

NIKE, Inc. Announces New Consumer Direct Offense: A Faster Pipeline to Serve Consumers Personally, At Scale
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With a New Leadership Structure, Nike Drives Growth Through Key Cities by Doubling Innovation, Speed and Direct Connection to Consumers

NIKE, Inc. (NYSE: NKE) today introduced the Consumer Direct Offense, a new company alignment that allows Nike to better serve the consumer personally, at scale. Leveraging the power of digital, Nike will drive growth—by accelerating innovation and product creation, moving even closer to the consumer through Key Cities, and deepening one-to-one connections.

“The future of sport will be decided by the company that obsesses the needs of the evolving consumer,” said Mark Parker, NIKE, Inc. Chairman, President, and CEO. “Through the Consumer Direct Offense, we’re getting even more aggressive in the digital marketplace, targeting key markets and delivering product faster than ever.”

Consumer-focused Growth

Trevor Edwards, President of the NIKE Brand, will drive the Consumer Direct Offense through integrated category, geography, marketplace, product, merchandising, digital, and direct-to-consumer teams.

In the new alignment, the company will drive growth by deeply serving consumers in 12 key cities, across 10 key countries: New York, London, Shanghai, Beijing, Los Angeles, Tokyo, Paris, Berlin, Mexico City, Barcelona, Seoul, and Milan. These key cities and countries are expected to represent over 80 percent of Nike’s projected growth through 2020.

Nike is moving closer to the consumer—creating a local business, on a global scale. To improve efficiency, all key cities and countries are supported by a simplified geography structure, changing from six to four—comprised of North America; Europe, Middle East and Africa (EMEA); Greater China; and Asia Pacific and Latin America (APLA). The leaders of the newly-formed geographies are: Tom Peddie VP/GM of North America, Bert Hoyt VP/GM of EMEA, Angela Dong VP/GM of Greater China, and Ann Hebert VP/GM of APLA.

As such, financial results for the NIKE Brand will be reported based on these four operating segments beginning in fiscal 2018.

The geography leaders will report to Elliott Hill, President of Geographies and Integrated Marketplace.

Nike’s Triple Double

The Consumer Direct Offense is fueled by Nike’s Triple Double strategy: 2X Innovation, 2X Speed and 2X Direct connections with consumers.

To double innovation, Nike will accelerate the impact and cadence of new innovation platforms. As an example, over the past few months, Nike launched a cushioning revolution, featuring three new groundbreaking platforms: ZoomX, Air VaporMax and Nike React. And, to give consumers more choices of the products they love, Nike is editing to amplify—reducing its styles by 25 percent, and offering a deeper selection of key franchises.

To double speed, Nike is on a path to cut product creation cycle times in half. That starts with the Express Lane, which quickly creates, updates and fulfills products in response to consumer demand. Already operating in North America and Western Europe, a new Express Lane will be activated this summer in China, serving Shanghai, Seoul and Tokyo—some of the world’s most promising markets for sport.

To supercharge this faster pipeline, Michael Spillane is assuming the new role of President of Categories and Product—leading an end-to-end design-to-delivery organization, including Categories, Design, Product and Merchandising. This new integrated organization will place greater resources in the categories with the highest potential to fuel growth: Running, Basketball, Nike Sportswear, Men’s and Women’s Training, Global

Football and Young Athletes. To build on the growth of the Nike Women's business, a new dedicated Women's team will complement each top-tier category.

To double direct connections with consumers and shape the future of retail, Nike is creating the new Nike Direct organization, led by Heidi O'Neill, President of Nike Direct, and Adam Sussman, Chief Digital Officer. This organization will unite Nike.com, Direct-to-Consumer retail, and Nike+ digital products to enhance and expand Nike's membership experience on an increasingly global scale. Nike will also extend innovations to its strategic wholesale partners.

Leading with mobile, this team will unite physical and digital retail to serve consumers with the best of Nike. Two recent examples of innovative consumer connections are *SNKR Stash*, which unlocks access to exclusive Nike and Jordan product using mobile geo-locations; and *Shock Drop*, surprise alerts for coveted sneakers that allow consumers to buy instantly through the app or at their nearest Nike or wholesale store. Over the next several months, Nike is also launching its Nike+ and SNKRS apps globally to energize the sneaker experience in new markets.

Spillane, Hill, O'Neill and Sussman will all report to Edwards.

Nike's leadership and organizational changes will streamline and speed up strategic execution. The changes are also expected to result in an overall reduction of approximately 2 percent of the company's global workforce.

"Today we serve our athletes in a changing world: one that's faster and more personal," said Edwards. "This new structure aligns all of our teams toward our ultimate goal—to deliver innovation, at speed, through more direct connections."

About NIKE, Inc.

NIKE, Inc., based near Beaverton, Oregon, is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities. Wholly-owned NIKE, Inc. subsidiary brands include Converse, which designs, markets and distributes athletic lifestyle footwear, apparel and accessories; and Hurley, which designs, markets and distributes surf and youth lifestyle footwear, apparel and accessories. For more information, NIKE, Inc.'s earnings releases and other financial information are available at <http://investors.nike.com>. Individuals can also visit <http://news.nike.com/> and follow @Nike.

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