

Analysis on nike and feasibility of imc plan marketing essay



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Executive Summary

Marketing processes as we are conversant with are an integral part of any organization and its undertaking. The sole purpose for any given business organization is to produce products and services so that they can be sold in the market and reach the consumer. Marketing is one of the processes undertaken within the organization at the operational level with a purpose. Strategically speaking, any form of marketing has its own benefits and limitations. However, in the current scheme of things, we can reason herein that marketing endeavors of corporations have undergone tremendous change at all levels. There are also various tools and marketing tactics that organizations exploit for the sole consideration of befitting organizational processes and their marketing endeavors.

The purpose of this report is to discuss the central theme of 'IMC Plan in a major organization' and to link it with the concepts and theoretical meanings of the subject. We are of the opinion that the concept of integrated marketing communication is hugely practiced amongst marketers for the sheer element attached to it. But what are the IMC processes at play concerning Nike? For that reason, this report also attempts to analyze the many features and meanings of IMC and its various tools that are at play. Besides, Nike is also considered as the organization to comprehend upon the realms of IMC and its meaning and how far the company's IMC has been effective on a global scale. Besides, the report in parts also accumulates the very essence to reflect upon the entry of Nike in UAE and to identify the features of IMC at play in UAE undertaken by Nike.

Introduction

The concept of integrated marketing communication can be understood as a discipline of marketing communication and its planning that integrates the comprehensive values of marketing tools to the advantage of the organization and its marketing endeavor. To top it all, the practice of integrated marketing communication also helps companies and marketers to come out with a comprehensive and strategic outline of marketing and communication strategy that is often believed to provide clarity to messages, as well as clarity and total impact of communicated messages that is seamless. (Yeshin, 1998, p. 68)

Thus, we believe that the basis for any marketing endeavor that corporations undertake is to create a value chain internally and externally for its products and services. The creation of value chains thus requires a comprehensive integration and practices of marketing channels that is seamless across boundaries and to some extent the use of comprehensive marketing tools and communication forms.

Objective of the Study & Issue in Consideration

There are innumerable issues when it comes to the factor encompassing integrated marketing communication. One of the probable issues to be identified can be looked in respect of the following:

How has mass media contributed to the factor encompassing Integrated marketing Communication?

Does the factor attached to the changing aspects of communication in the current scenario have its influence on the factor encompassing how integrated marketing communication is carried out?

How can the vital tool of integrated marketing communication be linked as one single force for the overall communication process?

How does visual communication tools contribute toward the marketing objective of any companies in today digitalized era?

How advancement in technology and literacy amongst consumer contributed to the growth of integrated marketing communication?

Is there any parity for instance when it comes to information being made public related to products or any matter thereof that are communicated by marketers to the public?

What are the challenges after all the faces marketers in an era of digital surrounding, and how far perception of consumer can be formulated into marketing plan through bits of information's available at random?

What has the internet and other forms of mass media and its medium contributed to the growth of integrated marketing communication?

The objective of the study is to link the analysis to the many aspects of integrated marketing communication. It would also beneficial we assume to come out with an integrated marketing plan for Nike when we look to the above issue in contemplation. The purpose of this work is to identify the meaning of integrated marketing communication for the purpose of this

study. Besides, underpinning the SWOT Analysis of Nike Corporation also would be helpful. To top it all, identifying the marketing communication strategy of Nike for whatever reason also can be beneficial, as well as reflecting upon the tactics and actions programs and how these contribute to the essentialities of integrated marketing communication. However, before we go ahead will analyzing some or part of the issue and the analyzing the SWOT of Nike, we feel that it would be more than prudent to outline the company also, which is discussed below.

Company Overview: Nike

As we are conversant with the many advertising related to Nike, it is being observed that the primary undertaking of the company and its operation is focused on high end sport shoes and kits. Fact of the matter is that Nike origination in the global world today and its historical background also links with the business idea of its founder Phil Knight who way back in 1960 had a dream about designing and selling track shoes. From that very time, the idea of its founder paid dividends. (Frisch, 2008, p. 6) The story of Nike and its beginning is interesting indeed to note given the modest nature of its founder and how he made his ambition and dream a reality.

