



STRATEGY MANAGEMENT

Analysing Nike

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TABLE OF CONTENTS.

1. INTRODUCTION	pg. 3
2. HISTORY OF THE NIKE COMPANY	pg. 3
3. FINANCIAL SITUATION	pg. 5
4. VISION, MISSION AND VALUES OF THE COMPANY	pg. 6
5. MACRO ENVIRONMENT	pg. 7
• PESTEL	pg. 8
6. MICRO ENVIRONMENT	pg. 12
• NIKE'S PORTER'S FIVE FORCES	pg. 12
7. INTERNAL ENVIROMENT	pg. 15
• VRIO MODEL	pg. 15
• CHAIN VALUE	pg. 18
8. THE STRATEGY DIAMOND	pg. 24
9. CONCLUSION AND RECOMMENDATIONS OF NIKE	pg. 27
• CONCLUSION.....	pg. 27
• RECOMMENDATIONS.....	pg. 29
10. REFERENCES.....	pg. 30
A. Books resources and scientific articles.	pg. 30
B. Electronic resources.	pg. 30

**JUST
DO
IT**



Nike, 1988

1. INTRODUCTION

The purpose of this paper is to study how Nike company has used the management and growth strategies that have led Nike to be in a leading position in the sports sector.

Nike has used a set of plans and actions to design its company in order to increase its market share by developing a unique and stable advantage in the field in which it competes.

I have chosen Nike company for the following reasons:

- It is an internationally expanding company.
- Nike has been adapting to an increasingly technological environment.
- It is a brand with a great personality.



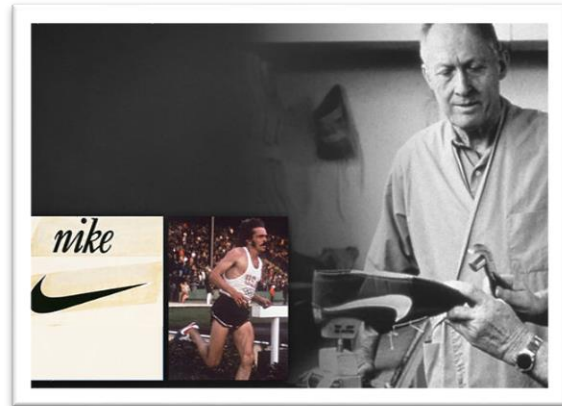
2. HISTORY OF THE NIKE COMPANY.

In the 1950s, Phil Knight, a runner on the University of Oregon track team, became interested in athletic footwear. His coach, Bill Bowerman, modified his own running shoes to give his team an edge in races.



Knight travelled to Japan and in an interview managed to become the distributor of Japanese Tiger shoes in Oregon. The runner contacted his coach, Bowerman, and sent him a few pairs of the shoes. In response, Bowerman offered to set up a company called Blue Ribbon Sport.

In 1964, the company began taking orders from a small shop, but as the brand grew, the partners were forced to bring in a new member. Jeff Johnson focused on marketing, launching product brochures, creating a mail order system and opening the company's first retail shop, among other things.



In the following years, problems with the company Onitsuka Tiger followed, so the partners considered the possibility of creating their own brand of sports footwear. It was not until 1971 that the company was renamed *Nike* and the famous Nike “Swoosh” logo was created.

During the 1970s, Nike ended relations with Onitsuka and began producing its own trainers. Within a few years, the company underwent rapid growth and managed to carve out an important niche in the American market. Taking advantage of this growth, the brand began to sell sportswear other than Nike shoes.



