

Customer behavior assignment

[Business](#), [Marketing](#)



Executive Summary This assignment will mainly discuss about three important topics which include the company, product and target market segment of the Nike. We would briefly discuss about Nike and the selected product's background. In the other hand, analysis and examination on Nike's advertisement, symbols and message would also be done. A study would also be carried out on the personality and self of the brand and product. We would examine how Nike's product personality can affect the customer buying decisions and how will it link to the customer self-image.

Besides that, a research of the target market segment and consumer analysis which states the criteria, profitability and changing customer environment of Nike would also be included in this assignment. Lastly, we would study about how geography's and lifestyles affect Nike's product usage.

Introduction We have decided to use Nike as our research company in this assignment as Nike is one of the most heavily advertised and best known brands in the world. There are about 190 countries worldwide which are selling Nike products now a day. In the other hand, they are also the leader maker of athletic shoes, equipment and apparel.

Thus, we are interested in finding out whom and what are the customers behaviors of Nike's target market segments. In the other hand, we are also keen to know about the advertising strategies, symbols and message used by Nike to obtain a distinct and clear position in the mind of their customers. A distinct positioning is important in helping Nike avoid threats from their competitors like Adidas and Puma. (Sarah Elan N. D) **Background of Company Nike** Nike was first started by Bill Bowerman and Phil Knight in

1957. Nikei has already sold 1 , 300 pairs of Japanese running shoes grossing \$8, 000 In the first year.

The logo of swoosh was designed by Carolyn Davidson and first used by Nikei on June 18, year 1971 and register with the U. S Patent and Trademark Office on January 22, year 1974. Besides that, the famous slogan of Nikei, “ Just Do It” was first developed In the year 1988. In 1980, Nikei expended Its product line to encompass many sports and regions throughout the world. (Wisped 28 June 2013) Today, Nikei has continuously seeking new and innovative ways to develop superior athletic products and creative methods to communicate directly with their consumers.

Besides that, they have also expand In any new ways, Including strong growth In China and dealing to become the official sponsor of the National Football League beginning in year 2012. In the investor meeting in the June 2011, company Nikei had increased its fiscal 201 5 revenue target to a new range of \$28-30 billion, up from its previous target of \$27 billion announced In May 2010, In the future, Nikei will continue making necessary Improvements on their products and services provided.

They will continue their efforts in designing all sorts of creative and innovative items which fits the needs and wants of the consumers in the future. In the other hand, Nikei will also bring in a lot of new technology Into their manufacturing. We believe that Nikei will still remain as one of the most famous sports brand and continue contributing for the athletics and sports lover worldwide in the coming future. For a lightweight cushioning

along with traction and durability. The mid-sole also provide enough durability to double as an outsole, dramatically reducing the weight.

Nike first introduced the Free concept in 2005 as a way of conjugating the principles and advantages of running barefoot to strengthen the feet and legs with the retention and traction of a training shoe - in a lightweight package. (Erroneousness N. D) Increasing frequency of coaches and podiatrists are suggesting runners to include barefoot runs to their running schedule. The logic behind it is that the use of cushioned and supported modern running shoes, our feet are becoming lazy. We don't use our foot's muscles very efficiently because the shoes do it for us.

They correct our errors and even when we do put our foot the wrong way or with too much intensity - they take the shot on our behalf. The Nike Free 5.0 female running shoes has gain quite a good positioning in the industry as they are ere comfortable to be wear. From the moment customers step in the shoes and take a first walk the most common reaction is " that is the most comfortable piece of footwear I have ever worn". Besides that, the shoes can also naturally improve the consumers' running gait and strengthen their foot and legs muscles. In the other hand, the Nike Free 5.0 also has a nice design.

Its attracting appearance is designed to make consumers look good even when they are in sports. Besides that, the striking color of the shoes also makes consumers stand out and able to catch the eyeballs of others. Target Marketing Segment and Consumer Analysis A target market is a group of potential customers or sales lead qualified in fitting certain criteria. Nike

understands that they have to decide exactly who their audience is before any selling and marketing efforts are made as target marketing of the most effective ways to optimize their company's limited marketing resources.

