
NIKE

Name : Adina Badale

Student Number: 1909484

Module Title: Marketing Fundamentals

Assignment Title: Analysis and Evaluation

Lecturer's Name; Tushara Balendran

Table of Contents

INTRODUCTION.....	3
Task 1.....	4
PROCESSES AND STAGES OF MARKETING INCLUDING THE ROLE OF THE MARKETING MIX.	4
THE ROLE OF MARKETING IN CREATING VALUE FOR CUSTOMERS.	10
STAKEHOLDERS AND THEIR IMPACTS ON MARKETING ACTIVITIES.....	12
TASK 2.....	14
REFLECTION ESSAY	14
CONCLUSION	15
REFERENCES.....	16

INTRODUCTION

NIKE is the world largest company who supplies the athletic shoes and apparel. It is also majorly known for manufacturing sports equipment. The revenue generated by the company is \$24.1 billion and it also contributes to the GDP of the country(Aarrevaara et al., 2017). NIKE adds the value in the life of people by providing goods and employment. The company has approx. 44,000 people worldwide(Ahmed, 2016).

Task 1

PROCESSES AND STAGES OF MARKETING INCLUDING THE ROLE OF THE MARKETING MIX.

According to DR. Philip Kotler (2004), marketing is the process which satisfies the needs of customers by the exchanging of the products and services (Brohi et al., 2016). It is a management process which returns maximum profit by the stakeholders and builds the relationship in the market. The process values customers and provides a competitive advantage (Caetano, 2019).

Marketing process analyses the market opportunities by targeting market and prepares the marketing mix to sell the products. This process helps the organisation to achieve the desired result (Cardwell et al., 2017).



Figure- the marketing process

Source- (D'Agostino, 2018)

MAIN STAGES OF MARKETING PROCESS

- Mission

The company has the mission to do every possible try to expand human potential. The company has expertise employees to bring innovative changes in sports equipment and outfits.

- Situational analysis

Situational analysis is done by the company to understand the demand of the customers as per the situation. The situational analysis focuses on the factors that affect the sales of the company. Nike is famous for selling the best quality products. It provides strong brandings to the customers. The branding strategy of Nike is unquestionable thus it attracts a large number of customers(Derakhshan et al., 2019).

- Objective

The activity that the NIKE aims is to provide the best product and services to the customers. For example, NIKE is famous for sportswear so the short period, the company is planning to sell the women sports outfit to increase the sales(Erhardt et al., 2019).

- Strategy Implementation and control

The main motive of NIKE is to sale its product in the large distribution network so the strategy uses by the company is to build a strong bond with the customers. NIKE provides loyally and trustworthy products and services to the customers which are quite appreciable in the market.

Nike has distributed its product according to the segmenting and targeting of the customers and provides the services according to their demands(Ge and Li, 2019). As NIKE is famous for the sportswear and sports equipment, it provides an exclusive range of products with high quality.

PESTEL ANALYSIS

Political	Economic
The policies of the united states affect the company includes low-interest capital and good global taxes. Different political battles also affect the exports and imports of the company.	To overcome recessionNIKE has reduced the costs of the products and a five per cent reduction in the labour during the recession. It affects the budget and makes less expenses.

Social factor	Technological factor
People are becoming more health-conscious and are focused towards the healthy lifestyles this includes the change in the demands of sportswear(Ge and Li, 2019).	Nike has invested a large amount on technology. The 3D print technology used by the company attracts a large number of customers. It can be a problem if the technology can be acquired by the competitors(Cardwell et al., 2017). .
Legal factor	Environmental factor
Barriers of import and export of products. Must investigate the local regulation of the country required in trade(Gregory, 2017).	Uses of the hazardous chemical increase air and water pollutions this affects the life of people. Recently there were 3000 deaths in china due to polluted environment(Gregory, 2017).

PESTEL analysis shows both negative and positive factors that affect the sales of the company. There are various factors that the company needs to focus on the factors to gain competitive advantages.