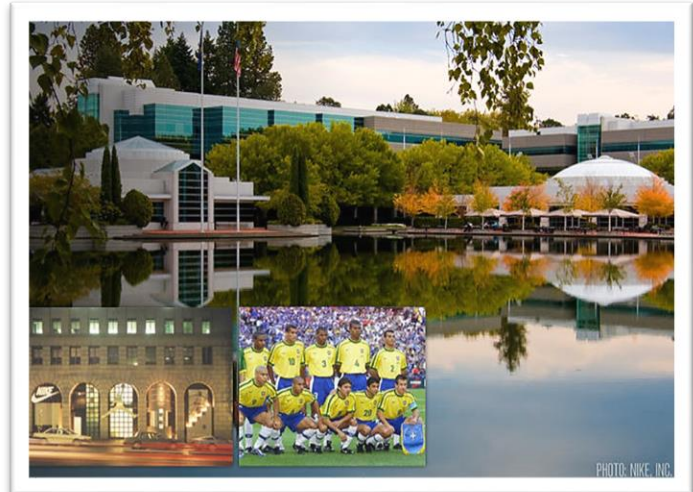
Advertising came to Nike in the 1980s, through a major advertising agency. As a result, sportswear became fashionable among young Americans, not only for sports, but also as casual streetwear. However, in the mid-1980s, the company ceased to be a leader in its sector due to poor decisions that encouraged

the growth of its competitors. This crisis would be accompanied by a big bet on a rookie NBA player, Michael Jordan, who would wear specialised trainers, which had a great impact on young athletes. This meant that the company's balance sheet was not so negative.

In 1987, the brand regained its leadership in the industry through two important innovations. On the one hand, they launched a new “*Air Max*” shoe in which air chambers

could be seen, something that had never been seen before. On the other hand, the slogan **“Just do it”** was born and still exists today. This slogan was accompanied by a multifunctional shoe, used for all kinds of sports. Therefore, the idea was to reach a much wider public, no matter what sport was being practised, with such footwear one could aspire to the maximum.

In the 1990s, the Nike brand extended its reach to sports such as football and golf. Football was not a popular sport in the United States, but it was in Europe and South America. The brand began to design the uniform of the Brazilian national team, world champions, and would also end up signing contracts with several European players and clubs.



In golf, they continued to focus on sponsoring a future star, Tiger Woods, who, as in the case of Michael Jordan a few years earlier, would become the best player in the history of his sport.

In 2002, Nike created its first global marketing campaign for the World Cup in South Korea and Japan. This was accompanied by a new shoe model *“Nike Shox”* with an innovative cushioning system that took more than 15 years to develop. Today, the brand is still trying to develop new products and expand in Asian countries. In addition, having a presence in minority sports is another of the company's objectives.

3. FINANCIAL SITUATION.

Nike Inc., headquartered in Beaverton, Oregon, USA, is engaged in the design, development, marketing and sale of sports footwear, apparel, equipment, accessories and services. Through its various marketing channels, the company offers the products of the following brands: Nike, Converse and Jordan. In the last financial year, the company generated revenues of USD 44.54 million and earned a profit of USD 5.73 million (Investing.com)

Nike Inc. is listed on the New York Stock Exchange under the ticker NKE. The company is part of the two most popular global indices, the Dow Jones (since 20/09/2013) and the S&P 500 (since 30/11/1988). The share price at the date of valuation was USD 98.58 (Investing.com)

4. VISION, MISSION AND VALUES OF THE COMPANY.



The **mission** of a company is to look inward in the long term, but the vision is to be able to look outward in the medium term (Drucker, 2000).

Nike's mission is to bring inspiration and innovation to every athlete in the world, because “if you have a body, you are an

athlete.” (Nike Inc., 2022). 39 “It's more than a business, it's more than a sport, it's a mission. This is what we've been doing all our lives, so we have to offer something worthwhile.” (Knight, 1996)

Nike's vision The brand has not published an official vision statement. However, the company's vision statement for its corporate social responsibility is a good approximation for its business.

Social Responsibility. This Corporate Social Responsibility vision is “to help Nike and our consumers thrive in a sustainable economy where people, profits and the planet are in balance.” Analysing this statement, it includes the company and its consumers as major stakeholders in the desired future sustainability goal. The corresponding strategic objectives are implied in the “sustainable economy” component. Likewise, it reinforces sustainability by stating that “people, profit and planet are in balance.” This statement shows that, in addition to being a manufacturer of athletic footwear and related products,

Nike is also concerned with sustainability and the balance needed to ensure that everyone benefits from the business. (Smithson, 2017)

Finally, it is time to define the organisation's values, which are related to how the company does business:

- o **Cooperation:** While it is true that Nike usually bets on individual characters to be its visible face, in most of its most recent Spots it can be seen how athletes are not alone. They may be surrounded by the rest of their teammates, their fans or the people they represent in their teams and national teams, but they are rarely represented individually.

