

CBM822- MARKETING

"Nike Infinity "

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1. Introduction

(a) About company:

Since its establishment 58 years ago, Nike has been one of the most innovative businesses in the world. By constantly changing its selection, expanding the subgenres of advertising, and emphasising innovations and discovery by providing athletes with access to products and experiences. Founded in 1964 as Phil Knight and Bill Bowen. In 1971, the brand adopted the name NIKE Inc. Nike produces and markets athletic footwear, apparel, equipment, and accessories for children, adults, and teenagers. It offers distribution of a variety of children's products as well as sporting goods. In the Fig 1.1 shows the brand value of Nike from 2016 to 2022. The Nike brand was worth over 33 billion dollars as of 2022, a rise of almost three billion dollars from the last year (Knight 2016).

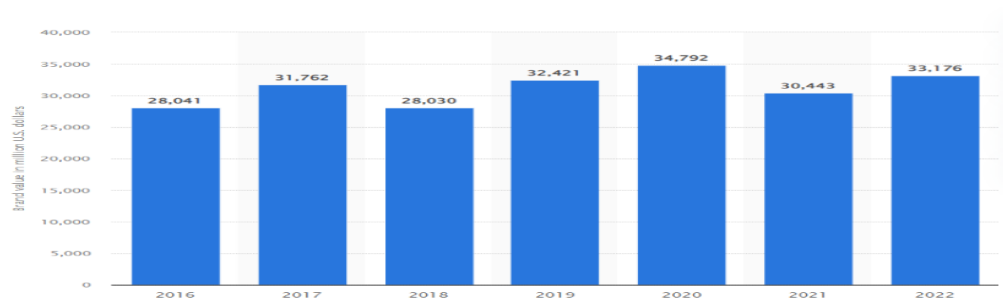


Fig 1.1 Brand value of Nike

(b) About Product:

As the worlds knows Nike encourage the innovation and sustainability. The new product of Nike is a shoe which is designed for especially for the fitness freaks with a name in market called "Nike Infinity. This shoe is latest innovation of Nike which a combination of Technology and sustainability. The product helps the customer to track the all the record like running, walking, cycling, Calories information like how many calories are burnt, led lights, showing location on the map, showing the pace in "My Nike APP" and chargeable.

(3) Pest Analysis:

The traditional management method for the "PESTLE" examination examines the elements that could have an impact on firm while examining a company's external environment (Janet 2013).

(a) Political Analysis: The UK global market is one of the largest markets in the globe. Wales, Scotland, Northern Ireland, and England are prominent market in UK. The set of trading agreements within and among these four UK states are therefore referred to as the "UK internal market" rather than trade with the rest of the world (Overview of the UK internal market 2022). The nation has historically supported vigorous commercial activity, given its good political stability and business-friendly environment. However, the recent Brexit has weakened the nation's political stability. It enjoys cordial ties with the US and is a permanent member of the UN (Dhingra et al. 2016).

(b) Economic Analysis: For any capable company, the UK economy, which is presently the sixth largest in the world and ranks third in Europe after Germany and France, is a wealthy market. (Curwen 1992). In 2021, the UK economy generated £173.6 billion of total economic output, from the financial services sector. UK Corporate tax is currently 19% but the government has announced there will be increase in corporate tax to 25% from 1st April 2023 (Hutton and Shalchi 2021).

(c) Social Analysis: According to an analysis of the most recent United Nations data by World meter, the population of the United Kingdom is currently 68,728,106 (U.K. population 2022). Between January and March 2022, 25.5% of UK individuals aged 16 and older said they were very satisfied with their overall quality of life, while 32.2% said they were highly fulfilled by their jobs. (Zink and Geyer 2017).

(D) Technology analysis: In the UK, the technical sector is expected to be worth more than 184 billion pounds. The UK is seeing an increase in employment in digital technology. The economy places a lot of emphasis on sales and company operations conducted online. The issue is that technology is developing and increasing generally 2.6 times quicker than it is in the UK (Tranos, Kitsos and Ortega-Argilés 2021).

(4) SWOT analysis:

(a) Strengths

Since Nike offers more products to more clients in more markets than any other sports company, they have a bigger market share than any other company. Like other industry leaders, Nike respects the client and recognises the importance of supplying a high-quality product. (Swant 2022). Nike's constantly changing and inventive product line is proof that it has a robust R&D department. Innovation is a method for Nike, which has already solidified its dominance in the athletic footwear market, to show customers that it can develop fantastic new items. Additionally, Nike uses it to warn rival companies in the sector that management has no plans to slow down anytime soon. Approximately 75% of all Nike goods are created with recycled materials thanks to the adoption of ecologically friendly production practises by Nike. Nike is one of the leading manufacturers of eco-friendly clothing and footwear today (Childs and Jin 2018).