The foundation of Nike and its trademark logo started when Blue Ribbon Sports sold part of the company shares and began manufacturing sport shoes with Nike Logo. It was in 1971 that the overall concepts of the business plan were nourished between its founder Phil Knight and co-founder Bill Bowerman. It was only in 1972 that the company was founded and officially went public in 1980. (Nike)

Since its foundation and establishment, the company today boasts of 36,000 employees worldwide. With its headquarters in Beaverton, Oregon, most of the company's operations also are carried out from here, which boasts of almost 7,000 employees in its headquarters. As per the company information it says that Nike's revenue for the year 2010 was calculated at \$19 billion. (Nike)

From this brief overview, we wonder as to how Nike has enabled itself today to be amongst the global contenders in its industry. Thus, the attempt of this work overall also is to identify the features of Nike's integrated marketing plan, which we assume is the factor that has contributed towards the growth of the company in full or in parts. It would be helpful though to understand the meaning of integrated marketing communication also, which is detailed below.

The Meaning of Integrated Marketing Communication

What is the meaning and origination of integrated marketing communication and its concepts overall. As it goes with any other companies across the globe, they understand that a sound relationship with consumers in the market is important. Marketing and its functional aspects thus in any form is a measure to bridge the gaps between consumers and a manufacturer. It is here that integrated marketing communication also comes into play. The idea of integrated marketing communication was something about new forms of marketing undertaken in today's competitive world. Far from traditional marketing, integrated marketing communications have raised the bar for companies to benefit directly from its effective undertaking and practical approaches.

The American Association of Advertising Agencies defined integrated marketing communication as a concept of marketing communication planning that recognized the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, namely - sales promotion, public relation, general advertising and the like. The combination of these disciplines forms the very essentials of integrated marketing communication as a means to provide clarity, consistency and maximum communication impact. (Percy, 2008 , p. 5)

Thus, what we can derive out of this definition is that integrated marketing communication is a comprehensive marketing undertaking that helps the basis for consumer to communicate and build relationship with consumer in the market directly or indirectly. For that reason we feel that integrated marketing communication is a vital for organization and how well its place itself in the communication platform and on the global chart.

Nike: SWOT and Market Analysis

Strength

One example of Nike strength can be looked in respect of its IMC undertaking in the forms of sponsorship and the like which have been very effective for the company. Nike strength lies within its competitive nature to business operation and all forms of management. Besides, Nike is also a lean organization. The company does not own any factories, and its research and development is also very strong. Innovation has been the contributing force of research and development. Products also are of high quality. Above all

these, Nike is a global brand. Besides its logo is also has taken the world by storm, which we can see almost everywhere and anywhere. (Anonymous)

Weakness

Despite their strength in IMC, and research and development, Nike weakness for that matter can be looked in respect of their business dependency on footwear products. The vulnerable factor in that regard is clear. Moreover, retail sector is also very sensitive to price changes. Dependence on retailer also posed an instance of less customer direct experience. (Anonymous)

Opportunities

The global business world is a venue of opportunities. The brand of Nike itself can be seen as to where opportunities apply to it. Most of Nike products also are a hit with youth in all culture, and not limited with sportsmen's. Opportunities also can be looked in respect of new product in the segment of sport wears and accessories. Besides, given its brand and its reach, global business of Nike is more than an opportunity itself. Brand promotion through sponsorship in big and major events such as soccer world cup and Olympics also is an opportunistic venue for Nike. (Anonymous)

Threat

Every business has their threat from the business environment or rival competitors. International business has many uncertainties. On the economic and financial front, factor such as cross cultural marketing and currencies and exchange rate often posed a threat in term of business. The industry is also very competitive. This means that Nike have to stay tuned at all time.

Threats from competitors also posed many dangers. These are some of the threat related to Nike. (Anonymous)

Market Analysis

Nike sales figures for the year 2010 stood at \$9 billion. However, we feel that sales figure have diminished when analyzing the sales figures in the last one decade, starting 1990 to 1999. Below are the sales figures:

<http://condor.depaul.edu/aalmaney/Image4.gif>

Source: (<http://condor.depaul.edu/aalmaney/StrategicAnalysisofNike.htm>)

According to this figures, we can say that Nike sales have decreased.

Although it is very unlikely to say that its market cap also have fall.

As per report in the media, it is said that Nike annual Budget for advertising alone stood at \$2. 5 million. This is somewhat a huge amount for advertising.

Marketing Communication Strategy for Nike

Marketing and its medium as we have stated earlier is an integral part of an organization. Organization through their marketing and communication make the best means to reach consumer in the market with intuitive and attractive features.

