

IS2011-Principles of Marketing

Nike Company Marketing Situation



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Introduction

Marketing is one of the most important reasons for the success of any company, whether it is large or small; It is impossible for companies to achieve success without adopting modern marketing techniques and strategies that help them attract more customers, achieve good sales and increase profits, as marketing requires knowledge of potential customers for the product or service, and trying to get close to them and communicate with them to know their desires and needs, in order to provide them with the best way. possible, and then presenting these products or services to them and marketing them using innovative and attractive methods and methods, and this is what professional marketing experts in large companies do to help the company's prosperity and development on a large scale, and this article will present a group of these companies that followed a sound approach in marketing their products and became One of the leading companies in the field of marketing.

In this research, we talk about marketing strategies and tactics in Nike company , which is the most important sports shoes manufacturer, we will talk about the success of Nike through the use of creative marketing strategies and multiple marketing channels.

Company name	Nike
Headquarter location	Nike company is headquartered near Beaverton, Oregon, in the Portland metropolitan area.
Website	https://www.nike.com/
The reason for choosing Nike Company	Because Nike offers unique and favorite sports shoes for everyone, and Nike is a successful company in creative marketing globally

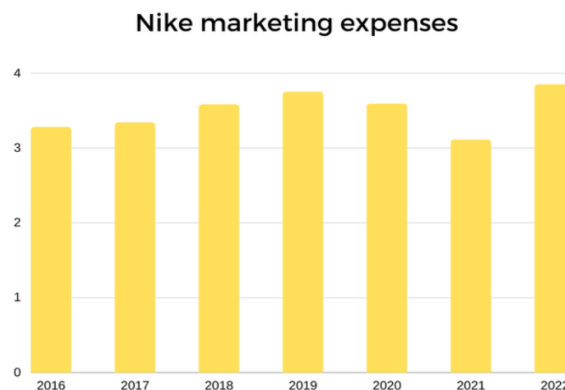
Nike Company

Nike, Inc., formerly Blue Ribbon Sports from 1964 to 1978, is an American sportswear company headquartered in Oregon. The company was founded in 1964 by Bill Bowerman as Blue Ribbon Sports. Bill was a coach at the University of Oregon and decided to start a business with his former student Phil Knight. The first retail outlet was opened in 1966 and, in 1972, launched the Nike brand shoe. The company renamed itself Nike, Inc., in 1978 and went public in 1974. Going into the 21st century, Nike has retail outlets and product distributors in more than 170 countries, while its logo - a checkmark with a curve called the “swoosh” - is recognized throughout the world.

Nike has the most dominant market share in North America’s athletic apparel industry (around 27.4% and, recently, own a whopping 96% of the market for basketball shoe industry), and continues to outpace the competitors when it comes to sales:

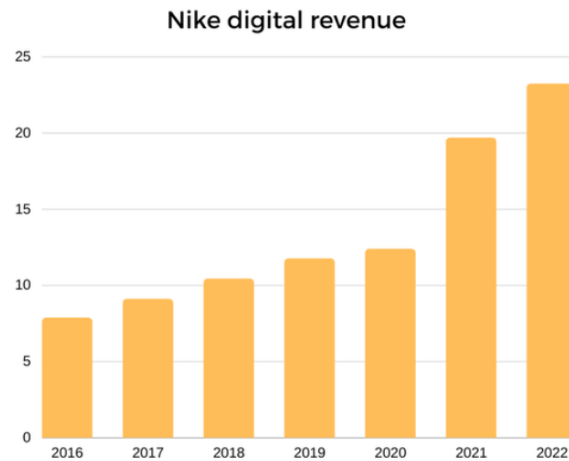
The importance of marketing to Nike company

Nike continues to increase its marketing spend as in the following chart, which is now approaching \$4 billion, as it touches the profits and returns that result from good marketing. Nike knows that the main buzz is not created by skillful marketing or innovative developments, but by the strongest brand and the special value that sports shoes have. Nike is the only true sports brand among the big players. The goal and importance of marketing for Nike is to create more value for the athletic footwear and the brand, respectively. There is no such opportunity for a single sports brand in the world because the demand is either not high enough or unstable. A strong brand will help Nike continue to increase sales at a rapid pace and all this thanks to the great marketing techniques that Nike uses.



Good marketing effected Nike company to the success

The chart below shows the value of profits and revenues made by Nike only from the use of digital marketing and digital channels



In 2016, it is noted that Nike won the Olympics for the United States athletes who wore their sneaker brand. See below for the chart comparison of Nike and their competitors and how one may argue Nike's product helped the athletes perform better

USA OLYMPIC MEDALS BY SNEAKER BRANDS

COMPANY	G	S	B	TOTAL
NIKE	44	11	24	79
UNDER ARMOUR	9	5	3	17
NEW BALANCE	8	1	3	12
ADIDAS	4	1	4	9
ASICS	2	1	6	9
MIZUNO	1	2	5	8
REEBOK	2	2	0	4
JORDAN BRAND	2	0	1	3
SKECHERS	0	0	1	1
SPERRY	0	0	1	1
ANTA	1	0	0	1

- Good marketing help Nike Company in Continued market development
- Increased product offering.
- The increasing segment of customers interested in sports shoes
- Lead Nike to Global Expansion.