(b) Weakness:

To keep its operational costs down, Nike has primarily outsourced its production operations to poorer nations. The phrase "Sweatshops" is mostly used to make fun of the awful working conditions in Nike's foreign factories. Fair treatment of its employees so continues to be a spotty aspect of its global reputation. Nike employees are reportedly compelled to work long hours under extreme duress while earning little money to meet their basic needs, according to data by the San Francisco-based Global Exchange. Nike is meticulous about their pricing (Wazir 2001).

(c) Opportunities

The number of people on the earth is always growing, and many of them are becoming busier. Together, these two factors support the growth of the footwear industry. If Nike plays its cards well, it should be able to receive help from the trade in this booming market and boost its earnings (Bush, 2019).

Despite Nike's extensive output, there is still a tonne of room for innovation. Nike has improved its wellness and fitness technological capabilities. The first

stage in developing cutting-edge technical products is to start with things like wearable technology that monitors physical activity. Given that the athletic clothing market is still relatively unexplored, fusing technology with athletic wear can be helpful. (Christensen et al .2021).

(d) Threats:

Nearly all well-known brands struggle with market counterfeit items. To deceive buyers with false goods, con artists create knockoff versions of popular brands. Counterfeit goods made up 3.3% of global trade in 2016, totalling USD 509 billion. Furthermore, phoney items are most traded in footwear (22%), followed by clothes (16%). (Trade in fake goods is now 3.3% of world trade and rising 2019). Many new enterprises are recently appearing in this developing market. This raises the level of competition Adidas, Under Armour, Rebook, and other companies are among Nike's fiercest competitors in the consumer market. Even though it is currently the most dominant brand, it needs to be cautious of its competitors. Nike has invested 3.5 billion dollars on marketing. Their best chance is to create innovative products. (DeLong 2009).

(5) To boost a client's future value, use SMART criteria.

(a) Specific: So, it the first year the Nike will be giving more importance on building a market value and brand value for Nike infinity in smart shoes sector and UK market. The company is going to create a vibe engage the audience or customer for Nike infinity to develop the product value in audience creating a dominance in smart shoe industry by its innovation and generating profit. The main goal of Nike is to formalize the Nike Infinity in fitness and wellbeing community by promotion and marketing.

(b) Measurable: If a marketing objective cannot be quantified in some way, it is impossible to know whether it has been met. Objectives which are not measurable will be just a dream. So here Nike for every 6 months the company gone collect the data of Nike Infinity through various platforms like Nike stores in UK, Through Nike website, Through the party website such as Amazon, eBay etc. Retails sales of UK. These things help to measure How Nike infinity is reaching or creating the awareness in fitness community and audience

(C) Achievable: A SMART objective ought to be realistic and reachable. Here after 3 months Nike expects to achieve a 75 percentage of consumer engagement through various platforms in Nike infinity and 60 percentage sales on by end of 12 months. Since the business expects a 5% gain each month, the brand has no issue achieving its objective by the deadline. For a full year, the company will continue its promotional sales through various platforms for Nike infinity.

(d) Realistic: Realistic means that the objective can be attained given the resources and time that are available. Here the Goals of Nike for Nike Infinity is realistic in terms of Product development, sales, market dominance and promotions which helps the Nike infinity to reach the audience in a large scale

(e) Timely: Nike set a one-year deadline for the accomplishment of the marketing goal because it recognises that it will take time to build new customer ties with a new community of participants. Every six months, the brand will review the marketing objectives to see if any feedback has been received and if there are any potential improvements. As a result, if the business's goal has already been accomplished, the team can determine a reasonable time frame for extending or shortening the time allotted. Long-term, it may enable the business to make some financial savings.

(6) Segmentation, Targeting, Positioning: The Three Pillars of Marketing

Schlegelmilch (2016) states, as the main determinant of a company's market success or failure, STP is considered crucial advice for marketing strategy.