Targeting a certain market helps Nikkei to use their valuable resources, I. E. Time, human resources and money in the most effective and efficient way while producing the most satisfying results. Target marketing is also important in helping Nikkei to maximizing their benefits gained. Benefit gained may include the generating better sales, earning additional revenue, gaining more customers' trust and forming a better relationship with them. Good relationships with the customers are essential to make them remain loyal and spreading the positive word of mouth to others.

In this assignment, we have decided to choose Nike's Free 5. 0 female running shoes as our research target. This shoe is specially designed for runners who are concern about the comfort, function and appearance of their running shoes. The target segment is made up by mainly female adults raged between 18 to 55 years. Besides that, this argent segment also has a sporty and outgoing personality. They enjoy spending most of their leisure time on outdoor activities like Jogging and running.

In the other hand, this group of people is also concern about the appearances of the shoes. They wish to look good even when they are in sports. This is because they believe that a good appearance could help them to boost up their confident and change the way people see them. There are certain essential criteria used by Nikkei when choosing their target market. One of the important criteria includes the segment should be identifiable and

measurable. Demographic, psychological and behavioral characteristics are some of the key ways to identify and access segments. Lifestyle factors include analyzing consumers' activities and interests to understand buying patterns; and behavioral characteristics include data about how, when and where customers buy certain products. Measurable and identifiable segments provide information on the marketing investments required for each segment to achieve sales and profit objectives. In the other hand, the target segment should also be accessible. Accessibility ensures that a marketing campaign is able to target a segment's consumers effectively. Marketing actions should be concentrated for maximum impact.

For example, specific television programs, direct mail and other media might be some of the communication and distribution channels Nikei can use to reach its target consumer segments. Nikei has chosen to serve the female adult segment as they are able to bring high profitability to their company. Profitability factors include size, growth, competitive position and resource availability. Nikei has chosen to focus on the female runners as this market segment is large enough and still continuously growing. More and more females now a day realize the importance of doing sports to maintain their health.

Thus, the demands for good functioning female running shoes are continuously growing. Nikei found out that this market segments could be profitable and decided to focus on them by creating and launching all sort of different female running shoes which will fit the demand of the market.

Customer environment (including micro and macro environment) are

surrounding factors that will have a direct impact on the company's business operations and success. Micro environment factors include the company, suppliers, marketing Intermediaries, customers, competitors and publics.

Nikkei understands the aim of their business is to create and retain customers. Hence they always closely monitor and analyze the changes in their consumer tastes, preferences and buying habits to adapt to rapid changes. As an example, the customers recently are more attracted to striking colors. Thus, Nikkei will come out with more color choices to meet the customer's preference. Besides that, Nikkei also studies their competitions to remain competitive. It is important for Nikkei to understanding its own strengths and capabilities in a particular business while also studying their competitors.

They should understand what their competitors (example: Aids, New Balance) are doing gently to come out with strategies and plans to avoid threats from competitions. In the other hand, the sub environments of macro environment include the technological, economic, cultural, political, global and demographics environment. The economic environment determines the purchasing power in an economy. It is important to consider the effect of economic prospects. As an example, Nikkei has decided to hold some sales and promotions activities to boost up their sales during inflation.

In the other hand, the technological environment controls and literally transformed the way people think, work and relaxes. As an example, people now a day rely on their computers and smartened more. Thus, Nikkei decided to promote their products through online methods to attract more

eyeballs. Advertisement Analysis Nikei has a notable presence in almost every sport venue, with many famous sports figures supporting the brand. Recently, the company has worked with Apple Inc. To personal project for the purpose of posting consumer's Nikei+ running stats that they are proud of.

This plugging can be used for individual or team sites that want to post their collective numbers. This invention is to encourage more people to start running. Nike's ads are concentrated not on the product but on the person wearing the product. By employing personalities that inspire hero worship among consumers, Nikei creates an appeal that stemmed from the desire to emulate heroes. As an example, Nikei has used Tiger Woods in their recent advertisement with the message of 'Winning takes care of everything'. In the other hand, Nikei has also maintained a very strong brand image through sponsorships and sporting events.

