



**Business Case Study  
of  
NIKE ADVERTISEMENT  
CONTROVERSY**

By  
Oishik Biswas

# NIKE Controversy

- During Black Lives Matter movement, Nike promoted one advertisement featuring Colin Kaepernick, African-American origin basketball player.
- 2.7 million posts related to Nike brand.
- Despite outrage, Nike sales increase 31% after this controversial ad.
- Stock price shot up by 36%
- Market cap 6 billion.

# Bipolarization

- One portion was happy for gesture of supporting the minorities of USA.
- Another portion was angry as they said, it's an insult to the nation flag of US.
- Public sentiment mostly went negative, Nike faced backlash.

# Daniel Describes Our Brains

- System 1 : Behavioral and Emotional Responses → Command the trust of humans, purpose of your action.
- System 2 : Mathematics and Calculations
- **People don't buy what you sell, they buy why you sell it.**

# Dream Crazy Campaign

- The dignity, the respect, the safety of the black minority of US.



# Dream Crazy Campaign

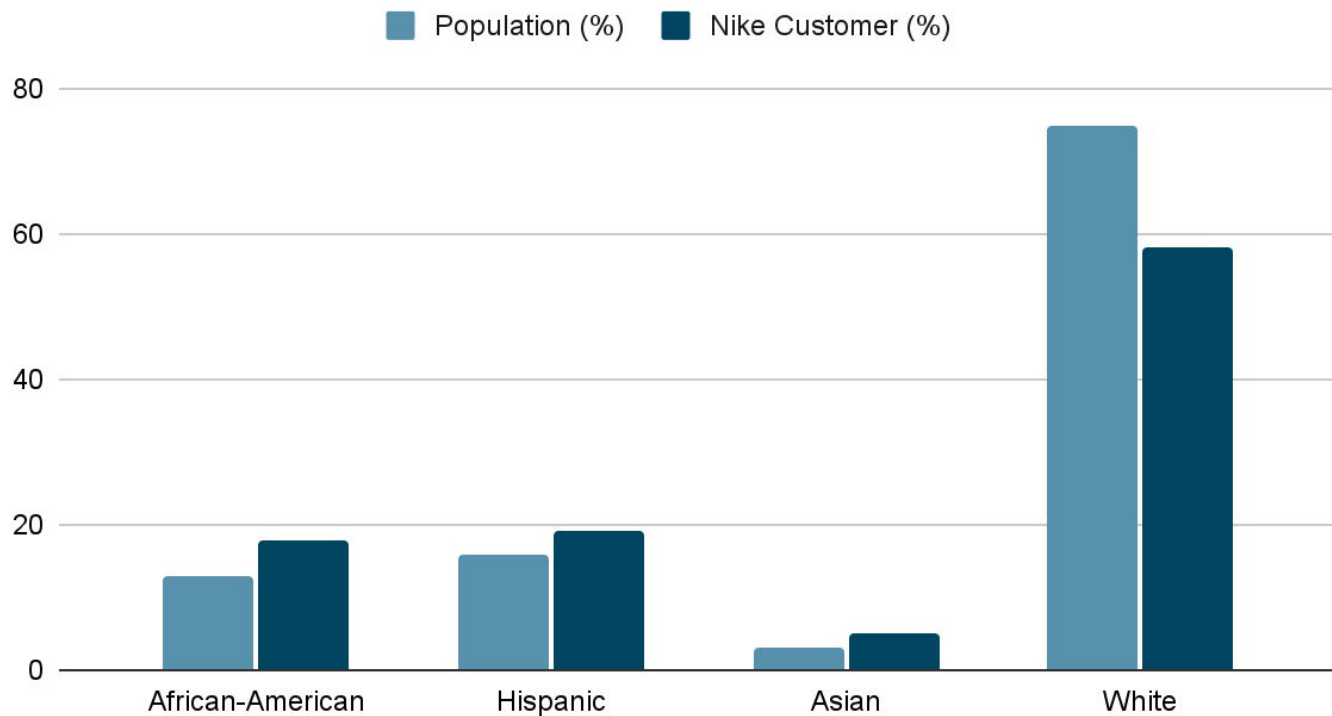
## The Power of Nike's "Dream Crazy" Campaign

Nike's marketing sets the brand apart by embracing controversy and empowering diverse voices, as exemplified by their "Dream Crazy" campaign.



