

LCBB4004

MARKETING FUNDAMENTALS

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Introduction:

In this approach, the company we have selected is named 'NIKE Inc.,'. It is an American Multinational organisation. It was founded as Blue Ribbon Sports in 1964 by two businessmen (Bill Bower and Phil Knight). (MEYER, 2019)

The nature of this business is that it follows the design, manufacturing, and retailing of athletic shoe wear, equipment, and sport-kits. It has gained much strategy because of the quality provided by this business to its customers. It is a huge organisation, i.e., its revenue is withstanding at USD 47 billion. The total number of employees operating and functioning in this business is around 79,100. However, this business has gained sustainable competitive advantage and operational and functional excellence, which is why many of this business's target market has been attracted to this business. Over this approach, we will conduct an in-depth evaluation and critical investigation of how Nike Inc has conducted market segmentation. Moreover, we have to analyse the targeting process of Nike. Contrary to this, the positioning process of this business would also be taken forth in this consideration in a critical way. (ChristopherMcFadden, 2019)

Along with that, all the marketing mix strategies would also be focused on the business of Nike inc., in which 7P's of marketing would be focused regarding the consideration of this business. It is what we have to follow up regarding the business of Nike Inc. that we have to determine the key marketing constraints that have contributed to this business gain competitive advantage.

Findings:

First and foremost, we have to determine the market segmentation process that the business of Nike Inc. has followed,

Market segmentation is an approach in which the market has been segmented (or divided).

The segmentation process has been conducted based on the customers. For segmentation, it is necessary to focus on the customer force critically. Segmentation has been conducted based on the traits of the customer. For instance, it could encompass demographic, geographic, psychographic, and behavioural factors. However, these are the four key factors based on which the market segmentation has been followed. However, the segmentation is carried out based on the nature, type, and intensity of the business's customers. A business could either implement a single factor for segmentation. (MARKETING91, 2020)

For market segmentation, Nike has followed all the factors of segmentation. However, it has followed the market segmentation based on demographic, psychographic, behavioural, and geographic factors. (Peer-to-Peer-Marketing, 2021)

As far as the demographic factors are concerned, Nike has taken for the market segmentation based on the age-groups and genders. However, the main age group focused on or targeted by the Nike business is 15 to 55. The products have been categorised based on the Men, Women,

and Kids categories. They offer special prices, marketing strategies, extra-ordinary quality and multiple designs to attract their customer force. (EDRAW MIND, 2022)

Nike has offered its product in multiple countries. For a huge multinational business like Nike Inc., it is necessary to focus on all the geographic locations in which this business operates and functions. For different locations, it offers the product based on customer preferences, culture, and product experience. However, different places do have different customer preferences. Based on customer preferences, Nike has introduced different products for markets in Asia, Europe, the United States of America, Australia, the United Arab Emirates, and so forth.

Contrary to this, the psychographic segmentation that the business of Nike inc. has assured is that they have kept their main focus on meeting the needs and requirements of the customer over this consideration. (GraduateWay, 2016)

Last but not least, this business's segmentation is based on behavioural factors. However, this segmentation deals with providing extraordinary quality to customers, comfortable footwear, the basic sports equipment. However, the behavioural factor encompasses providing a unique quality product and equipment to their customer force. Targeting is the process of attracting customers, and it is taken forth through analysis of how products and services could be moulded to the customer's requirements. The customer who has similar requirements to the company would be targeted in this consideration.

Now, we have to focus on the constraints related to the targeting of Nike Inc. However, it could be focused that Nike has targeted the age group of 15 to 55. The targeting has been taken forth to those customers who admire having extraordinary quality and comfortable shoes. (MARKETING91, 2020) (OBEROI, 2022)

Hence, the market, which has a sense of premium shoes, has been targeted. Nike offers premium quality and pricing for their products based on their nature. High-income groups can only purchase the premium pricing offered by Nike. The targeting has been conducted for people having high incomes and a sense of premium quality. (EDRAW MIND, 2022)

Moreover, the targeting has been conducted by Nike based on the ones who have an interest in sports or are athletes. However, the main emphasis of this business is on premium sports shoes and equipment. Though, it targets sports enthusiasts.

Moreover, they have conducted targeting for the urban people. As rural people need a sense of recognition of such premium quality products. (EDUBIRDIE, 2022)

They have conducted the targeting process based on lifestyle and personality. Those who have a flashy lifestyle can afford shoes from Nike. Hence, the Nike business targets people with viable personalities and flashy lifestyles.

In addition, Nike has also conducted a targeting process based on its customer loyalty. They have attained a sense of satisfaction from their customers, which is why this business has gained customer loyalty and targets based on these approaches.

Positioning leads to how the brand wants itself to be perceived in the perceptions of the customer force. (Panagiotopoulou, 2017)

However, the positioning of the product in the market. It carries distinct features in contrast to the competitors.