SWOT ANALYSIS

STRENGTH	WEAKNESS
Nike has captured 31% of the athletic market by providing recognizable brands. The company earns \$115.19 billion in 2018 by providing loyal and trustworthy services(Prado and Spillane, 2019).	Nike provides poor labour conditions in foreign countries. This includes child labour, low wages and bad working conditions. Nike sold their 60 to 70% products directly to the retailers.
OPPORTUNITY	THREATS
Nike has captured the market by its innovative products manufacturing styles.	New entrants increase the pressure on the business of the company.

Nike also uses best business strategies which allow the company to emerge in the market and provides various opportunities for business in foreign countries(Cardwell et al., 2017).	Nike also faces market budget pressure which affects its shareholders and investments(Cardwell et al., 2017). The technology used by the company can be acquired by rivals(Wiśniewski, 2018).
---	---

STP FOR NIKE

- SEGMENTING

Nike has distributed customers in different groups. Mainly the products of the company are made to attract adults and teens. As the involvement of these audiences in the sports are more(Prado and Spillane, 2019).

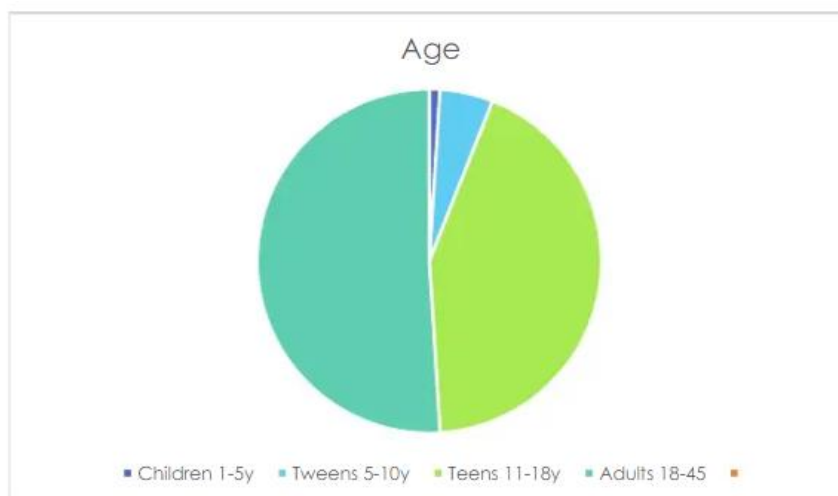


Figure- age

Source- (Wiśniewski, 2018)

- Targeting

Nike targeted customers between 11 to 45 years old, the company also provides the products according to the weight of the customers this helps to gain the trust of the customers. Nike also provides best products according to gender(Wiśniewski, 2018).

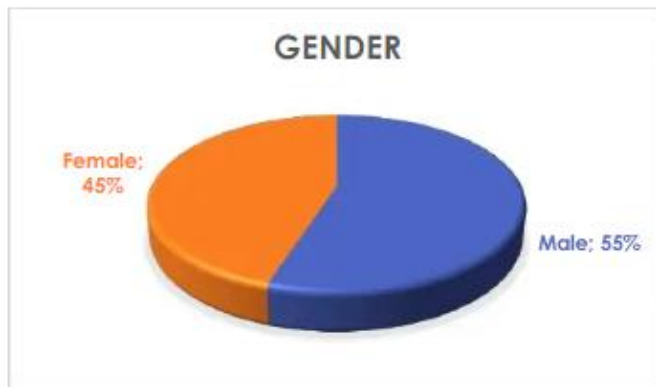


Figure- gender

Source- (Cardwell et al., 2017)

- Positioning

Nike has become the most favourable company for selling the products. Strategies used by the NIKE targets all the age group this attracts a large number of audiences and also loyal and trustworthy services provided by the company improves the reputation in the market. Nike has captured 31% of the athletic market and earns \$115.19 billion in 2018.

MARKETING MIX

Nike uses a marketing mix to understand the demands of the customers.

- Product-

Nike invests more on the research and development process to introduce the enhanced version of the products. The products introduced by the company are shoes, appareland equipment for different sports. This attracts customers(Caetano, 2019).

- Place-

Nike has its own physical and retailer shops that sell the products of the company. Physical shops attract a large number of customers. Furthermore, the company sellsits products via an online platform.

- Promotion-

Nike promotes its products through various social media. This helps them to cover a large number of customers and audiences. Nike updates its customers about its products and services by using advertisements(Cardwell et al., 2017).