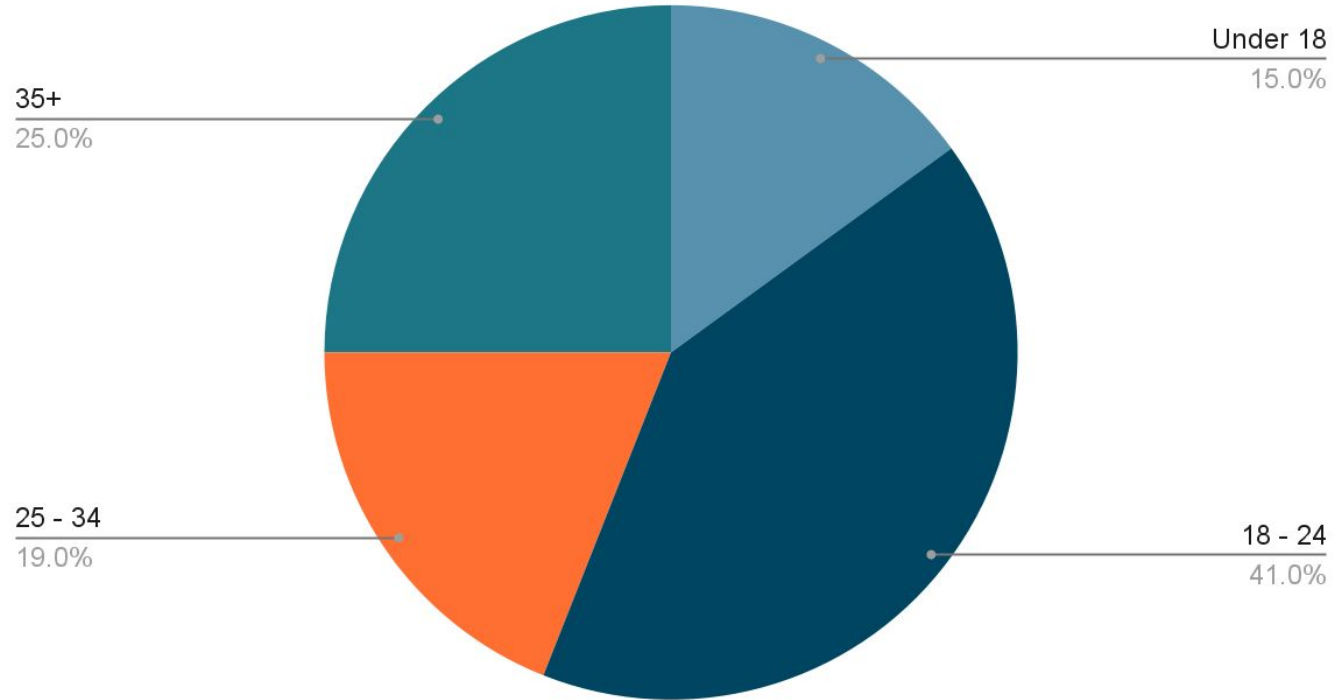
MRK634  
Driving Digital Media for  
Business  
Algo F. Acevedo  
November 19, 2023

## Nike Users in US by Ethnicity




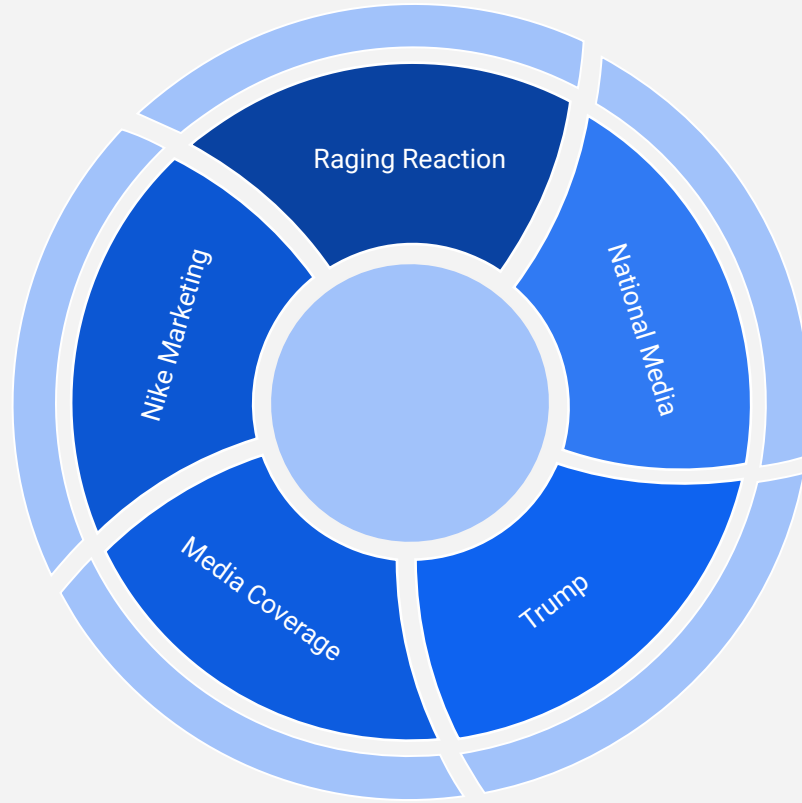


## Nike Customers by Age Diversity



# Benefits

- Purpose driven marketing is extremely powerful with Gen Y and Z.
- 75% customers are under 35 years old.
- Celebrities promoted hike in social media accounts, massive increase in sales.
- Anything sensational  Covered by Media
- Because of the total drama, Nike got 163.5 million USD worth of media buzz at zero cost.



# Nike SWOT Analysis

## SWOT ANALYSIS OF

# S



### Strengths

- Nike Possesses Strong Brand Equity
- Low-Cost Manufacturing Is a Key Part of Its Business Strategy
- Innovative Marketing
- Iconic Celebrity Endorsements
- A Range of Successful Side Brands
- Getting Rid of Retailers

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### Weaknesses

- Controversial Labor Practices
- The Brand Is Over-dependent on the U.S. Market
- Worrying Financial Indicators
- Unfavorable Relationship With Retailers
- Their Revenue Stream Is Over-dependent on Their Line of Footwear

# O



### Opportunities

- Investing in New Markets
- Increasing Their Product Range
- Tapping Into the Future
- Introducing Anti-counterfeiting Technology and Methods
- Investing in Sustainability

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### Threats

- Counterfeit Nike Products
- Competition From Other Sports Brands
- High Profile Patent Disputes
- International Trade Tensions
- Animal Abuse Scandal
- Its Competitors Are Investing More Heavily in Advertising



# Nike US Revenue

Nike's revenue in the United States from the fiscal years of 1988 to 2024 (in million U.S. dollars)



# Business Lessons

- 21st century branding no longer about just sells and discounts.
- Marketing no longer a nudge to sell your product.
- Establishing deeper connection with customers and standing up for something way beyond conventional standards.
- For excelling in marketing, three necessary knowledge:
  - consumer psychology, behavioral economics, human centered design.

# Business Lessons

- Controversial marketing is a double edged sword.
- When done right, may put you on podium.
- If done wrongly, irreversible damage.