Nike Incorporated

Strategy and Competition

Nsedu Onyile

Fabiola Mbenkum

Jerrod Motton

Karla Castellanos

New Mexico Highlands University

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I.    **Executive Summary**

**Mission Statement**

***“Bring inspiration and innovation to every Athlete\* in the World***

***If you have a body, you Are an Athlete.\*”***

Nike is clearly stating that their audience can be anyone. Their mission statement alone is inspirational. In other words, the mission statement is stating that you can do anything you set your mind to. In their mission statement, they’re also mentioning to provide innovation to their customers and prospects. Nike has several departments and brands that have perceived to have value, convenience, style, comfort, or importance. Nike is known for their athletic wear and associations with Pro athletes like Michael Jordan, Serena and Vanessa Williams, even celebrities like 50cent. Their association to the brand associates the brand to a certain lifestyle of excellence, professionalism and style. The term “If you look good, you’ll feel good, and perform great” backs up the brands reputation and lifestyle. Nike inspires in more ways than one, their environmental responsibility is important to the company by making efforts to cut down on CO2 emissions from manufacturing and innovating to get the world moving, staying active, and have a healthier lifestyle. Nike Show’s social ethics and social responsibility with the Nike Community Impact Fund (NCIF), which helps get ‘kids active early and for life by supporting sport and physical activity in schools and giving more kids a chance to play youth sports. Since 2010, the NCIF has been administered from Nike World Headquarters by a committee of employee volunteers that has awarded 300 cash grants totaling more than $3.2 million dollars to local programs that promote sports and physical activity for youth and address pressing community needs.’ (*Nike*, web 2017)

**Background**

‘Nike was founded in 1964 as Blue Ribbon Sports and initially operated as a distributor for the Japanese shoemaker Onitsuka Tiger (now known as Asics). It officially became Nike Inc. in 1971. The company was founded with just $1,200 in the bank. It was created by Bill Bowerman (a track-and-field coach) and Phil Knight, a middle-distance runner from Portland who was enrolled in the University of Oregon. Knight had originally wanted to call the company "Dimension 6." The Nike name comes from the Greek goddess of victory, and it’s pronounced "ny'-kee." Nike's first employee, Jeff Johnson, came up with the name. The Nike swoosh was designed by Portland State University student Carolyn Davidson, for just $35 (just over $200 in today's currency). At a later stage, she was given stock that is now worth more than $640,000.’ (*Business Insider*, 2017)

**Company Overview**

Nike is one of the largest designers, marketers, and distributors of athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities. ‘The company operates in the Americas, Europe, the Middle East, Africa and Asia. It is headquartered in Beaverton, Oregon and employed about 62,600 people as of May 31, 2015. Nike has created a well-off name for itself years ago, and over the years it has fulfilled its mission statement to inspire and innovate. Nike sells Athletic apparel from head to toe, performance equipment, and accessories created for recreational activities and sports such as: eyewear, hygiene, protective equipment, socks, glove, bat, bags and digital devices, etc. How does Nike inspire? Nike’s reputation is that, when you wear or use Nike, you feel ready for anything, performing at your best, and in style looking good while you do it all; as their slogan says, “just do it”. Having celebrity ambassadors to endorse the product enhances the awareness of the product worldwide and makes it popular and gives the product a certain lifestyle. That lifestyle can be that “If you wear this product you will feel confident, prepared and ready to be active or fit. ‘Nike sells sports apparel for most of the sports and fitness activities for which it offers footwear. The company also markets apparel with licensed college and professional team and league logos. Subsidiaries of Nike include Converse and Hurley International. Converse designs, distributes and licenses casual sneakers, apparel and accessories under the Converse, Chuck Taylor, All Star, One Star, Star Chevron and Jack Purcell trademarks. Hurley International designs and distributes a line of action sports and youth lifestyle apparel and accessories under the Hurley trademark. (*NIKE, Inc. (n.d.)*).’

**Leadership and Organizational Culture**

Nike is an iconic brand; the logo and slogan have made their mark on society. Nike’s associations with athletes are worldwide and increases to be a worldwide innovator. Nike strongly believes that maintaining a reputation starts by building a committed workforce. Nike has incorporated and encouraged women empowerment and diversity. In 2016 Nike reported 48% of their workforce are women (FC, Inc. 2016). The company is also a pioneer in sustainable infrastructure. At a massive distribution center in Europe—expanded in 2016—99% of incoming shipments of shoes arrive by canal instead of on trucks, and the whole center runs on renewable energy. Six giant wind turbines produce as much power as 5,000 houses use; rooftop solar panels cover an area the size of three soccer fields. A thermal energy systems stores warm water in the summer to use for heat in the winter, and flips when the seasons change.