- Pricing strategy-

Nike uses value-based pricing and premium pricing strategy to attract a large number of customers. Pricing strategy of the company is done by considering the perception of the customers. Nike has observed that people are more willing to pay high prices to buy shoes. So Nike provides the best quality shoes to them(Brohi et al., 2016).

THE ROLE OF MARKETING IN CREATING VALUE FOR CUSTOMERS.

Nike has introduced a societal marketing concept in its business to know the demands of the customers. This helps the company to take decisions for holding their customers. The company uses the best techniques to manufacture the products which attract a large number of customers and hold them for a long time(Caetano, 2019).

Branding is one of the most important factors that make a business successful. It is the first impression of the company through which the customers attracts towards the company. Nike sells its own branded products to get the benefits in the business and gain a competitive advantage in the business(Caetano, 2019)

The brands sell by the NIKE helps the business to stand out in the saturated market. This attracts a large number of customers. This allows customers to buy the products according to their convenience. Brands also provide the loyalty services to customers this increases the reputation of the company(Wiśniewski, 2018).

ANSOFF MATRIX

- Product development

The products of the company are made by understanding the demands of the customers. This improves the relationship between customers and company(Aarrevaara et al., 2017).

- Market development

The formula for making products increases the demands of the products in the country. This motivates Nike to enter in the international market. Recently the company has enhanced its business in China, Brazil and INDIA and earns billion dollars by selling its products.

- Diversification

Nike provides limited products in the starting to know the interest of the customers. This motivates Nike to entre in the new international market. The sports products including shoes and sportswear are well encouraged by the customers this increases the demands of the company.

Nike promotes relationship marketing strategy by direct selling of the products. This allows the company to welcome the feedbacks and acquire market according to the demands of

the customers. Relationship marketing improves the customer fan base and allows the company to expand its business on the international level(Brohi et al., 2016).

STAKEHOLDERS AND THEIR IMPACTS ON MARKETING ACTIVITIES

Stakeholders are a group of person, organisation of company employees that has an interest and concern in an organisation. Stakeholders can affect or be affected by the actions of the company. It includes internal and external factors which affect the trading practices of the company(Brohi et al., 2016).

INTERNAL AND EXTERNAL STAKEHOLDERS

Nike has enhanced its business on the international level which has varieties of stakeholders that influence and affects the sale of the company(Ahmed, 2016).

There external stakeholders of the company are

- Customers

Nike gives priority to the customers as a stakeholder group. As increasing the customer fan base allows the company to increase revenues from selling the sports shoes, apparels and sports equipment. The pricing strategy of the company is enough capable to attract a large number of customers(Ahmed, 2016). Marketing of Nike is nothing without the customers. The company uses various methods of communications to aware and update their customers about their newly released innovative products. The promotional method includes advertisement methods via social media. This builds a relationship with customers(Aarrevaara et al., 2017).

- Government

Being a part of social corporate life, Nike has included government as a stakeholder. Government of the country affects the operational strategy of the company. There are various barriers to import and export affects the trading of the company. Nike maintains a relationship with the government by following their various policies, and tax compliances to expand its business(Brohi et al., 2016).

The internal stakeholder of the company are-

- Employees

Employees of the company play a very crucial role in expanding the business and to gain a competitive advantage in the market. Performance of the employees has a direct translation

in the business performance. Nike provides good career opportunities for the employees to retain their talent and to improve their performances. Nike communicates with its employees to solve their problems related to work or health and safety issues. A happy employee leads a happy company(Aarrevaara et al., 2017). Nike provides various training and development sessions for employees to improve their talent and skills. This helps the company to work according to the demands of the customers. This method returns a profit to a maximum extent and allows the company to generate its revenue.

TASK 2

REFLECTION ESSAY

Reflection of the study helps to understand the key points that can be generated by studying the topic thoroughly. From the study, it can be concluded that the marketing process plays a very important role in the company. I have referred various articles, books, module and lectures to understand the topic clearly. By studying the academic module I have learnt that Marketing is an integral function of the organization. Marketing of the product decides the survival factor of the organization. It also provides a competitive advantage to the company (Caetano, 2019). The company needs to analyse the competitions and develop the strategies to give the best competition to rival (Brohi et al., 2016). The company can dominant the rivals by understanding the marketing fundamentals and strategies to overcome the issues.