- o **Equality:** For Nike, all its consumers are equal and should be treated in the same way. In fact, in the previously mentioned mission statement, Nike makes it clear that anyone can be an athlete.

- o **Effort:** Nike wants to be a source of inspiration and to make it clear that success cannot be achieved without effort.

- o **Progress:** Again based on the mission, Nike does not only want to be a source of inspiration, but also of innovation. Nike works to improve people's physical and social capabilities.

- o **Respect:** Respect is a value that goes hand in hand with equality. Nike is a brand that has carried out different actions in favour of groups affected by discrimination. Mutual respect and the integration of all groups in society under the umbrella of equality are basic to Nike.

- o **Identity:** The brand is committed to a “*Nike*” identity. That the consumer feels represented by the brand, so that in addition to being a brand, it is a way of life (Levy & Glick, 1973)

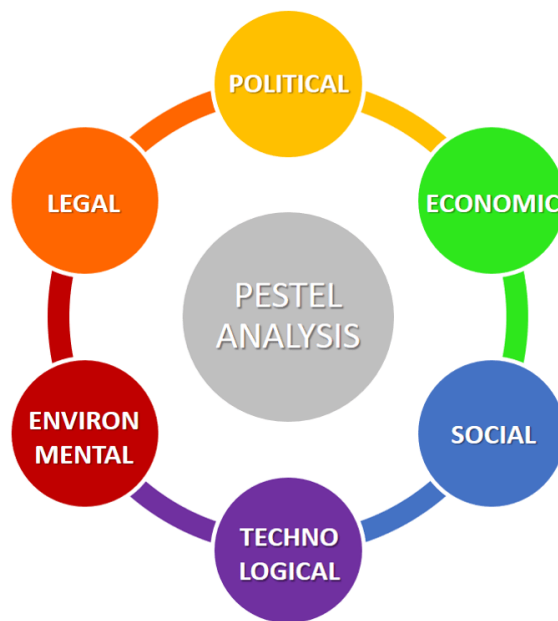
5. MACRO ENVIRONMENT.

The following is an analysis of the macro-environmental factors in the market that may affect the well-known Nike brand.

The **PESTEL** analysis helps entrepreneurs to understand the macro-environmental factors and their impact on their company.

Nike is a well-known company worldwide, especially among athletes, who are its target group, and it talks to them to find out what their needs are and to be able to satisfy them. In addition, it is estimated to have a 28% market share, being one of the largest sports footwear manufacturers in the world (Statista.com, 2021).

PESTEL analysis of the Nike company.



Source by Business to you

1) Political factors.

These factors determine the degree of government intervention, as its decisions affect Nike's business now and in the future.

Nike is headquartered in the United States with 36 factories. Nike also has 517 factories in 41 countries in order to expand globally (Nike.com, 2022). Its factories are located in China, Indonesia, Thailand and Vietnam.

In the US, tariffs for footwear products are 25%, one has the highest tariff rate compared to other industries such as food.

In 2019, because of the Covid19 pandemic, plants in Vietnam and Indonesia were closed, and sales in China dropped by 11% but this year in June 2022, there was a 171% increase in sales for Nike because of the Chinese “618 festival.”

The Xinjiang cotton controversy had negative consequences on consumers who stopped buying, as well as the reduction of cotton sales to Nike, because they now prioritise selling to local manufacturers such as TopSports or Pou Sheng, two of China's largest domestic sporting goods retailers. (Reuters.com)

In 2019, China and the US had tensions over allegedly raising tariffs to 10% on Chinese products, to which Nike and 170 other companies in the same sector asked to reconsider the proposal and “*put an end to this trade war*” (BBC, 2019)

Nike has found the solution to this problem by expanding geographically and having a more diverse supply chain to other Asian countries such as Thailand and Indonesia.

2) Economic factors.

Nike is affected by factors such as economic growth, unemployment rate, currency exchange rates, taxes, etc.