By using boats for incoming deliveries, and trains to ship shoes out, the center avoids 14,000 truck journeys a year, saving fuel. Inside the center, hybrid cranes generate energy as they work, helping power conveyor belts and other cranes. An experimental "daylight delivery system" delivers natural light to dark corners without electricity. Instead of using lawnmowers, the grounds are groomed by sheep; on-site beehives provide pollination. Sidewalks are paved with recycled shoes instead of concrete. On the roof and walls, a layer of plants insulates the facility, saving more energy. Nike plans to take best practices from the facility to the rest of its global supply chain. It will help the company meet a major goal: by 2025, Nike plans to run on 100% renewable energy (FC, Inc. 2016).

**Company Portfolio**

The Nike company has grown, expanded and innovated over its lifetime and had established 4 strong brands within the company. The brands include: the Nike brand, the Jordan brand,
Hurley and Converse Inc. Each brand has its distinct style and addresses a unique style and customer base. Nike’s and Jordan’s have known to be more addressed to the athletic or physical training audience. Hurley and converse are more addressed to the relaxed, casual everyday lifestyle.  Unlike Nike; Jordan, Hurley, and converse are only famously distributed in the united states. We aim to become a $50 billion business by the end of FY20, while further reducing our environmental footprint and enhancing our positive impact on employees, workers in our supply chain and communities around the world (Nike Inc; 2015). Nike’s foot printing uses actual and extrapolated data and is updated regularly as we refine our understanding of energy use, greenhouse gas (GHG) emissions, water use and waste across the value chain. The insights we gain from these analyses inform future investments and enable us to focus our efforts where we have the largest impacts, the greatest opportunities and the most potential to make a positive difference. In determining where to focus, we also consider factors such as timing and collaboration needed outside of Nike (Nike Inc; 2015). Nike’s sustainable business report has addressed laid out exactly what areas they can be careful with and create a change in an impactful way.

**II.            External Environment**

**Customer base**

The customer base for Nike is anyone. Anyone is a potential customer for the Nike brand. The Nike mission statement says that anyone with a human body is an athlete, and Nike wants to bring inspiration and innovation to athletes. In today’s Society living a healthy lifestyle has become important and a priority in people’s lives. People are making the time to stay active and do some sort of physical activity rather it be a professional sport, recreational sport or personal training. Nike has provided those people active apparel, gear and accessories to make them feel confident for their workouts and efficient, stylish wear. Through Nike explore team research lab, Nike has provided innovations in their products to make sure they perform at their best. Being that Nike is a worldwide brand and international company and offering all sizes for all ages and all genders, it expands their customer base to anyone. Their customer base can be from ages 0-3 months to 60 years old. For their sport gear, their customer base would be pro athletes, youth sport athletes and recreational athletes.

**Economy**

The company recorded revenues of $30,601 million during the fiscal year ended May 2015 *FY2015*, an increase of 10.1% over *FY2014*. The operating profit of the company was $4,175 million in *FY2015*, an increase of 13.5% compared to *FY2014*. The net profit of the company was $3,273 million in *FY2015*, an increase of 21.5% over *FY2014* (*NIKE, Inc. (n.d.)*)’

**Sociocultural forces**

Stable political conditions in most major markets present opportunities for Nike to grow its business in these areas. Also, expanding free trade policies facilitate better market penetration overseas. Moreover, improving government support for infrastructure, especially in developing countries, gives Nike more opportunities to expand its operations in these markets. Nike’s business performance depends on the state of economies where it sells its athletic footwear, equipment and apparel. Developed markets like the United States are relatively stable, thereby proving Nike Inc. with the opportunity to continue its slow but stable growth in these countries. The company also has opportunities to rapidly grow by increasing its operations in high-growth developing countries. However, the rapid growth of developing markets also threatens Nike by increasing labor costs in the company’s supply chain and production facilities. In addition, the slowdown of the Chinese economy threatens Nike’s performance, which is now significantly dependent on the Chinese market for sports shoes, apparel and equipment. In developing countries, Nike has opportunities to tap consumers with increasing individual wealth. Also, the company has opportunities to develop safer products and use marketing campaigns that highlight the safety of its sports shoes, equipment and apparel. Nike can also adopt new product development strategies to address needs for products for leisure activities. Improving employment law in developing countries is a threat because it leads to an increase in labor costs in areas where many of Nike’s production facilities are located. However, this external factor also provides an opportunity for the company to apply higher standards for labor and employment. In addition, Nike has the opportunity to improve its brand image by highlighting customer satisfaction in marketing its sports shoes, apparel and equipment. Similarly, the company has opportunities to improve its health and safety measures to address expanding health and safety regulations

