

International business
management report
nike marketing essay



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Nike is an American multinational company which operates in the area of footwear, apparel, accessories and services. Nike being a Fortune 500 company, and its headquarter is situated near Beaverton, Oregon (U. S. A). Nike is the world leader in the segment of athletic shoes and apparel. Nike revenue in financial year 2012 is over US\$24. 1 billion. As of 2012 Nike employed more than 44, 000 people worldwide. Nike is one of the most valuable brand among sports business.

Nike has the production units across the world but most of its products are manufactured in Asian Countries like Thailand, Vietnam, Pakistan, Philippines etc. Nike also outsourced its products through vendors across the globe.
(Frank)

History:

Nike was founded on January 25, 1964 as Blue Ribbon sports by Bill Bowerman and Phill Knight and officially became Nike on May 30, 1978. The company took its name Nike from the Greek goddess of victory (Frank).

Nike has the trademarks: “ Just do It” and Swoosh logo.

Nike in its earlier days operates only in USA but later they started exporting their products to the rest of the world. Now a day’s Nike holds its present in more than 100 countries across the globe.

Products and Services:

Nike is the world leader in the segment of athletic footwear & athletic apparel in the world.

Nike provides the complete range of products for Men, Women, and children. It also provides the shoes for the outdoor activities like golf, basketball, wrestling, cycling etc and apparel for various sports and outdoor activities.

Key Competitors:

There is a fierce competition in the segment of athletic footwear and apparel. Apart from Nike many multinational and regional companies operate in this segment. The most renowned competitors of Nike are: Adidas, Reebok, Puma, Fila, Converse etc. There are many regional competitors as well in every country in which Nike operates (Dusen).

Strength And Weakness Of Nike:

Nike is the world leader in its segment, in USA alone Nike holds 47% market share. But to maintain its lead over the competitors Nike develops some Strength which is as follows:

High Quality products.

Innovative marketing strategy.

Unique R&D wing.

Brand recognition.

Strong distribution channel

Effective production capacity.

Ability to innovate.

Customer loyalty.

But like every other firm, Nike too has some weakness as an organization.

Some of the most commonly talked weakness of Nike are:

Dependency on overseas manufacturing units.

Decreasing market share.

Less control on manufacturing vendors across the world.

High price as compared to its competitors. (Dusen)

Nike Key Criteria to decide its International Expansion:

Nike is a global company and wants to increase its footprints across the globe. Nike has the desire to become the pioneer company in the field of footwear and apparel. In doing so Nike has to increase its reach across the globe. But Nike is very cautious when it comes to enter into a particular country. Nike does all the research about the market, country, people etc. and then takes a decision accordingly. (Frank)

Nike is very focused and clear when it comes to global expansion, because every time when a company does an expansion many factors comes into the play.

Nike examines three sectors closely when it comes to global expansion. The three sectors are:

Economic Condition of the country.

Social values of the country.

Political culture of the country. (Dusen)

Nike Nation:

Nike nation a new innovative marketing strategy used by Nike. Nike plan to enter into various markets across the globe and for doing this thing successfully, Nike developed a new marketing strategy called “ Nike Nation”. Nike decided to open Nike sports center outlets across the globe where customers can go try the latest products of Nike. These outlets are one of its kind, these stores are the brainchild of Nike Creative marketing team. In these outlets any customer can go any time and try the product according to its needs or even try the latest offering of Nike. If customer liked the product they can buy the products from the outlet. The unique thing about these Nike outlets is that they are available across the world and customer can access them easily where ever they are, with one membership card which is globally accepted. Anyone can go to any sport center outlet across the world, try the Nike products and get discounts by just showing the global membership card.

The global membership card is unique in the sense that it can be accessed across the globe and customer gets the same amount of discounts and price across various countries.

Every customer gets a distinctive ID card whenever they go to any outlet and they easily access the additional services provided by Nike on the same card across the world. (Dusen)

Critical Assessment:

This offering of Nike must be launched through the world because it will create a distinctive image of Nike in the mind of the customer. It will help the Nike to create its brand positioning more efficiently as compared to its rivals.

It is a very unique concept that can create the rage among the buyers across the world. To achieve its targets of global expansion, Nike must go ahead with this concept across the globe. Nike sport center is a very innovative thought that will definitely bring the fortune for the Nike.

Nike is a multinational organization with a global presence in over 100 countries and to firm this identity, Nike has to do something innovative and sport center concept is one of its kinds where customers can access the Nike products through various center with the same quality and services across the world. It will definitely enhance the global brand image of Nike which ultimately results in more business and market share globally.

So it's recommended that Nike must follow this concept on a world scale and not restrict it to a particular country. (Frank)