(a) Segmentation of market

Market analysis is the act of breaking down your target market into manageable segments. To build consumer groups to target, it has the three segmentation categories listed below:

(1) Demographics: The process of demographic segmentation entails breaking the market up into segments that are physical and factual characteristics that

make them distinguishable. Age, ethnicity, industry, job, relationship status, number of dependents, ethnicity, culture, and country are a few examples of the demographic characteristics (Camilleri 2018). In the UK, individuals over the age of 20 make up most of the Nike Infinity user base. According to Adi (2018) wearable devices such as smart shoes helps to monitor the health and keep motivating for fitness for all the age group and it also take care of early age group people fear like falling by providing sense of security to were. Coming for Gender the Nike infinity is for both Men and women who are into fitness and health. These is for high incomeed group of people

(2) Psychographic: Markets could be divided into groups based on personality traits, values, motivations, interests, and lifestyles using psychographic segmentation (Schlegelmilch 2016). For example, Swarbrooke and Horner (2012) says about how lifestyle influence in airline profit by mentioning Rich commercial passengers used to a luxurious lifestyle can believe that an airline's service will complement their lifestyle. In these segmentation Nike Infinity influence or attract people who are into fitness and who needs to maintain and track their record. Customers can get response elements from smart shoes ranging from monitoring wellbeing to reviewing health metrics to evaluating sporting performance. Efforts are being made to put technology into typical footwear to enhance comfort, usability, and health (Kaul 2019). So, the customer who have an interest in fitness and lifestyle of maintain good health can use Nike Infinity in productive manner.

(3) Geographic: Geographic segmentation is the process of deciding which possible markets to target based on where they are (Camilleri 2018). Here Nike planning to lunch Nike Infinity in the UK. Intimal it is planning in Wales, England, North Ireland, Scotland are the prominent market (Overview of the UK internal market 2022). Over 10 million people in the UK—17% of the population—have gym memberships or are active users of fitness centres. Adults in the UK exercise regularly to the detriment of Germany (77%). France (63%), and Spain (65%). In the UK, the typical fitness fanatic works out more than thrice each week (Tagliaferro 2022)

(b) Targeting: The choice of which consumers in a product-market a firm will direct its marketing and positioning strategy towards is known as the target

market. (Moutinho 2000). So here Nike Infinity has three classification of targeted customer that is Men, women and kids and targeted age group is 20 and above. The focus of Nike Infinity is for fitness community. In psychographic segment the customer or audience who give more importance for their fitness in lifestyle and they can use the Nike infinity for gym and training, running shoe to count their steps and to see the calories burn etc. In Geographic segments Nike is planning to launch Nike Infinity initial in top 4 prominent cities of UK that is Wales, England, North Ireland and Scotland.

(c) Positioning: According to Camilleri (2018), positioning for the market is the third phase. The business must identify what positions it wants to hold in each of the market categories it intends to pursue in addition to which areas it will focus on. Customers often contrast goods or services. When it comes to sporting products, Nike has become the market leader in the eyes of its target customers. Nike created such products to fill its specialised market with all sporting goods. Here Nike Infinity positions itself as premium brand with well-designed smart shoe. Currently coming for Smart shoe competition Nike has already designed a smart shoe of self-lacing in lifestyle and fashion sector called Nike adapt (Nike, Inc., 2019)

(7) Market Mix: A mix of product

The group of marketing instruments known as the "marketing mix" are those that a business use to pursue its marketing goals in the target market (Goi 1970).

(a) Product

According to Singh (2012) A product is described as a tangible good or service that the customer is willing to pay for. Moutinho (2000) says that the first and most important marketing component is the product. Nike offers a wide range of goods, including clothing, footwear, and equipment. From its marketing mix, its items are often centred on high quality and a variety of goods for any sports lover. Some of the Nike products of Nike are like Jordan, Air max, Lifestyle self-

lacing smart shoe that is Nike adapt and in also clothing and jackets (Nike, Inc., 2022).

Nike Infinity is a E-smart shoe for the audience who are into fitness and wellbeing and it also for the elderly people who is afraid of fear of falling by detecting the object. Features of Nike infinity are as follows:

- Nike Infinity has sensors called Notch inside that can track your movement. The newest wearable sensor prototype, called Notch, measures 1.3 by 1.2 by 0.2 inches and weighs less than 10g (Chua 2019)
- Nike Infinity measures your level of activity by keeping track of your steps, pace while walking or running, calories burned, etc and can be seen through Nike app.
- Using GPS technology built into the sneaker, Nike Infinity can track your geographic location.
- Nike Infinity has pressure sensors that helps to measure the weight and detect it.
- Environment-tracking sensors are included into Nike Infinity so they can figure out what kind of environment you are in and pop up in Nike app.