**Technological influences**

The increasing R&D investment among firms threatens Nike, as these competing firms aim to develop more technologically advanced sports shoes, equipment and apparel. Rapid technological obsolescence also threatens Nike by putting pressure on the company to increase its product development efforts. Nonetheless, this external factor provides opportunities for Nike to integrate advanced technologies in its products. In relation, the company has opportunities to integrate mobile technologies in its products to capture consumers who frequently use mobile technologies, such as mobile apps and online tools.

**III.            Internal Analysis**

**Strengths**

Diversified operations mitigate various risks associated with dependence on a particular market. The company operates more than1000 stores globally with a wide network of sales and administrative offices across North America, Central America, South America, Asia-Pacific, Africa, the Middle East and Europe. As of May 2016, the company operated 362 retail stores in the US including 196 NIKE brand factory stores, 34 NIKE brand in-line stores, 103 Converse stores and 29 Hurley stores. It also operated 683 non-US retail stores including 588 NIKE brand factory stores, 72 NIKE brand in-line stores and 23 converse stores. The company’s footwear products are supplied by 142 footwear factories located across 15 countries. Its apparels were also supplied from 394 factories located in 39 countries. Wide geographic presence enables to attract diversified customers globally. This also acts as an effortless way for the business expansion as wider reach in terms of geography results in improving the profit margins, attaining economies of scale and brand recognition on global basis (Globaldata, 2017).

**Weaknesses**

Nike with its business operations in the North America, Central America, South America, Asia-Pacific, Africa, the Middle East and Europe, is defendant in many litigations. For instance, In April 2016, a lawsuit was filed against the company amounting to US$5 million alleging that the company had been involved in price misrepresentations. The lawsuit alleged that Nike sold the products at manufacturer's suggested retail price (MSRP) as against its advertisement of selling the products at ‘OUR PRICE’. In January 2015, a case was filed against Nike in the federal court in Portland for violating the copyright image. According to the complaint, the company was allegedly produced an identical photograph of Jordan and reproduced it on billboards after the expiry of contract given for two years. Lawsuits could result in penalties and fines, which would increase its operating costs (Globaldata, 2017).

**Core competencies**

Nike has numerous core competencies that separate themselves from their competitors. First their popularity and reputation has a big deal to do with their success. Their celebrity endorsers and ambassadors has had a significant impact on the company. Star athletes want to use their products and the world either wants to try to fit in or appreciates the quality and innovation that the company brings to the table. The company has provided products to fit their consumer’s active needs. Nike has experiment and innovated to address issues like comfort, impact and durability while being stylish. Nike’s competitors would be other athletic brands like: Adidas, Puma, Sketchers, Fila, and Under Armour etc. The quality and assorted styles of the Nike products keep the brand innovated and popular but a huge competitive component is pricing. Competitive pricing is a huge competitive disadvantage. The good thing about Nike, is that they offer shoes for consumers at a competitive affordable price. Factors that separate Nike from it’s competitors are styles, innovation and covering a wide variety of sports equipment to provide for every athlete.

**IV.            External Analysis**

Nike exhibited a steady revenue growth during the review year. In FY2016, the company reported revenue of US$32,376 million as compared to US$30,601 million revenue in FY2015, with a growth of 5.8% over the previous year. The growth in revenue was primarily attributed to growth in sales of NIKE Brand by 6% over FY2015. The growth in NIKE Brand sales was primarily attributed to growth in North America segment sales by 7%, Greater China sales by 23% and Japan sales by 15%. The company also reported a growth in operating income by 7.8% and net income by 14.9% over FY2015. The company also maintained higher operating margin of 13.9% compared to close competitor, Adidas AG, which recorded 6.2% during the same period. Strong financial performance enables the company to gain investor confidence and improve growth prospects.

