

Nike marketing report

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



An Analysis and Evaluation of the Digital Marketing Strategies adopted by Nike Incorporated Table of Contents Executive Summary Introduction To Nike Main report - Use of Digital Branding Marketing Mix Examples of Nike's Digital Based Marketing Mobile Markets Pay-per Click and Search Engine Optimization Conclusion References The purpose of this report is to use concepts, models and theories to critically assess and evaluate Nike's digital marketing activities.

Within the report models such as the Marketing Mix and Sofas Matrix are used to demonstrate the importance of Nike's digital campaigns and evaluate their validity. The report begins with an introduction to Nike as a company; this is a brief history into how the company was conceived. After this we explore different product ranges Nike have to offer and their share within the sporting goods market. I go on to discuss how " Nike create an ecosystem" of digital services that complement its product range and encourage consumers to connect with the brand daily'(Oleander, S. 2012). I continue to use evidence to support the importance of digital based marketing at Nike. I demonstrate the way in which they target their specific markets using social networking sites such as Facebook and Twitter. My conclusion focuses on the flaws and achievements of the companies digital marketing efforts. Nike is a company that has an impeccable record when it comes to marketing and its reflected within the examples I present throughout. Using Sofas matrix model I assess what Nike will have to do to remain dominant within its market.

These include: - Diversifying into emerging foreign markets such as China and India. - Utilizing relationship marketing more effectively with marketing

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campaigns segmented to the consumers individually. - Market development within its pre-established markets - Product development to keep up with current digital trends Introduction to Nike As smaller companies are fading away and large multinationals are flourishing it's hard to think of them having any similarities. One company that boasts of being that largest sportswear company in the world, started out with humble beginnings.

I have chosen to analyze Nike due in part to their large online presence, which continues to grow and adapt to their ever-changing environment. The way in which we consume information has drastically changed in the last 20 years causing companies to rethink their marketing strategies. I believe that Nike's success as a company is due in part to Nike's effective use of marketing to create a strong brand image and its adaptability when faced with a digital revolution within the global markets. Track athlete Philip Knight and his coach, Bill Bowerman created Nike in 1964.

Originally called Blue Ribbon Sports, the company started as an American distributor of footwear made by Onitsuka Tiger, a Japanese shoe maker that would later go on to found the sportswear company NIKE. Originally Blue Ribbon Sports conducted their business out of the back of Phillip Knight's car after training. Knight's and Bowerman's business grew and 2 years after they had first created their brand they had opened their first store in California. This is when they adopted the name Nike, inspired by the ancient Greek goddess of victory.

This was the time they would also start using the iconic image of the "swoosh". After this point their business started to expand rapidly. It did so by

" Pursuing different advertising strategies in its various markets, while at the same time striving to communicate an identical brand identity worldwide" (Von Berries, 2004, pop) . In 1988 Dan Widen of the Widen and Kennedy advertising agency coined one of the most famous advertising slogans of all time. The Iconic " Just do it". The slogan has been chosen as one of the most iconic slogans of the 20th century by Advertising Age magazine. Nike: History and Heritage , 2012). Financially Nike has seen a massive growth from its humble beginnings of selling products from the trunk of a car to having revenue of \$24. 148 billion and a income of \$ 3. 040 billion in 2012 (United States Securities and Exchange Commission, 2011) Nike has been extremely effective at expanding beyond its domestic market of the United States to become a global brand that boasts 44, 000 employees worldwide. When it comes to the products produced by Nike it is clear that they have diversified slowly over the years to produce an extremely broad range of sporting goods.

Their range of products includes shoes, team kits, clothing and base layers to name a few. As a company they also produce goods for an array of sports including, ice hockey, track and field, tennis, football, lacrosse, baseball, basketball, and cricket. Like any other sporting goods companies they face many competitors within the market. These include Adidas, Reebok, Fila, Puma, New Balance, Asics, and Under Armour though Nike is the largest company within the group. Adidas is its closest competitor with a 16 % market share compared to 31% held by Nike.

Below: Google Trends Webmaster (2012) - [http://www. Google. Com/trends/explore#q= Nikkei&gprop= froogle&cmpt= q](http://www.Google.Com/trends/explore#q=Nikkei&gprop=froogle&cmpt=q) As seen in the diagram above from Google trends the web searches for Nike have seen a gradual increase from 2004. The idea of brand identity that Nike pursued was extremely important to their worldwide success as a company and has led to them " truly evolve into a marketing behemoth" (Goldman, R. Passion, S. , 1998, up). Their use of digital marketing in the last 10 years is instrumental to them having survived the financial crisis and carried on as market leaders.

This leads to the question, Are Nike market leaders in the digital age due to their embrace of modern digital marketing methods? In this study I will be critically assessing Nike's use of digital marketing. Use of Digital Marketing Nike uses an extremely broad range of electronic platforms in order to market but one thing is clear about their aim and that is to create a strong brand image. Nike's marketing strategy is based on their brand image and what it represents, a more premium and superior product. Nike have long prided on creating quality products that project connotations of quality to the consumer, in turn creating a stronger brand.

Interbrain, a branding consultancy, conducted a study in 2008 and established that the Nike " swoosh" was the 28th most popular brand worldwide, this is due to Nike's investment in marketing and furthering brand recognition. Studies conducted by Beech and Chadwick (2007, IPPP) suggest " Nike is immediately recognizable by the " swoosh" and there is no need for their name". A marketing plan is essential to companies as

diverse as Nike. They allow for the company to target their specific markets more effectively.

McCarthy (1964) marketing mix is an effective way of measuring and influencing marketing methods as it categorizes into 4 elements. Product - Nike offer a large array of premium sporting goods. They cater to large number of sports and are market leaders within most of them. Due to their recognizable branding the products not only offer quality but also they enable the company to become a symbol of quality within the market. Price - Due to the quality of Nike's product they are able to charge higher prices. This is due to the "association of their brands with successful sports or organizations".