Major economic crises such as the 2008 and 2020 Pandemic crises have led to a decrease in consumer purchasing power, and consequently a reduction in Nike's sales.

In the 2008 crisis, Nike restructured the company by cutting its workforce by 5% and cutting costs, which enabled Nike to overcome the crisis.



In 2020, the company had to go through another economic crisis due to COVID-19, the global closure of physical shops, which caused a 38% reduction in profits and led to the acceleration of its e-commerce. (Atlantis Press International, 2021).

The company has developed since 2011 apps like Nike or SNKRS and in the year of the pandemic the users of the Nike app grew up to 25 million and as a consequence online sales increased by 30%. Nike found the solution to the pandemic by digitising its business, while creating a more direct connection between its shoppers.

3) Social factors.

Here Nike can create a profile of a potential customer by analysing their behavioural patterns.

Nowadays, the awareness of good habits and healthy lifestyle encourages people to stop sedentary lifestyles and practice more sport, and Nike adopts this to increase its sales, so it not only focuses on sports shoes suitable for each sport, but also broadens its product range to include sports accessories and equipment.

Nike with its 2018 advertisement “*Dream Crazy*” was willing to generate controversy and it succeeded, the company wanted to reflect that Nike is aware that society and its values are transforming and that they as a company know this and want to reflect those beliefs and values to their customers.

Dream Crazy by Nike, 2018



4) Technological factors.

Nike recognises that technology is the new window of commerce, and for the company it gives due importance to its marketing network, sales and customer community.

The company creates new products by harnessing technological innovation and human intellect. In its Nike Sport Research laboratory there are ground-breaking innovations such as the *Hyperdrunk* basketball shoes or the *Nike Flywire support system*.



One of its latest innovations is the **Nike fit**, which through its technological combination of data science, computer vision, machine learning, recommendation algorithms and artificial intelligence, Nike provides the perfect fit for every customer (Nike.com).

5) Environmental factors.

The measures that Nike has taken to reduce its carbon footprint and to be more environmentally friendly are in line with the times in which society is more aware and gives more importance to climate change and the effects it would have if there were no turning back.

Nike in the last few years has made a big leap from the “sweatshops” to an environmentally conscious and sustainable company. Thus, Nike, in 2021 totally eliminated the use of single-use plastics and today has its “*move to zero*” campaign in which the company commits itself to a path of zero carbon emissions (Nike, 2022).



6) Legal factors.

Nike throughout its existence has had to face several legal battles, such as the one in 1980, in which the company was accused of exploiting its workers in developing countries, this increase in working conditions for its workers meant a threat to the company's economic profitability or problems with its rival Adidas over patent issues.

Nike is currently suing StockX (a digital platform for the sale and resale of goods) for selling counterfeit Nike products. (Vogue Business, 2022)

6. MICRO ENVIRONMENT.

NIKE'S PORTER'S FIVE FORCES.

This is a strategic model elaborated by the economist and professor Michael Porter of Harvard Business School in 1979. Porter's 5 Forces is a holistic model that allows to analyse any industry in terms of profitability, according to Porter's model, rivalry between competitors is the result of the combination of four forces or elements. (Porter, M, 1979)

A. Threat of new competitors.

This refers to the entry of new brands into the market.

- There are usually no barriers to entry that prevent the emergence of one or more companies in the sector in which Nike competes.
- High capital is required if the new entrant wants to be a major competitor on a global scale.
- It will take a lot of time and investment in marketing, supply chain or logistics management for the new entrant to be able to reach such a spectacular distribution as Nike has.
- Therefore, it will be difficult to become a strong competitor to the established brands in the market.

The threat of new competitors is very weak.

B. Bargaining power of customers.

- The bargaining power of buyers is moderate, as there is a large number of potential customers who are always willing to pay for the new and old products that Nike has marketed.
- One of the advantages that consumers have is that they can easily switch to another similar product, but cheaper in price.
- Nike's advantage is that the products it offers have special features that distinguish them from the rest, so there are few products that can match Nike's quality, which is what justifies the price.

Buyers' bargaining power is moderate.