Nike’s business could be affected because of the huge influx of counterfeit products globally. High penetration of counterfeit merchandise could lower the company’s sales and affect its profit margins. Moreover, as customers mistakenly purchase counterfeit products bearing fake labels, the low quality of the products would also affect the consumer confidence and damage the brand image of the genuine company. According to the International Chamber of Commerce (ICC), counterfeiting and piracy are estimated to cost G20 countries over US$125 billion every year. It is also estimated that 2.5 million jobs could be destroyed by counterfeiting and piracy. Through low price offerings, imitated goods are affecting the sales of the branded and genuine products. As the company deals with several branded products, it is exposed to such challenges. The company faces intense competition from both domestic and international companies in the retail market. High competition in the market may force Nike to increase its product differentiation by offering merchandise at low prices and/or increase its promotional expenses, which escalate its operating costs. Its major competitors include Adidas AG, ASICS NIKE, Inc. NIKE, Inc.- Financial and Strategic Analysis Review Reference Code: GDRT31756FSA Page 5 Corporation, Callaway Golf Company, Fila USA, Inc, Fitbit, Inc., Lacoste S.A., Puma SE and PVH Corp. among others. While its major competitors have undertaken expansion programs to match the growth rate. In April 2016, PVH Corp acquired TH Asia Ltd, which previously operated as a joint venture with the company. This acquisition could enable the company to enhance its presence in China and improve its revenue by over US$100 million.

The company stands to benefit from growing retail market in the US. According to an in-house research report, the retail sales in the country is expected to reach US$3,630.1 billion in 2019 growing at a CAGR of 3.1% during 2014-2019. The retail sales of value retailers in the country expected to reach US$127.4 billion in 2018 growing at a CAGR of 2.3% during 2014-2019. The Footwear Retail Sales are expected to reach US$73.9 billion in 2019 growing at a CAGR of 2.4% during 2014-2019. The apparel, accessories, luggage and leather goods market is expected to contribute towards 16% of the total NIKE, Inc. The company opened 23 new stores in the US including 11 stores under NIKE brand factory, 11 stores under the Converse stores banner and a single store under the NIKE brand in-line banner. It also opened 91 net new non-US retail stores during the same period. Therefore, this positive trend could provide a good scope for the company to expand its operations in region by adding new products. To improve its top line performance, the company continuously invests to find new business initiatives. In August 2016, Nike announced to exit from its golf equipment including clubs, balls and bags to focus on golf footwear and apparel products. This initiative could enable the company to invest in product innovation for athletes and deliver profitable growth for Nike Golf. In the same month, the company also introduced ‘Nike+ app’ application for its smart phone customers. It also announced to open its first digital studio in New York, the US. During the review year, the company expanded its online presence to another 20 countries, thereby improving its presence to over 40 countries. In October 2015, the company signed an agreement with Flextronics International Ltd (Flex), a leading sketch-to-scale TM solutions company, to bring advanced innovation to its manufacturing supply chain. In June 2015, Nike opened a new distribution center in Memphis, Tennessee, the US to distribute Nike and Jordan Brand products to individual consumers, wholesale customers and Nike’s own retail channels. Such strategic initiatives could allow the company to anticipate significant growth in the revenues in the future.

The company may benefit from its recent product launches. In August 2016, Nike launched Nike Free Connect Gold for women to represent strength and power. In the same month, the company’s Converse brand introduced new footwear under Thunderbolt Modern. The company also launched NTM x Sneaker Tight product in North America, Western Europe and China. It also introduced Air Zoom 90 OG Pack in Golf Club Collection, Converse All Star Modern, Converse Chuck Taylor All Star Pro OP 'Ben-G' sneaker. In March 2016, the company launched adaptive footwear HyperAdapt 1.0 which is equipped with an advanced lacing system that would adjust to athlete’s usage in real-time. In FY2016, the company launched Air VaporMax with feather-light weight and the purest air cushioning. The company also created Kobe 11 which utilizes Flyknit technology for lightweight and superior strength. It also launched Air Jordan 30 during the same period. The company also introduced shoes for runners with Aero Blades technology that would reduce wind resistance for athletes. Nike also launched Mercurial Superfly V, featuring NIKE Anti-Clog technology that has a mud-repelling polymer, which provides traction. Such product launches could enable the company to cater to new customer segments, which in turn would broaden its revenue base.