The positioning of Nike has been conducted as follows;

They have ensured their business as a leader in the sports shoes and equipment market. (team, 2021)

In addition, this business has positioned itself for great dependency on innovative technologies, either in manufacturing, operations, and marketing approaches. They have positioned their business on the adaptation and usability of innovative technologies.

(EDRAW MIND, 2022)

Furthermore, this business has built a strong strategic network between the athletes and the business. They have gained strong acknowledgement in the market through which they have positioned themselves as the leader of shoe-wear marketing. (Panagiotopoulou, 2017)

It is how segmentation, targeting, and positioning have been followed by the business of Nike in this consideration.

Now, we have to promulgate a marketing mix for the business of NIKE. The marketing mix encompasses the 7Ps of marketing.

The marketing mix (7Ps of marketing) of Nike could be followed as follows;

Product:

A wide range of shoe range is the main product of the business of Nike. However, they offer shoes of different types, but the main focus on the product they have to sell in this market competition is their interest in sports-related shoes. They offer premium quality joggers; they have offered a great variety of shoes that are different in design and quality over this consideration. Furthermore, they also sell hoodies, shirts, vests, trousers, and pants. However, their product also encompasses clothing and apparel. Furthermore, their product range also includes swim-suits, and gear. Contrary to this, their product range also encompasses the consideration of sports equipment. All the products offered by this business are of premium quality; their main target is the market of sports enthusiasts and athletes. (Carmicheal, 2021)

Price:

The price of Nike products is comparatively higher as compared to their market competition as they have induced a sense of loyalty with their customers that they would offer utility and value on any product that could be sold in the market competition. Though the factor of their customer satisfaction is so huge that they offer high prices for all of their products irrespective of what is their nature, intensity, and type over this consideration. No doubt that the quality offered by Nike is premium, and the pricing is also kept premium (and very high). The pricing is kept on the nature, intensity, and type of the product. However, it could be noticed that they have to charge premium pricing for the premium products they are selling to their customers over this consideration. (OXFORD COLLEGE, 2021)

Place:

Nike sells its products globally. However, it has retail and online stores all across the world. However, all the products of Nike have been sold online and also across the physical stores. The business Nike has gained global recognition, and they have gained a strong market share of the shoes. From all the outlying factors, it could be noticed and determined that there are 1048 stores of Nike that are currently operating in different locations all across the world. The main origin of Nike is Beaverton, Oregon, United States of America. 30% of the total business of Nike is operating in the United States of America. It could be estimated that there are 325 Nike stores in the US alone. To sum up, Nike is having physical locations, and virtual presence all across the world. (RIZWAN AHMED, 2016) (Pratap, 2022)

Promotion:

The most important approach for a business is how they promote themselves. However, the main mode of marketing which has been opted by Nike is social media marketing. Therefore, they have gained an active influence, and popularity across their various social media handles through which they result in marketing all of their products, and services over this

consideration. It could be analysed that they are also involved in the traditional marketing, i.e., they post many banner advertisements across the various locations. Furthermore, they are also involved in search engine marketing. Furthermore, they also run various advertising campaigns on their e-commerce website. They run campaigns across the YouTube channels. The main dependency of this business is kept on digital media, and social media marketing.

People:

For their employees, they result in the best contribution for them. However, people would entail the approach of human resource management. However, to retain their employees; they offer them various incentives, and benefits through which they remain productive for the business. Though, social responsibility is the major constraint noticed by this business.

Processes:

From all the outlying factors, and critical evaluation of the Nike Inc., it could be noticed that they have assured to outsource all of their production. However, they have kept a strong connection with the external entities that are capable of providing unique products to the business. Along with their own manufacturing, they also focus on outsourcing that increases the higher output of the product. Though, this process of outsourcing improves the value-chain, and capability of this business.

Physical evidence:

As the nature of Nike is that it is a physical business; there are numerous physical approaches, or evidence that could be noticed for this business. Though, it could be determined that; the physical evidence could be considered as of the special packaging of the products that have been assured by Nike.

Conclusion:

In this consideration, we have to conclude, and promulgate the overall understanding that has been gained from this approach. Though, we have analysed all the major marketing constraints of the business of Nike over this consideration. As an initial priority, we have evaluated how the market segmentation has been held up by Nike over this manifestation. Nike has segmented their business on the basis of psychographic, demographic, geographic, and behavioural factors. Furthermore, they have targeted the sports enthusiasts that exist in the age category of 15 to 55. It targets those people who have premium quality recognition. Furthermore, they have positioned themselves as the market leader of the shoes, and equipment industry. In addition, we have focused on the 7Ps of marketing (marketing mix). It deals with product, price, place, promotion, processes, people, and physical evidence.

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