C. Threat of substitute products.

- Nike is a well-known and established brand worldwide. The company's biggest advantage is that it has one of the best R&D teams and centres in the industry, called NSRL, which in 2020 was renamed the “*LeBron James Innovation Centre*” (Nike, 2021).
- The brand also protects all its innovations through patents.
- Finally, Nike is disadvantaged by the growing network of counterfeits, because like everything else in the industry, counterfeits have also improved, which creates an emerging threat for the company and Nike is looking for a solution to it.

The threat is weak compared to Nike

D. Bargaining power of suppliers.

- Nike's advantage is the large number of existing suppliers that provide synthetic leather, cotton, rubber, etc. to the sportswear factories. As a result, suppliers have reduced bargaining power in the industry.
- Another advantage for Nike is that it has its own supplier network and there are many other suppliers willing to join Nike. The company also

cooperates with local SMEs to reduce the cost of raw materials where Nike, in many cases, is their main or only customer.

- Therefore, suppliers have little or no bargaining power, i.e. the outside of suppliers is low.

E. Competitive rivalry.

This refers to firms that compete directly in the same industry by offering the same type of product,

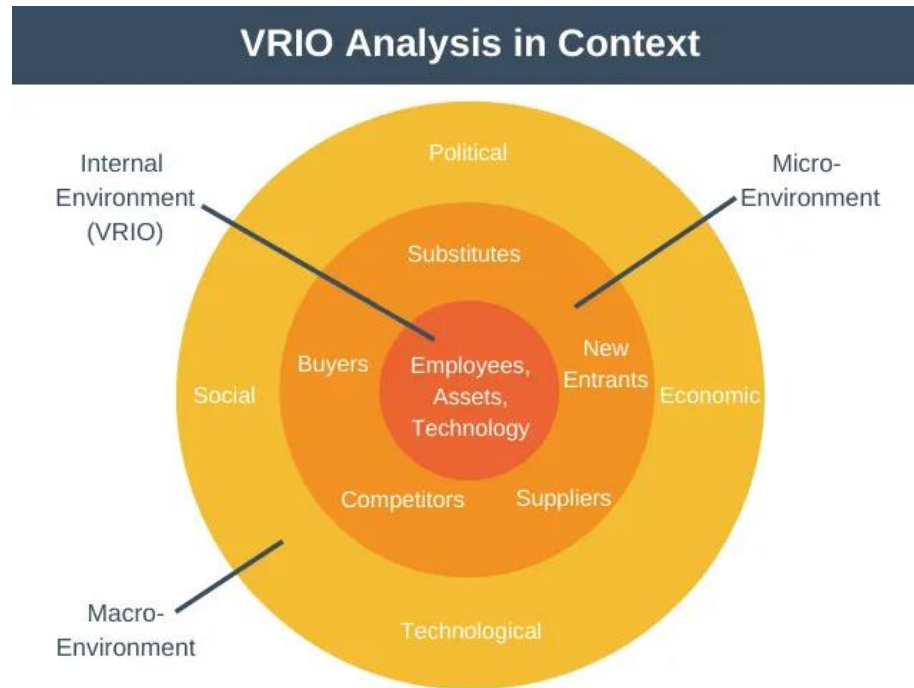
- The advantage Nike has with its competitors at the national level of each country, but these do not have any influence outside of it, Nike having an economy of scale of scale has a great advantage over its local competitors.
- A disadvantage for Nike is the saturation of the sporting goods market, due to the high competition in this sector, although the number of direct competitors is low, the competition is very intense.
- Nike's direct competitors are Adidas, Reebok or Puma.
- This has caused a stagnation of Nike's growth, in addition to the aggressive campaigns of its competitors who have also invested in global marketing campaigns.

The competitive rivalry is high.

7. INTERNAL ENVIROMENT.

This study serves to enable Nike to review how certain factors are evolving, uncover opportunities and address risks.

VRIO MODEL



Source by ExpertManagement

Jay B. Barney in 1991, developed the VRIO analysis, which stands for Valuable, Rare, Inimitable and Organised. This model is a technique by which the company is able to detect which are the resources and capabilities that can provide it with a certain sustainable competitive advantage, i.e. a position of superiority in the market against its competitors over time.