Beech, J. H. , Chadwick, S. , 2007, IPPP). When online shopping started to pick up in popularity Nike created an online shop, buying online meant giving the consumers a larger selection (product) and competitive price. Promotion - As a brand Nike have taken up a large number of promotional campaigns using celebrities and sportsman. Some of the athletes sponsored by Nike include Rafael Nadal, Tiger Woods and Christian Ronaldo. There have been many online promotions of Nike products including their viral advert featuring many of the world's best football players in 2012. (Nike, 2012).

Place - Nike has been very effective at marketing to countries specifically depending on what sports are the most popular within them. For instance their marketing for European markets will be more football based whereas in the United States they may focus more on American football and basketball.

This is an example of target-based marketing used by Nike. From the digital perspective Nike has many platforms online from which it advertises including a website, Facebook and Twitter feed. Examples of Nike's digital based marketing One of the main tools in a company's digital marketing arsenal is their flagship website.

Nike's website is a bold marketing statement with a futuristic design layout as observed below. A model that company websites follow is the technology acceptance model. The perceived ease of use and usefulness are extremely important as an individual makes their mind up about a website almost instantly based on popular layouts or formats. Nike's simple design makes it instantly attractive to the consumer. The website integrates a store and allows the user to also purchase online directly from Nike. The reason a company website is so important is that it has become the main marketing platform for most markets.

The brand is represented in part by the website. According to Stefan Oleander, the vice president of digital sport at Nike the digital platforms are more valuable to Nike than their older counterparts. " Nike created an " ecosystem" of digital services that complement its product range and encourage consumers to connect with the brand daily. Nike Plus was an experiment, but good marketing is solving things for people, making things easier and helping people get better at what they want to do. If that works, you can turn it into a service, when it becomes a service it becomes a component of your business. The points made by Oleander (2012). Iterate the importance of Nike's digital marketing network. He later goes on to talk

about how easily accessible the markets are with digital platforms. " When you have millions of people that come back and reconnect with your brand multiple times a week, you realize that that connection is more valuable and powerful than any traditional pushed marketing messages. " "(Oleander, S. , 2012). One aspect of the website drew my attention for its applicability as an example of social media integration. As social media is becoming more of a marketing aid websites are integrating in order to create an easily accessible digital marketing network.

This network is then used to target more specific advertising to individual consumers. Facebook is considered the main platform for social media in 2012 and is becoming more important to businesses too. As seen in the screenings of their website above Nikei have many different marketing campaigns on Facebook at any given time. Their main Facebook page has over 11 million likes next to Nike's 10 million. This shows the importance of using these types of social communication models. The large numbers of people that like a Nike's page receive regular posts on their newsfeed of the various campaigns the company is advertising.

This is an extremely effective marketing tool as it blurs the line between advertising and social content. Their Twitter feed is also another way in which they can market to potential customers. Twitter utilizes the simple idea of sharing online whether it be a picture, video or text and the consumers viewing the content on their mobile devices. As the smartened market is showing an increase in sales the mobile markets also increase as more potential customers are added to the mobile network. Social networking sites

have created an easy platform with which to target consumer segments based on age, socioeconomic group and geography.

This coinciding with the increase in smartness sold has led to marketers being able to target consumer segments at the palms of their hands. Nikei has numerous downloaded applications on both the android and apple markets. PC and SEE Other platforms that are used by Nikei that may not be at the forefront of the public eye include the use of pay-per click advertising and Search Engine optimization. Pay per click advertising is the service search engines provide to put links on the search results to shops or services. An example of pay-per click is below.

The yellow section of the page is advertising that Nikei pays for. Search engine optimization is another important tool used by digital marketers. Nikei clearly uses this tool as it is the first website to come up though there are many other sites related to their products. By looking at the various online platforms that Nikei uses it is clear that their online marketing strategies are a high priority for them. They cover an extensive ground of platforms and spread their strong brand image effectively. Nations Matrix (1979) is an effective model to use when analyzing areas of growth.

Product Development - Relationship marketing is becoming increasingly popular and effective as our online information is being shared. By appealing to the consumer's personal preferences marketing campaigns can be tailored to be more effective. Nikei has been using relationship marketing effectively through its use of email advertisement based on purchase history in the Nikei store. New Markets - Though Nikei have the largest market

share they are still not fulfilling their potential in markets such as India and China. The diagram below shows the number of searches for Nike done around the world. Google Trends Webmaster 2012)- [http://www. Google. Com/trends/explore#q= Nike&gprop= froogle&cmpt= q](http://www.Google.Com/trends/explore#q=Nike&gprop=froogle&cmpt=q) The importance of these emerging markets should be a top priority for Nike as they embark on spreading knowledge of their brand. Market Penetration - " An increase in relationship marketing and market segmentation to increase consumer satisfaction" (Mulling, B, J. , Hardy, S. , Sutton, W, A. , 2007). Consumer segmentation will play a key role in marketing with the rise of the Internet. Customers are more effectively segmented now using their online profiles. If Nike wants to stay at the top of their market they will have to adapt to their nonusers needs more specifically.

Market Development - The Olympics was extremely effective way of developing a stronger global brand image. A recent example of Nike's market development Strategies was seen when London hosted the Olympics. " Nike's campaign is clearly designed to cash in on Olympic fever and get one over on arch-rival Adidas, which has paid tens of millions of pounds to be an official London 2012 global sponsor. " (Nike Plots Ambush Campaign, 2012, Para. 3.) Diversification - Nike will have to diversify in the coming years to stay at the top of the market. This will include entering new markets and advertising more effectively.