Customer Satisfaction approach: Nike infinity satisfy the customer by providing features like tracking fitness goals, count the steps and keeps motivated to be fit and gives a unique experience. Materiality of importance: In terms of materiality of importance Nike infinity is made up quality materials and water resistant

The process and outcome Perspective: Initially the potential of the Nike infinity will be low, but customer get more awareness on the product through various streams the outcome of product will be more impact

(b) Price

The Price represents a fair assessment of the items, such as a reasonable cost for a superior product. (Ehmke, Fulton and Lusk 2005). Given the high calibre of its goods and its dominant market position in the shoe or smart shoe sector, Nike is a premium brand that can charge a premium price for them.

Nike Infinity is a premium product and the cost for these products is £300 which includes charger pad, warranty for 2 years and 1 year service free. Here if the customer is already having a membership of Nike, he/she gets 10% off discount.

According Isoraite (2016), discount is factor of determining the price for a product to attract the customer and expand the market share of the product. One of the main reasons for doing discount for Nike infinity is the majority of customer will purchase the product to take the advantage of these discount and once if they sign up to the membership in Nike app or website the promotion and marketing of Nike and associate products can be done.

(c) Place:

Another important element of marketing is Place. Martin (2019), defines a place as distribution which is used to provide goods or services to customers. According to Uzniene (2011), distribution of market or place can be done through 2 streams:

- a) Distribution is seen as a marketing channel with the aim of making the service more approachable to a willing customer, as well as more accessible.
- b) Depending on the product kind, geographical conditions, technical viability, transportation, and other factors can affect physical distribution.

According to Nike distribution strategy it is planning to launch Nike Infinity in UK initial in four major cities Wales, North Ireland, England and Scotland and later rest of UK and Planning to sell Nike infinity through online platforms, Nike website, Nike mobile application, Nike showroom, other retail shop.

(d) Promotion:

According to Isoraite (2016), the promotion strategy in the marketing mix is a method for providing knowledge, encouraging purchases, and influencing the purchasing decision. The ability to locate accessible retail locations in the UK is crucial for promotion. LeBron James, Jermaine O'Neal, Lance Armstrong, Tiger Woods, Ronaldo are just a few of the well-known athletes who serve as Nike brand ambassadors and will promote Nike Infinity. (Mwenda 2022). The promotion of Nike infinity is done in online platform, Nike website, Nike app, Nike showroom and other streams.

The main activities of the marketing program for Nike Infinity

- 1) Nike infinity will be launched in Nike showroom across UK for public to purchase

2) Nike Infinity also can be bought through Nike website and app, other retailers' website and app.

3) Nike uses Instagram one of social media for promotion of Nike infinity by creating a hashtags called #Nikeinfinity , #goinfinity and many more .

4) For every six months a Marathon hub will be conducted called as "GO Infinity" across the UK to promote the product as well as to bring awareness about the product to the existing customer and new customer. In this Marathon hub Nike infinity will be highlighted for the audience which helps to promote the Nike infinity.

(8) Evolution, implementation, control

Evolution, implementation, control is the most important part of marketing plan. Implementation, evaluation, and control are comparable to a stool's three legs; take away one, and the stool sways and falls to the ground. A marketing strategy falls apart and fails if one of these components is left out. To successfully complete marketing initiatives that aid companies in achieving their strategic aims, all three are required (Sharma 2017)

(a) Evaluation:

Once the marketing plan is implemented it should be regular reviewed and evaluate market plan to ensure that the outcomes are meeting the marketing plan expectations. According to Sharma (2017), during the strategic management step known as strategy evaluation, managers make sure that the selected strategy is applied correctly and carries out the company's objectives. Here Nike set some precise targets on Key performance index. Nike evaluates how Nike infinity is reaching audience or its customer, Review about Nike Infinity. For these company gone a make a new team to do survey about Nike infinity by various online streams such, Nike website, Instagram post and stories, asking for customer for review in Nike shop or retails when it is bought. The company uses all this input in its quarterly review meetings to enhance the execution of the marketing plan.

(b) Implementation and control

The process of turning marketing plans into action items and ensuring they achieve the plans' stated goals is known as marketing implementation. If a strategic marketing plan is not carried out properly, it is worthless (Kotler and Keller 2016). Once the evaluation is done Nike uses the information bought and take corrective action, the company will use the findings from the evaluation functions is documented, and the process of correction is launched. Once Nike infinity as sold. there would an outcome of the product which would be positive about the product or negative. So, for monitoring it the organization brings control management team. The control management team is accountable for constantly keeping an eye on market and marketing aim developments of Nike Infinity and the team should make ensure of product is meeting the expectations or target of market plan.

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