I have taken the example of an organisation to understand the topic clearly. The study of the module includes the marketing fundamentals of NIKE. Nike is the multinational American company and sales the product worldwide (Cardwell et al., 2017). The products of the company are footwear, apparel, equipment's, accessories and services. The company uses the best marketing process by following the STP model (Brohi et al., 2016). The organisation has segmented the audience and ideally target them to sell their products. Marketing fundamentals also includes customer loyalty. This increases the profitability factor. The local regulation of the country affects the sale and business strategy of the company (Cardwell et al., 2017). Nike needs to investigate the local regulation of the country before entering the foreign market.

To understand the tactical communications tools, I have attended various lectures from my college professors. This helps me to understand the importance of the marketing mix. Discussing with my professor on the topic helps me to avoid the unwanted confusions and misunderstanding of the topic. My professor also shares various articles which includes various theories and models. This is beneficial to understand the marketing process and stages.

I have referred to the swot and PESTEL analysis to understand the internal and external factors that affect the business. Another theory of segmenting, targeting and position is

referred from the academic textbooks which help me to analyse and evaluate the process uses by Nike to expand the business.

The study will allow me to face future challenges in my academics and professional life challenges. The study will also be beneficial for me to develop various strategies that are required in the business. Understanding of theories and models are beneficial to face future professional life challenges and will be helpful for me to give solutions to the problems. I have referred theories and models from academic textbooks which are written by the highly qualified and experienced people. I have also referred to articles from the internet to understand my research topic deeply. This helps me to gain knowledge throughout the study.

CONCLUSION

The study of the topic is divided into three parts in which firstly study includes the process and stages of marketing with the help of the marketing mix. The next part explains the role of marketing that creates value for the customers. It also explains the role of customers in the expansion of the business. The last part includes the various stakeholders and contribute to the marketing of products.

REFERENCES

- Aarrevaara, T., Wikström, J. and Maassen, P., 2017. External stakeholders and internal practices in departments of teacher education at European universities. *Higher Education Quarterly*, 71(3), pp.251-262.
- Ahmed, R.R., 2016. „Strategic Marketing Plan of Nike “. *ResearchGate, Indus Institute of Higher Education*.
- Brohi, H., Prithiani, J., Abbas, Z., Bhutto, A. and Chawla, S., 2016. Strategic Marketing Plan of Nike.
- Caetano, N.M.R.P.L., 2019. *Nike marketing plan: the launch of Nike Academy in Portugal* (Doctoral dissertation).
- Cardwell, L.A., Williams, S. and Pyle, A., 2017. Corporate public relations dynamics: Internal vs. external stakeholders and the role of the practitioner. *Public Relations Review*, 43(1), pp.152-162.
- D'Agostino, J.L., 2018. *The Impact of E-commerce on Brands: An Analysis of Amazon and a Plan for the Future* (Doctoral dissertation, University of Oregon).
- Derakhshan, R., Turner, R. and Mancini, M., 2019. Project governance and stakeholders: a literature review. *International Journal of Project Management*, 37(1), pp.98-116.
- Erhardt, N., Martin-Rios, C. and Chan, E., 2019. Value co-creation in sport entertainment between internal and external stakeholders. *International Journal of Contemporary Hospitality Management*.
- Ge, L. and Li, C., 2019, April. Analysis of competitive Power of Chinese Sports Apparel Brand based on Porter's five Force Model. In *Proceedings of the 2019 3rd International Conference on Information System and Data Mining* (pp. 54-58).
- Gregory, L., 2017. Nike Inc. Marketing mix (4Ps/Product, Place, Promotion, Price) analysis.
- Prado Tuma, A. and Spillane, J.P., 2019. Novice School Principals Constructing Their Role Vis-A-Vis External Stakeholders:(Not) Attempting to Be.
- Wiśniewski, R., 2018. *Project of implementing a new product on the Polish market by Nike* (Doctoral dissertation, Instytut Organizacji Systemów Produkcyjnych).