As reported in the news media, it highlights that despite the traditional marketing and communication in sports, which still holds a ground of representation in Nike, endorsing such as that which is the case of Michael Jordan is one example as to how effective Nike endorsing can benefit the firm in the long-term and short-term. Nike as we are aware, have always

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been at the frontline of marketing undertaking. Sponsorship, endorsing of star sportsmen's and bridging their communication in the most ready environment that is freely accessible to consumer in the market have contributed to the coffer of the company. (Businessweek, 2004)

Nike since its foundation days have underscores all forms of marketing and communication realms. It would be correct to say that integrated marketing communication of the company is way above the boundary of new age marketing endeavor.

Marketing Tactics and Action Programs

Marketers are very much aware that advertising is not the result of sales. Secondly, advertising also does not create sales. These are the fact from the fallacy of all marketing and advertising. Advertiser are often very clear with the facts and figures, yet, they endeavor towards advertising simply as a factor to reinforce current customers, locate new prospects, position the product competitively and build brand equity and most importantly stimulate demands. Above all, the practicality when it comes to advertising is to influence perception by informing, persuading and reminding consumers in the market. Besides, advertising also affects sales. (Arens, 2006)

Thus, from this point we learn that advertising in context of IMC and its marketing tactics and action programs is a measure undertaken to persuade and convince consumer and buyers through communication in all available forms.

Tactics

According to scholastic point, tactics related to IMC can be looked to the variable of IMC mix, namely:

Advertising

Branding

Cyber Marketing

Direct Marketing

Personal Selling

Sales promotion

Publicity and Public relations. (James R. Ogden, 2009 , p. 39)

The tactics used by Nike also is no different. According to media reports, Nike today have come of age and understood also the value of sustainable marketing and advertising.

Message

When we look at Nike statement “ if you have body, you are an athlete” (Nike) this message has a long way to go and to register directly with most athlete and consumer across the globe. This is one example of Nike marketing communication.

Besides, message such as “ Nike: Just Do It” also register hugely with followers across the globe.

Media

Digital media and its use is known to have been at the heart of Nike marketing communication. Its website is one example, where media is at full play. When we analyze the feature of Nike tactics and action programs related to marketing, we can see that their strength have been through an intuitive content and graphics that appeals consumer. The evolution of Nike marketing did not take that long since the ' Swoosh' sign was selected as a logo by its co-founder.

Budgeting

High price have always been a concern when it is related to marketing Nike have admitted. Director in the company also feel that relying on TV commercial have cost a whole lot of dollars for the company, since it involves paying advertiser huge amounts. It is estimated that Nike annual advertising budget is nearly \$2. 5 million. That's a huge amount by any reason. Yet there is all the feasibility when going ahead with such a budget related to advertising and all forms of IMC. The value of such budgeting also is a measure taken by the company that is aimed towards global reach. (Scott)

This is what really happening in Nike, and the budget of \$2. 5 million dollars rings an alarm bells for the company we assume.

Evaluation

Demands for products of Nike also are impressive to note. Its popularity amongst all age groups for that matter also cannot be sided apart.

According to researcher it is believed that from 2003 to 2006 Nike US revenue from \$4.6 billion to nearly \$5.7 billion. The annual sales were calculated at 7%. Advertising budget of the company also rose to \$678 million during 2003 to 2006. Thus, in all essence, we can conclude from our evaluation that adverting through digital media and investment in Nike own website as well as promotional activities, and events sponsorship have been the biggest grosser for Nike. (Christopher Vollmer, 2008 , p. 4)

From this brief, we learn that market demands for Nike products have increased many folds, all of it can be looked in respect of its brand IMC, in the form of digital communication tools that are used such as website, and effective contents that is at play during promotional and the like.

The recent development shows that Nike is more into sustainable adverting, such as creating a mash-up by using their old content to create a new meaning and to communicate with the readers. Thus what Nike have taken into consideration is to limit its advertising cost, and to re-channelize and re-use content and New media Channels. (Scott)

As far as it goes with UAE, we have already mentioned that Nike made its entry in 2003. Its presence is very weak in UAE. Communication and advertising also for that matter is also weak. The first store of Nike was opened recently in Abu Dhabi. However, it has a long way to go till it reaches its optimal level. And demands for Nike products in UAE also have started to increase since 2010 states the report. (AmelInfo, 2010)

Thus, what we can finally conclude upon the facts is that Nike has recently also announced for sponsorship in UAE when it comes to the 19th Arabian <https://assignbuster.com/analysis-on-nike-and-feasibility-of-imc-plan-marketing-essay/>

Gulf Cup. (Anonymous, Nike Announces Key Sponsorship Support For ' Gcc 19') Hence, we arrive at an evaluation that Nike presence in UAE has started to gain roots. It is only a matter of time till it reaches its optimal best and features its competitive aspects in UAE market.