As an example, Nikei has just held the Nikei We Run KILL event recently. The aim of the Nikei We Run series is to provide a different experience for runners and encourage more people to involve in running. Besides that, Nikei has also used a lot of innovative advertisements that are dramatic and unusual in promoting their products. As an example, Nikei has used a bended shoe in their latest Nikei Free 5.0 advertisement to show that the shoes are very flexible and specifically designed to let the consumers move more naturally and freely than traditional athletic shoes. What comes across your mind when you see a "Swoosh"?

How about the phrase “ Just Do It”? A majority of people would probably associate them with Nike. In addition to creating great sportswear, Nike is also great in creating brand memorabilia through its brand identity. The brand name, “ Nike”, for example, is short and simple as well as catchy enough to attract consumers’ attention. Also, Nike has an easily recognized brand logo, the Swoosh. It is able to stand alone even when the word “ Nike” is absent. As for the brand slogan, “ Just Do It”, it is a call for action. According to the Center for Applied Research, it is one of the most motivating brand slogans of all time.

It has successfully created emotional appeal among consumers. There are many companies that sell quality athletic shoes and major components behind Nike’s success are not their products, but their successful branding strategies. The message it brings is Nike is the most valuable sports business in the world. Nike’s brand story is instantly recognizable. Its connotations include the feeling of achievement and the sense of endless human potential through sports. Rather than telling a simplified story like, “ We sell great shoes,” Nike’s branding extends far beyond its products. It says, success can be great. Just do it. Although the tag line is too, fundamentally simple, it is distinct in its meaning. No matter how Nike’s various advertising campaigns, marketing strategies, and products themselves have changed over time, that core meaning has been a consistent and integral element of their marketing. Nike doesn’t sell a product – it sells an emotional response to their brand: achievement. It appeals to the desire to be free, independent, overcoming all obstacles and social and

physical inhibitions and limitations Celebrities advertising appeal is the employment of celebrities to promote a company's products or services.

Nikei has been able to create strong brand image and preferences into consumers mind by using celebrity. Nikei found that product and brand choices of consumers are hugely influenced by the preferences and behavior of their beloved celebrities. This, Nikei signed up with a lot of popular runner like Steve Preparation, Tiger Woods and Lebanon James for their advertisements. (Answer N. D.) Nikei has a product image of energy and its success. Nikei uses a motivational type of language to inspire consumers.

No matter who you are, your hair or skin color is what you suffered physical or social life, what limitations, Nikei convince consumers that you can do this. It tells people to pick themselves up, seize the steering wheel of life and action. In the other hand, Nikei also builds their product image as a high performance, innovative, achieving and winning brand. Nikei emphasizes their product image in the mind of the customers by using the " Just do it" slogan. Although the tag line is fundamentally simple, it is distinct in its meaning. It gives their customers the feeling of achievement and the sense of endless human potential through sports.

Besides that, Nikei also gains a clear positioning in the mind of their customers using their easy memorized brand name and the " Swoosh" logo. These icons are so short and simple that is would be memorized and recognized by the customers easily. (Westbrook 28 June 2013) Personality and Self Brand personality is an expression of the fundamental core values and heartsickness of a brand, described and experienced as human

personality traits. Therefore customers are more likely to purchase a brand if its personality is similar to their own.

Examples of traits for the different types of brand personalities are sincerity, excitement, competence, sophistication and ruggedness. (Investigated 2013)

Sincerity means speaking and acting truly about his or her own feelings, thoughts, and desires without hiding. (Wisped 26 June 2013) Examples of

sincerity include down-to-earth, honesty, wholesome and cheerful. In the other hand, excitement is a feeling of great enthusiasm and eagerness.

Examples of excitement include daring, spirited, imaginative and up-to-date.

Company has to be adventurous and willing to take risk and produce more creative and innovative products for their customers.

Competence is the ability in doing something successfully or efficiently. A brand which is competence should be reliable, intelligent and successful. Its

product must be in good quality and performance to gain the trust of their

consumers. Besides that, sophistication is the quality of knowing and understanding about things such as culture, fashion and the modern world.

(Macmillan Dictionary N. D.). Company has to design the products to make

their customers feel charming and upper class when using it. In the other

hand, brands can also use ruggedness as their personality.