Nike Marketing Tactics and Strategy

Nike Tactics uses marketing communications to connect with target markets around the world. The focus of marketing communications is to promote the company and its products. The marketing communication mix is also called promotion, which corresponds to the promotion component of the marketing mix.

Nike's marketing tactics includes: advertising, personal selling, direct marketing, sales promotions, public relations, and influencer marketing, especially for football players and athletes.



❖ Position products carefully

Consider Nike for a moment and name the first term that best represents the company's footwear; you'll probably say "athletic shoes." The stronger the brand is, the quicker people can relate it with a differentiated characteristic or product. Nike has a distinct character as a sportswear brand, which it has been developing over time using a variety of marketing techniques. The one component that stands behind them all and is crucial is product positioning.

"A shoe needs to be three things: light, comfy, and able to travel a long distance." — Bill Bowerman, a Nike co-founder.

❖ Employ the power of social media marketing

For the fact that many customers of Nike are members of the social media network, the brand knew that it had to connect with audiences via social media channels and gain brand recognition as soon as possible. Take a look around Nike's social media profiles, you can easily see how successful the brand has become. 138 million followers on Instagram and 8.3 million followers on Twitter (two most-followed active channels). If you go to these two pages, you will see perfectly corresponding voices as well as actions that Nike speaks and does. Tactics that employed in Nike's social media marketing strategy are:

- Collab with high-profile people
- Use user-generated content
- Appear in customers' conversations
- Distribute storytelling across social media channels

❖ **Outdoor advertising**

Nike also uses outdoor advertising like billboards, digital banners, etc. It also maintains an active online presence through marketing activities that include social media marketing and other paid advertising campaigns across various platforms.

❖ **Track the advancements in technology**

As technology is constantly changing, to try to find the perfect marketing approach for it and to keep up with other companies and promote their brands while measuring their efforts.

❖ **Advertising of products using famous characters in advertising**

Nike uses celebrities to represent the ideal customer or user of the company's products. The company's advertisements feature popular personalities, such as professional athletes. Target customers see that their favorite celebrities use the company's products. As a result, clients are motivated to emulate the behavior of these celebrities. Through the use of famous personalities in advertising, Nike's marketing communications mix enhances the company's products to customers by motivating them to emulate how these celebrities prefer Nike.

❖ **Personal selling**

The customer experience is enhanced due to this trained assistance and persuasion from the sales staff. Customers are satisfied with the products they buy from Nike. They also feel empowered to make informed decisions in purchasing these products. Thus, Nike's marketing communications mix uses personal selling to create a better customer experience and customer relationships, while promoting the company's products.

❖ **Direct Marketing Tactic**

Direct marketing is used to promote new products to the target market. These new products are usually highly advertised. However, to make a greater impact, the company uses salespeople to

target certain organizations or individuals in their target market segments. For example, a company approaches college sports organizations to promote its products. Nike's marketing communications mix uses direct marketing to build stronger relationships with target customers and motivate them to buy the company's products.

❖ **Nike Sales Offers**

Nike uses sales offers usually in the form of coupons and special offers offered to target customers. The company uses sales offers to motivate new customers by showing them benefits, such as product features and savings they can make through the use of discount coupons or special offers. Sales presentations in marketing communications increase demand from new customers to motivate them by obtaining perceived benefits.

❖ **Nike promotion campaign**

A Nike campaigns and marketing communications uses a balanced marketing communications mix. The company uses marketing communications to promote its products to new customers. The company also uses marketing communications to retain or retain existing customers.

❖ **Pricing strategy**

It is well known in marketing that price is a crucial element in the marketing mix. For Nike, the situation was a little complicated. Nike's prices were not low at the beginning, but at the same time, Nike played a marketing game that made it reduce costs in the smartest and shortest way, even while maintaining quality, and thus a profit margin. Big, and then Mikey was able to offer products and reduce the price to suit more than one category of consumers.



Nike Slogan

Marketing channels in Nike Company

- Digital marketing channels: Twitter, Website, Snapchat
- Influencers like football players
- Wholesalers
- Sales team
- Value-added reseller
- Retail sales agent
- Manufacturer's representative

Distribution Channels

NIKE distributes its products through three major channels:

- By selling products to wholesalers in the US and international markets
- By direct-to-consumer (or DTC) sales, which include in line and factory retail outlets and e-commerce sales through www.nike.com
- Sales to global brand divisions

Conclusion

In the end, Nike, entering a new phase in the new year, intends to accelerate direct sales and strengthen its position in the digital space through the best marketing techniques and modern and simple marketing strategies at the same time, and with a strong brand and scale, the company continues to bet on increasing profit margins. Nike's marketing strategy is fairly straightforward and simple. The company wants to use a strong brand to attract customers to Nike's own channels. Thus, the company intends to standardize the shopping experience and make the brand stronger.

According to our research results, Nike has specific goals for the future and has chosen an effective approach in its strategy to increase its market share. Nike will follow the increase in its sales through good marketing especially by athletes and football players and the promotion of the brand all this led to an increase in the gross profit margin of the company.

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