**V.            Marketing Mix and Strategy**

How Nike uses the four P’s to their advantage, they plan to lead the world by being the most productive company in the world by staying on top of their customers ‘changes in demands plus needs and wants. When it comes to the type of product that is produced Nike focuses on athletic gear and equipment like sports attire, sports balls, and other varieties of things they create also. The pricing of the product produced by Nike is arranged by the size and comfortability of the shoe and designed to compete with the competitive shoe retailers around the world. The pricing is determined by the which product that is being sold because of all the various levels of operations they operate under at Nike, so many diverse types of product is sold that can be used for everyday living.

This brings us to the next P that is a huge factor and that is the place. How does Nike know where to sell and where to place their stores, well they are such a globally known brand that consumers want to sell the Nike brand in their stores to attract more customers. It was found that sells to about 20,000 retailers and around 200 countries that’s not even including the international market they provide, internationally works differently Nike has location facilities. Where they produce some product and customer service reps are located.

The finally P that gets the Nike brand recognized is promotion; Nike uses social media, celebrities, and commercials mainly for advertisement. If you think about it what do you see from Nike mainly either uses commercials or famous people wearing their shoes on TV or posters, this is a smart route by Nike. In today's society TV is a major factor of promotion because no matter what channel you go to you will always see at least one or two Nike commercials that appear.

**VI.            Competitive Strategy**

As the academic Michael E. Porter defines it, Competitive Strategy is about making choices. It’s about deliberately choosing to be different, performing activities differently or performing different activities than rivals to deliver a unique mix of value. It is because of Nike’s exceptional competitive advantage that the company is a world leader in the clothing/apparel, footwear and sports equipment industry. Nike strives to deliver higher value to customers compared to the offerings of its competitors. Nike offers superior products that are worth paying more for; best-value offering that is an attractive combination of price, features, quality, service, and other appealing attributes. Nike prides itself with delivering higher value—whatever form it takes.

The specifics of Nike’s competitive strategy are built on its resource strengths and weaknesses, its most favorable market opportunities, and the external threats to its future well-being.

**Differentiation Strategy**

Nike adopts a broad differentiation strategy. This means that the company seeks to differentiate its products from that of its competitors with features that will appeal to a broad range of buyers. A strongly differentiated product offering is always preferable to a weakly differentiated one. Successful product differentiation requires careful study to determine what features buyers will find appealing, valuable, and worth paying for. Nike does this and then incorporates a combination of these features into its products. This makes their product offerings not only attractive to a broad range of buyers, but also makes their products unique and different enough that they stand out from competitor’s products.

Such features as the ‘flyknit’- “made with less, made for more.” The flyknit shoes are described as “unprecedented performance by design, Nike Flyknit is precision-engineered down to every stitch, turning limited resource into infinite possibilities.” The flyknit shoe feature is one that no other brand has achieved with their products. Nike’s innovative advances are further expatiated on under sustainable innovation.

Nike’s successful differentiation strategy allows the company increase its unit sales because its differing product features win over more buyers. Nike creates product features and performance attributes that appeal to a wide range of buyers. A product’s physical and functional features have an enormous influence on differentiation. Hence their product categories for men, women, boys and girls; shoes for various sports, fitness activities and lifestyle as well as apparel, accessories and a wide array of sporting goods. The brand gains the loyalty of its customers. Again, because of its differentiating features, customers bond with the company and its products

With Nike products, shoes especially, performance is visual not hidden, the models are very futuristic, the shoes are remodeled over time; bringing you the same shoes you love but newer models with new attributes. Nike’s innovation knows no boundaries, no limits, their products have originality, simplicity and are very classic. This is exactly what constitutes a clever design and Nike has mastered it.

**Sustainable Innovation**

NIKE Inc.’s ambition is to double their business, with half the impact. Nike is a strong believer in sustainable innovation. The company has spent years rooting sustainability in its operations with the goal of fostering creativity and innovation while satisfying athletes, their business and the entire world.

“This is NIKE, Inc.’s moon shot – a single, bold and audacious innovation ambition guiding our future. One that will fuel our creative design process, drive, innovation to disrupt our own business model and propel us to rethink and transform our industry. We won’t always know how or when we’ll get there, but our strategies, our investments and our targets are being set with this ultimate objective in mind.”