Most of the customers would wish to purchase goods which are high in

quality and able to last long. Thus, the company should ensure that

outdoorsy and toughness of their product is good enough to ensure that the

goods can still function well even in tough condition. Decision making is the

cognitive process of reaching a decision. Therefore, the affect of decision

making by customer is upper class and imaginative. If an upper class product's outlook is with a high quality but inner of product is using normal material like cotton, it will affect customer's decision making due to the material of the products.

Normally, company will release some advertisement of a product, with the advertisement, customer very hope to buy the product to be theirs, but unfortunately, the product that sell at market is different with the advertisement, company will be lesser and lesser and the annual sales will drop. Self image is the mental picture, generally of a kind that is quite resistant to hanged, that depicts not only details that are potentially available to objective investigation by others, but also items that have been learned by that person about himself or herself, either from personal experiences or by internalizing the judgments of others.

Affect of self image for customer is reliable and up-to-date. Reliable for customer is consistently good in quality or performance for a company. But if a company's outlet location are big different level like inside branded shopping centre and open as a normal shop that just beside a road, then the customer of this many will curious about the differences between the quality of the products. It will affect customer's self image when they decide to buy a product.

Furthermore, although the company's products are up-to-date recently, but not all the branch have the exactly same product, it will affects customer self image because if the customer are not that loyal in their company, they don't know that whether the product are latest or outdated. Hence, they will

band this company because the company didn't up-to-date their products for their branches. Chirography's and Lifestyle Chirography's can be defined as the study and grouping of people according to their attitudes and tastes.

According to our research, some of the customers of Nikkei have the habit of collecting Nikkei shoes. We normally call such people as a sneakers. They are a group of people who collects trades or admires sneakers as a form of hobby. Besides that, in this modern generation, consumer will think that fashion is one of the needs in their life. Thus, some customers will choose to purchase from Nikkei as Nikkei provides them with a variety choice of different design and colored shoes.

This segment might purchase from Nikkei Just because they like the hoe design or because they feel good when wearing branded shoes. In the other hand, there are also customers who choose Nikkei because of the comfort and function of the shoes. They choose to purchase from Nikkei as they believe that Nine's products are all high in quality and able to protect them from any form of harms and injuries from sports. Lifestyle is a way of life or style of living that reflects the attitudes and values of a person or group. A customer's lifestyle could also affects his/hers buying attitude.

As an example, a sneakers and fashion concerned customer is more keel to spend more frequently in Nikkei than the customers who loves outdoor activities and enjoys sports. The sneakers and fashion lovers enjoy collecting new designs by Nikkei while the sports lover pays more attention on the function of the shoes. Thus, the sports lover are more likely to spend only when their running shoes are torn while the sneakers and fashion lovers

spends more frequently (whenever Nikkei launches a new design) as they always want to be up-to-date and able to follow the latest trend.

Nikkei company think that cryptographic and lifestyle is important as they want to use their resources in the most effectiveness way. This will make the company save more cost (they will fully use the resources such as human resources, capital resources and financial resources) and time (they will emphasize on the customer cryptographic and lifestyle to direct design a suitable product for them) for produce the product, and will make more profitable in the market (already catch the customer produce the product.

Besides that, company only need to focus to produce the product that they already marked that will be popular to market, therefore they no need to employ too much of staff for producing, packaging and so on. (Keener Cherry N. D. Another reason that Nikkei company want to know customer's cryptographic and lifestyle is to build a good base for their company to implement relationship marketing program in future. Nikkei companies also want to have a long-term relationship with the customer (loyal customer).

Nikkei had provided the membership to the customer to retain them. They will get some special gift who had become their member. Besides that, Nikkei will organize some special promotion event for the member at some specific periods; Nikkei will launch out some limited edition shoes for the member to buy at the promotion price. Customer will feel that they getting aspect form Nikkei Company, and then they will more loyal and will not easily change to other brands. Loyal customer will not consider that how expensive to a product, they just want to support the brands.

Recommendation Some of the recommendations we would like to give to Nikkei include examining the impact of international expansion on their customer loyalty and brand integrity. As an international power, we think it can be difficult for Nikkei to build customer loyalty with the brand that has become so broad and expanded geographically all over the world. Besides that, we would also recommend Nikkei to concentrate on creating ore of domestic feel to their products and brand. Nikkei has long struggled publicly with activists claiming that they operate sweat shops with unsatisfactory working conditions in foreign countries.