The VRIO analysis of Nike's product innovation, brand image, Fit technology and its supply chain management will then be carried out in order to find out whether these capabilities give it a competitive advantage or help it to combat external threats.

- **Brand image.** The company's image is its main strength, and at the same time it is valuable because consumers around the world are able to recognise it, giving customers the confidence to buy its products. At the same time, it

leverages its sponsorship of athletes and players to be more attractive and popular with consumers.

Its brand image is rare compared to that of its competitors. On the other hand, Nike's customers feel that the product meets the quality characteristics and therefore feel satisfied, which gives it an advantage over its competitors because rivals would have to invest a lot of work and money to sell products of the same quality as Nike.

Nike creates brand value by introducing new products designed for all types of customers (Kim, 2019), to conclude it should be said, Nike has a competitive image that gives it a sustained advantage because its products has above normal performance and this makes it meet the parameters of VRIO analysis.

- **Product innovation.** Nike's production is valuable because it can enter a new market and expand with ease. This is thanks to the quick analysis of their consumers' needs and manufacturing them in a short period of time (Hofmann, Gold and Curtin, 2019). The disadvantage is that their product innovation is not rare, this is because other brands such as Adidas, Puma or Reebok have innovative products. Also product innovation is sustained because as stated above Nike has products of superior quality and performance.
- **Fit technology** is valuable because it provides maximum comfort and durability to the consumer, e.g. in its clothing line, the consumer can exercise comfortably and stay dry longer. Nike takes advantage by offering these products in countries where there is not a wide range of dry-fit sportswear.

The disadvantage is that this is not uncommon because brands such as Adidas have the same technology, the so-called “*ClimaCool*” or Reebok with its “*PlayDry*.” Therefore, the fit technology is a sustained advantage with normal performance.

- **Supply chain management** is valuable for Nike, as they mostly manufacture their products in Asian countries where labour costs are cheap, so they have factories in countries like Pakistan, China or the Philippines, allowing them to lower production costs.

It can be said that this is not unusual because its competitors also have good supply chains that make products available to their customers. In the same way, it is neither costly nor difficult to imitate them.

GRAPHIC OF NIKE'S VRIO MODEL

Resources and capabilities	Value?	Rare?	Costly to imitate?	Organization capable of exploiting?	Impact of resource
Brand image	Yes	Yes	Yes	Yes	Sustained competitive advantage
Product innovation	Yes	Yes	Yes	Yes	Sustained competitive advantage
Fit Technology	Yes	No	No	Yes	Sustained/normal
Supply chain management	Yes	No	No	Yes	Sustained/normal

Conclusion: It can be seen that Nike has long-term competitive advantages in its brand image and its innovative products that give it direct benefits, and its brand image is so rare that if its rivals want to imitate it, it would cost them a large investment of money and many years to achieve the recognition that Nike has.

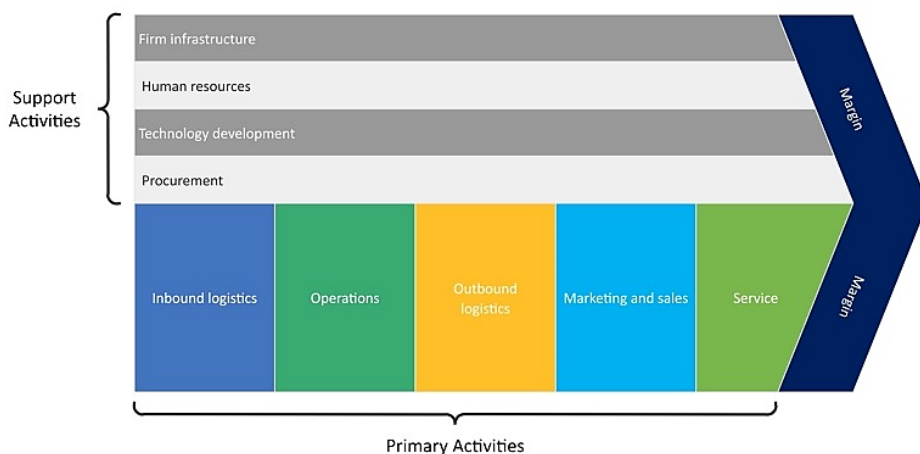
Advantages and disadvantages of the VRIO model.