Nike’s approach towards sustainable innovation is through a low-carbon growth economy; addressing the company’s impact on the environment and in communities especially where they operate, supporting labor rights in the supply chains. It is Nike’s goal to achieve these while continuing to serve \*athletes as well as their shareholders. (\*“if you have a body, you are an athlete.” -Bill Bowerman)

“When we consider sustainability, we look at what takes place not only within our own walls, but also throughout our value chain. This broad view is critical because the majority of our environmental and social impacts – as well as our biggest opportunities – occur in operations we do not directly control but influence. This balance of control and influence shapes the ways we can address change.”

NIKE Inc. evaluated their impact on the environment and identified their most important environmental issues to be energy use, water use, greenhouse gas emissions, chemistry and non-renewable resource depletion. Their most important socio-economic issues are employment, labor compliance, excessive overtime, community impact, occupational health and safety, total compensation and workforce development. Nike vehemently undertakes improvement in all these areas.

By year 2020, Nike targets to deliver products for maximum performance with minimum environmental footprint. Nike aims to increase the use of sustainable materials in footwear and apparel, eliminate waste in footwear manufacturing to incineration of landfill, while reducing overall waste. They target to innovate and adopt innovative approaches to reduce water use in their supply chain with a 20% reduction in the use of fresh water for textile dyeing and finishing per unit of production.

NIKE Inc.’s adoption of sustainable performance innovation is seen in their flyknit products and Nike Grind products. Nike reasons that “in a world of finite resources, we use less to give you so much more.” The flyknit is “unprecedented performance by design, Nike Flyknit is precision engineered down to every stitch, turning limited resources into finite possibilities.” These products are light on the feet and even lighter on waste. The “Flyknit technology prevents millions of pounds of waste from reaching the landfill.” The flyknit products are the lightest yet strongest footwear ever made by Nike and uses 60% less waste.

**Alliance and Partnerships**

Following the company’s mission to inspire and innovate, Nike allies with other organization and companies to bring fulfilling products to their consumers. Nike’s partnered with Apple and launched the Apple Watch Nike+. Trevor Edwards, president of the Nike Brand said,

“We know runners — and we know many are looking for a device that gives them an easy, fun way to start running…The market is full of complex, hard-to-read devices that focus on your data. This focuses on your life. It’s a powerful device with a simple solution — your perfect running partner.”

Nike puts their customers first and tries to make their lives easier one product at a time. In late 2016, NIKE Inc. formed an affiliation with Apollo Global Management. The companies entered a strategic partnership regarding the apparel supply chain in America. This partnership will enable quicker delivery of customized products to customers, increase regional manufacturing capabilities and foster investment in sustainability.

To eliminate water and chemicals in dyeing, NIKE Inc. introduced ColorDry technology and high-tech facility in December 2013. NIKE Inc. President and CEO Mark Parker described this as a “manufacturing revolution”.

“The ColorDry Polo provides a glimpse into an advanced technology that delivers a brilliant spectrum of intense colors while eliminating the use of water and process chemicals. We’re excited about the potential of scaling ColorDry and applying waterless dyeing technology across other materials.”

- Mike Yonker, Nike VP of Product Innovation.

Since the technology will yield environmental benefits and coloring which have never been achieved before with such technology, the is indeed revolutionary.

Nike continues to pursue quality improvements through sustainable innovation, striving for more technological advances, implementing better production technology; difference in product quality – creating products that require less maintenance, fewer repairs and have longer product life.

**VII.            Other Strategies**

Nike’s strategic diversification is to dominate the appeal and shoe marketing field which is where majority of their revenue is collecting from worldwide. The reason behind the domination of the Nike brand around the world is due to the fact that they distribute through over 100 different countries plus thousands of retailers, selling all types of gear from shoes, athletic balls, and eyewear it’s a wide variety of product being sold under the Nike brand. Therefore, Nike is so known because of their diversification in product being produced over the world but it is found that Nike lives through the outsourcing approach in other countries where their product can be made for cheaper and prices raised in within the states that brings more profit into the company. Doing business through other countries decreases substantial risk of company failure and other provides the best deals for the providing company and in this case, is Nike.

