

KAEPERNICK CASE

Do you agree or disagree with Nike's choice of Colin Kaepernick as the face of its anniversary "Just Do It" campaign? Why?

Nike's decision to make Colin Kaepernick the face of its anniversary "Just Do It" campaign was a bold move that had both good and bad implications for the brand. On the one hand, the campaign resonated with consumers who supported Kaepernick's message and positioned Nike as a socially conscious brand. On the other hand, the campaign generated a lot of controversy, with some consumers boycotting Nike and burning their products in protest.

One potential negative implication of the campaign is the risk of alienating a significant portion of Nike's customer base. The company's association with Kaepernick, who is widely seen as a polarising figure, could turn off consumers who disagree with his message or his decision to kneel during the national anthem. Furthermore, the campaign could have potentially damaged the "Just Do It" tagline, which has become synonymous with Nike's brand over the years. By associating the tagline with a controversial social issue, Nike risks diluting its core message and turning off customers who are not interested in political issues.

Another risk for Nike is the danger of making such a campaign in a highly polarised political environment. Given the current political climate, brands need to be careful about taking positions on social and political issues. The decision to feature Kaepernick could have alienated conservative consumers, who may feel that Nike is taking a political stance that they do not agree with. Additionally, the campaign could potentially harm Nike's relationships with law enforcement agencies, who may see Kaepernick's protest as an attack on their profession.

However, despite these risks, Nike's decision to feature Kaepernick was ultimately a good choice for the brand. Firstly, the campaign aligned with Nike's history of promoting social causes and taking a stance on controversial issues. Nike has a long history of using its advertising campaigns to promote social justice, with campaigns addressing issues such as gender equality and police brutality. By featuring Kaepernick, a figure who has become synonymous with the Black Lives Matter movement, Nike is positioning itself as a brand that stands for social justice and equality.

Secondly, the campaign resonated with younger, socially conscious consumers, who are increasingly concerned about social and environmental issues. These consumers are more likely to buy from brands that align with their values, and by featuring Kaepernick, Nike is tapping into a demographic that is likely to be more receptive to its message and more likely to support the brand.

Thirdly, the campaign generated significant media attention and social media buzz, which can increase brand awareness and engagement. Even those who disagree with Nike's decision to feature Kaepernick cannot ignore the campaign, which has become a major talking point across the country. This increased visibility can lead to increased sales, as more consumers become aware of the brand and its products.

Finally, by taking a stand on a controversial issue, Nike has strengthened its relationship with consumers who support Kaepernick's message and positioned itself as a brand that is willing to take risks and make a statement. Nike has been able to remain authentic in its advertising campaigns, which is crucial in today's market. Many other companies have tried to make advertisements on politicised topics without success due to a lack of authenticity, but Nike has been able to maintain its authenticity by aligning its advertising with its history and values.

In conclusion, Nike's decision to feature Colin Kaepernick in its "Just Do It" campaign had both positive and negative implications for the brand. While there were risks associated with the campaign, including the potential alienation of conservative consumers and the dilution of the "Just Do It" tagline, Nike was ultimately able to position itself as a socially conscious brand that resonated with younger, socially conscious consumers. By remaining authentic and taking a stance on a controversial issue, Nike has strengthened its relationship with consumers who support Kaepernick's message and positioned itself as a brand that is willing to take risks and make a statement. This can lead to increased brand loyalty and positive word of mouth, as consumers who support Nike's message are likely to share their support with others.

Using the data in the case and its exhibits as input to your decision, has the use of Kaepernick been a positive or negative thing for the brand? Which metrics are most/least useful in determining your answer to this question?

As stated in the case, in a month the campaign reached 80 million views on Twitter, Instagram and YouTube. Mentions of 'Just do it' exploded by more than 3460% from September 2-4, accumulating more than 400,000 online mentions on September 4th alone. It has been estimated that Nike reaped buzz worth \$163.5 million in value. Nike also gained around 170,000 followers on Instagram alone in the wake of the campaign.

Therefore the resonance of the campaign has been huge.

To understand if the campaign has been beneficial or not to Nike's brand we have to analyse multiple KPIs.

A poll on Twitter with 35,000 participants showed that 29% said they were more likely to buy Nike products and 21% said they were less likely to buy Nike products, while 50% wasn't affected by the campaign.

This poll despite looking good, since there were more people positively affected than negatively affected isn't much indicative. Indeed we don't know which are the characteristics of the people that expressed a positive or negative impression. Indeed an opinion expressed by someone who's in the target audience, is likely more relevant than an opinion of someone that is outside of the target audience. The former indeed affect Nike's top line more than the latter.

In the short term we can see that the sentiment for the brand fell from 90% positive to about 30% in the following days. This measure despite looking very badly for Nike has two potential flaws that could undermine its reliability.

Firstly, the sentiment shows the first 4 days after the campaign has been published which isn't a big enough dataset to express a judgement on the campaign effect on the brand in the medium/long term. To add on to that, it seems like there is a positive trend in the positive sentiment in the 4th day after the campaign.

Secondly, when a highly controversial event is discussed on the internet the people who have a strong negative opinion are more likely to express it than the ones who have a positive opinion.

Despite that it seems like in the short term Nike's brand has been negatively affected if we consider the general opinion.

As shown in exhibit 10, the favorability decreased among all categories while it decreased less intensely among Nike's customers. This shows that the doubts about the unreliability of studies with no or wrong segmentation are founded. Despite that, the favorability of the brand among the customers shows a worrying decrease, from 91 to 76.

