understanding the manner in which the customer feels and thinks about Nike and its offering.

A very important element for an iconic brand is to reveal to the customers that it is authentic and not creating excitement for selling.

The adage 'first impression is the last impression' is true for an iconic brand and Nike leaves no room for blunder that can have a detrimental impact on its hard earned brand equity.

In this respect, as the view for a specific brand gets better with time, the customers naturally start showing confidence in it. This confidence is depicted through the sales volume and the market share of the iconic brand.

Communication is an integral element of the Nike business strategy. Every medium of communication is duly exploited by Nike to attract the bigger segment of the society.

With the emergence of the social media, Nike uses it to full effect to constantly communicate its message to diverse customer segments.

The web strategy of Nike is also pivotal in updating the modern day customers about its offerings and promotion.

The web strategy is more powerful in reaching out to the customers and understanding their needs more closely.

Marketing Execution and Results:

The marketing execution of Nike is based on creative themes that can connect the customers with the brand. As Nike infuses passion, it is fundamental to understand the individual psyche of the customer.

Celebrity endorsement has been the hallmark of Nike marketing strategy. By

making a celebrated sports person as the voice of the brand, the functional and emotional attributes that Nike desires to inculcate becomes easy to realize.

The ' Air Jordan' campaign featuring celebrated basketball player Michael Jordan is a good case in point when a brand can incorporate the expertise of the brand with the skills of the celebrity.

This is one of the reasons that Nike utilizes sports celebrity to a good effect in promoting its products. For that reason, when people have identical values, the relationship becomes sustainable and reliable.

The critical part of their marketing strategy is to induce the customers to view Nike as a reliable brand, which makes brand recognition effortless.

In addition, the paradigm of influence that celebrities can enforce is limitless.

Therefore, people look for role models in their lives and sports people are viable in enhancing the value and presence of the brand (McDonald, 2012).

People in the society especially a sports person embrace branding impressions. On the other hand, the most intricate task is to create a relevant fit between the brand and the sports person. Nike associates itself with winning and endorses celebrated successful athletes and teams.

As the celebrity sports person becomes an attractive source, the credibility of the products gets elevated.

The price charged by Nike can be considered as bit higher, but it is the loyalty effect and the personal association with the Nike brand that consumers pay little attention to the price. This allows Nike to rigorously pursue the push strategy is stimulating sales.

The distribution strategy of Nike also utilizes several channels for their

various brands. As globalization has made easier for brands to display their products to the wider audience, Nike employs different channel strategies in different geographical locations. The foremost distribution channel is the Nike outlets around the world.

Since Nike produce imaginative concepts to attract the imagination of the customers, a distinctive promotional activity is essential to leverage the use of technology into the brand experience.

The prime example that can be given is the Nike+iPod Sport Kit orientation in collaboration with Apple. This campaign evolved the Nike experience to a completely new level where a sensor in the left shoe reveals the exercise data wirelessly to an iPod.

This strategy was unique, creative and at the same time focused totally towards the customers. Cendrowski (2012) reports that the partnership between Nike and iPod was extremely successful; currently five million runners keep track of their workout through the Nike+iPod Sport Kit product which quantifies the success of this strategy.

In addition, this strategy by Nike has strategic implications attached. For instance, the digital strategy would become more efficient and would draw in more customers at the Nike platform.

Conclusion:

Icons are present in every society. These icons are reinforces the values that dominate a given culture. However, there are specific aspects that describe what exactly constitutes an icon.

Brands are just like human being. They talk with the customers and requisite

a response. This is the notion of iconic branding. The capacity to give life to a brand that can articulate with the customers in a befitting manner.

Nike is considered as an icon brand. The foremost reason is its ability to be recognized by everyone. This is manifested by the admiration and esteem that Nike enjoys all round the world.

The foremost element of being considered as an icon brand is to consistently add value in the lives of the people. Nike has successfully differentiated from other brands and the identity parable that Nike proffers is of exceptional value.

At the same time, the objectivity that the iconic brand reveals is the most critical factor for its success. Therefore, through association with Nike, customers associate themselves with winning. As a result, the symbolic transfer of the brand values is in conformity with its functional benefits. This is a natural inclination to achieve big things in life. A brand of the magnitude of Nike is offering value to the customers; therefore, the price of the brands becomes inconsequential.

In this regard, Nike targets a wide variety of customers who can satisfy their intrinsic need of uniqueness.

Additionally, the attraction paradigm of an iconic brand like Nike is enhanced due to its ability to leverage the needs of the diverse customer segments.

The goal of Nike is to create a fit between the perceived quality and the actual quality for the consumer.

Through endorsement of its brand, Nike elevates the expertise of the customers and lives to its promise. Finally, the iconic status of Nike is still

evolving which is a testimony that the brand strives for consistency and is not leaning heavily on its prior performances.

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