How does Nike making it in the international market compared to other competitors nationally? This is how; they started with conquering the most watched sport in the world football with doing this, they became the biggest football company in the world. Nike could improve their position to be the best is by focusing on their consumers wants and needs all around the world. Therefore, it will give them the advantage to make the experience of the customer that much better and get feedback to improve the up and coming products production process, most importantly is the partnerships across the countries that they collaborate with to make it all happen around the world to elevate the Nike brand name to everyone. Focusing on your main consumers and for Nike it's mid-teens in athletics cause if you please your top consumers a company can't go wrong, they will only improve in their field of work.

**VIII.            Strategy Implementation**

“Strategies most often fail because they aren’t executed well.”—Larry Bossidy, former CEO Honeywell International, and Ram Charan, author and consultant

After strategies are laid, great emphasis remains on proper execution and positive results. Strategy execution involves the entire management team of a company because implementation is even more difficult than establishing the strategy. Hence, good strategy implementation requires effective teamwork. The managers and employees are all significant players in the process.

NIKE Inc. is a leader in the footwear and sporting goods industry because their products have gained market power, their marketing strategy execution is exceptional – like their eye -catching and attention grabbing advertising, celebrity sponsorships, etc.

NIKE puts together a strong management team with the right mix of skills, experiences and abilities. They customize the managerial approach towards implementing strategies based on the company’s goals. NIKE promotes its motto, “Just do it” to its employees. The philosophy is based on teamwork and creativity in thinking. For this philosophy to be effective, employees need to feel free and comfortable enough to voice their ideas and be creative in their individual way.

To create such creative environment, NIKE’s corporate culture can be characterized by employee loyalty and team spirit. The company created its lingo; the headquarters is called a “campus” rather than an office. Employees used to be referred to as “players,” supervisors referred to as “coaches” and meetings as “hurdles.” The informality of these terms creates more fun and creativity in the daily worker’s experience.

To enhance creativity and motivate employees, NIKE employees have the opportunity to play sports or workout during lunch breaks. This is a policy that not so many can follow. (Except Google of course). To maintain skills and knowledge, NIKE trains and retrains all company personnel.

NIKE is a well-staffed company with resources, capabilities, competencies and organizational structure. These make it possible for NIKE Inc. to successfully execute strategies.

**IX.            Ethics.**

As stated by Nike, they have worked for over a decade to understand, track and reduce environmental impacts across their value chain. They work to reimagine the role of waste and renewable energy, disrupt how people think about their water footprint, and rethink chemistry. A new generation of products is being that would achieve maximum athletic performance with minimal environmental impact. The company has also focused on eliminating waste through more efficient product design and manufacturing technologies. In 2015, 54 million pounds of factory waste was transformed into premium materials that was used in Nike performance footwear and apparel. The company has focused on using lower-impact, high-volume materials – such as recycled polyester and certified Better Cotton (cotton grown according to the Better Cotton Initiative Standard System) – that drive energy efficiency and water efficiency. They are developing new low-carbon impact materials and turning waste into new materials to keep environment safe for their stakeholders.

**X.            Conclusion**

NIKE Inc. is a very successful leader in the footwear, apparel and sporting goods industry. Innovation and technology are key drivers in the company’s success. NIKE’s operations are very in line with its mission – “to bring inspiration and innovation to every athlete\* in the world. \*If you have a body, you are an athlete”

NIKE’s evolving technology and growing innovation target satisfying every need of its customers. The company does an excellent job in listening to concerns of customers and satisfying them. This is what brought about the creation of the ‘Nike Pro Hijab’ to satisfy a need of Muslim \*athletes even when faced with controversy.

Nike’s most recent sustainable business report details strong noteworthy progress in the company’s environmental and social targets. Areas such as the flyknit technology which produces 60% less waste. Since 2012, this technology has reduced waste by nearly 3.5million pounds while still providing high performance shoes to athletes.

The company’s ColorDry technology has saved more than 20 million liters of water. The Reuse-A-Shoe program has recycled nearly 30 million pairs of shoes. Nike is using less energy and reducing emissions. Since 2008, the footwear manufacturers have cut energy use per unit by almost 50%.

Since the startup of Nike Inc., the company has believed in the power of sports to change lives. Nike extends this philosophy to schools across the words through the Let’s Move! Active Schools partnership. The goal is to raise awareness of the risk of physical inactivity and keep kids across the world active.

All in all, NIKE Inc.’s most important focus is its customers. All the innovation and technology that takes place is done to satisfy our needs. Their social and environmental efforts are all for our benefit as well. If Nike relentlessly follows this path, the company will remain a leader in its industry.

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