The exhibit 14, gives an interesting intuition on why it is dangerous to judge the general sentiment towards a brand during controversial events on the internet. Indeed while the

online net sentiment sharply dropped from more than 20% to almost 0%, the offline net sentiment dropped from about 65-70% to slightly below 60%. This shows how the online sentiment is generally lower and much more reactive than offline customers' behaviour.

Furthermore, Nike's share of positive talks when compared with other brands increased. This shows how polarised the response has been.

The effect on the brand image has therefore been highly positive for a segment of the population while highly negative for another segment of the population. Overall, the sentiment towards the brand has worsened .

Was Kaepernick's story the right fit for Nike? Why or why not? Was Nike's story the right fit for Kaepernick? Why or why not?

Colin Kaepernick's story was a bold and daring move for Nike to align with, but it ultimately proved to be the right fit for the company. Kaepernick's activism on issues of social justice and racial inequality resonated with a large segment of Nike's core demographic, and the company's support of him helped to solidify its position as a brand that stands for something beyond just the products it sells. By taking a stand on an issue that was important to its customers, Nike was able to strengthen its relationship with them and deepen its brand loyalty.

However, it's important to note that Kaepernick's story wasn't a perfect fit for Nike. The decision to feature him in an ad campaign was a controversial one, and it was met with a backlash from some consumers who disagreed with his decision to kneel during the national anthem. Nike was taking a risk by aligning itself with such a polarising figure, and it's possible that the move could have backfired if it had been mishandled.

As for Nike's story being a good fit for Kaepernick, it's a bit more complicated. While Nike's message of "Believe in something. Even if it means sacrificing everything." certainly

resonated with Kaepernick's personal story of standing up for what he believed in, it's important to note that Nike is still a massive corporation that is primarily focused on selling products and making money. Kaepernick's activism is deeply rooted in his experiences as a Black man in America, and it's possible that his message could have been diluted or co-opted by a company like Nike that is ultimately driven by profit. However, Nike's decision to support Kaepernick and use its platform to amplify his message was ultimately a positive thing, and it helped to bring attention to important issues that might not have otherwise received as much mainstream attention.

What is the return-on-investment of the Nike/Kaepernick campaign? What evidence would you like to see if you were the company's chief financial officer (CFO)? What evidence would you like to see if you were the company's chief marketing officer (CMO)?

Even if the case doesn't provide enough data for calculating precisely the ROI, the return seems to be significant.

Nike's online sales grew 31% from the Sunday of Labor Day weekend through the following Tuesday. Almost double if compared to the 17% growth in the same period in the year 2017. Furthermore, if we compare the Nike and Adidas stock price performance during September, Nike outperformed Adidas. In the second half of October until the end of the year, Nike underperformed compared to Adidas.

While it is hard to assess the real impact of the campaign on the stock price, by observing the trend of Nike stock price in the first month after the campaign and comparing it to the S&P 500 and Adidas stock price, we can safely conclude that in the short run the campaign had a positive impact on the company.

After the campaign launch there are two main actors which will be constantly checking the impact of the campaign. Each of them uses different indicators.

The CFO would look at three main indicators: revenue growth, customer acquisition cost and revenue per ad.

While, the CMO would look at the changes in:

- customer satisfaction: it can be assessed by using surveys, ratings, reviews or feedback forms. A higher customer satisfaction means that customers are more likely to repeat purchases and recommend a brand to others.
- Customer engagement: it can be assessed by using metrics such as click-through rates, open rates, bounce rates, dwell time or social media interactions. A higher customer engagement means that customers are more interested in and loyal to a brand.
- Brand image: it can be assessed by using surveys, focus groups, sentiment analysis or online reputation management tools. A positive brand image means that customers have favourable associations and trust in a brand.
- Market share: it can be calculated by dividing the brand's sales by the total sales in the market segment. A higher market share means that a brand has more competitive advantage and dominance in its industry.
- Brand equity: it can be calculated by subtracting the price premium that customers are willing to pay for a branded product or service from the price they would pay for an unbranded equivalent. A higher brand equity means that customers have more preference and loyalty for a brand.

How has Nike's brand equity changed as a result of its Kaepernick campaign?

Nike's brand equity changed in several ways as a result of the campaign:

- Nike strengthened its loyalty and connection with its core customers, especially younger and more diverse segments.
- Nike differentiated itself from its competitors and positioned itself as a leader in social justice and corporate responsibility.
- Nike faced some backlash and boycotts from some consumers who disagreed with Kaepernick's stance or viewed the campaign as unpatriotic.

Overall, Nike's Kaepernick campaign was a successful example of brand activism that enhanced its reputation and performance.

Who gained more from the campaign, Nike or Kaepernick? Why?

The Nike brand gained a lot from the campaign. The company's stock price rose to an all-time high in the wake of the campaign's launch, and it gained a significant amount of publicity and exposure as a result. The campaign's message of standing up for social justice and supporting athletes who take a stand on important issues resonated with many consumers, particularly younger generations, who are increasingly looking to support brands that align with their values. In the long term, the campaign helped to solidify Nike's reputation as a socially conscious and progressive brand.

However, the impact on Kaepernick's image was even more profound. The campaign helped to reframe his activism as a courageous and principled stand for social justice, rather than a divisive and controversial gesture. It also helped to cement his status as a cultural icon and a symbol of resistance against systemic racism and police brutality. The campaign allowed him to reclaim his narrative and present himself as a hero standing up for his beliefs, rather than a victim of unjust treatment by the NFL.

Furthermore, the campaign provided Kaepernick with a platform to amplify his message and reach a wider audience. It sparked a national conversation about race and social justice, and

it inspired other athletes and public figures to speak out and take action. In the long term, the campaign helped to establish Kaepernick as a leader and influencer in the fight for racial equality and social justice.