Advantages	Disadvantages
• Simple to apply. • Helps to identify competitive advantages not used by the company that can be a sustained competitive advantage over time.	• Not applicable for new or small businesses that do not have sufficient information or resources to identify and sustain a sustained competitive advantage. • It does not take into account internal factors such as changing market demand. • Difficult to establish sustained competitive advantage over time due to the changeability of the market in any sector.

Value Chain Framework Of Nike.

This model gives an overview of the services, products or activities that can generate or increase value and thus maximise profit, i.e. it is a visual analysis of a company's activities in order to build a competitive advantage. According to Porter's model, there are five main categories: inbound logistics, operations, outbound logistics, marketing and sales, service, and support activities (Michael E Porter, 1985).

Nike Value Chain Analysis



a) Main activities.

- **Inbound logistics.** Nike has 567 factories around the world in 42 different countries and its supply chain encompasses product transportation, internal delivery, suppliers and quality control so that its goods arrive in excellent condition. Sustainability and quality are therefore fundamental pillars of Nike's success.

Nike is conscious of being environmentally friendly and minimising the carbon footprint in the manufacture of its products. By having independent contractors manufacture its products, Nike seeks out suppliers with the same eco-consciousness.

- **Nike's operations** include product manufacturing, assembly, packaging and quality testing. They also take care of equipment maintenance. Operational activities play an important role in creating the value chain for the company.

By creating value, improving efficiency and productivity, Nike results in reduced costs and increased revenues. This will create a competitive advantage in the marketplace.

- **Nike's outbound logistics** include warehousing and distribution. Its largest distribution centre is located in Tennessee. Once the product is finished and has passed rigorous quality control, Nike ships its finished products to regional offices and distribution centres where they are distributed to retailers. The function of the distribution chain is to ensure that Nike products are available to customers in the shortest possible time.
- **Marketing and sales.** The company has a large marketing deployment, so it has integrated all existing marketing channels, such as TV commercials, print, billboards, ads in central buildings and social media,

and tries to connect emotionally with the customer by telling touching stories.

Thus, Nike's sales and marketing activities are based on advertising, pricing, sales force, channel selection and promotional activities or contracts with celebrities to use its products.

- **Nike's services** are varied and serve to create a brand loyal consumer, so pre-sales and after-sales play an essential role in creating a positive customer experience, as well as customer retention and loyalty. Nike has developed a loyalty app where members can access exclusive or limited edition Nike products. It also has a reward programme for signing up to its app. In the same way, the company stays connected with the customer through follow-up emails.

Finally, Nike has a matrix to monitor customer satisfaction, the success of its strategies and market trends.

b) **Supporting activities.** Primary activities are underpinned by support activities that create a foundation for achieving the company's objectives.

- **Nike Infrastructure** encompasses legal affairs, accounting, strategic planning and management, and financing. These activities optimise the entire chain, thereby reducing overheads, increasing efficiency and keeping the overall operation under control.
- **Nike's human resource management** is critical in the value chain analysis, as it is an international company with its production, distribution and retail centres located in different countries. The company has a healthy work environment policy, in which they push employees to maximise their talents. They also want their employees to identify with their culture of diversity and inclusion. Nike also has

reward programmes for employees to incentivise them to stay with the company.

- **Nike's technological development** is a fundamental pillar for the company as they consider themselves to be a leading sportswear company that includes innovative new systems in all their products and adapted to the needs of their customers.
- **Procurement of raw materials and other elements for the manufacture of Nike's products**, this entails having a team that will manage and administer the company's procurement process, thus, seeking and selecting suppliers that have high quality raw materials at an optimal price, while adapting to their environmental, safety and environmental sustainability principles.

Conclusion: This analysis is complex because Nike is a global company with a broad portfolio and international business mode

NIKE'S SWOT ANALYSIS.

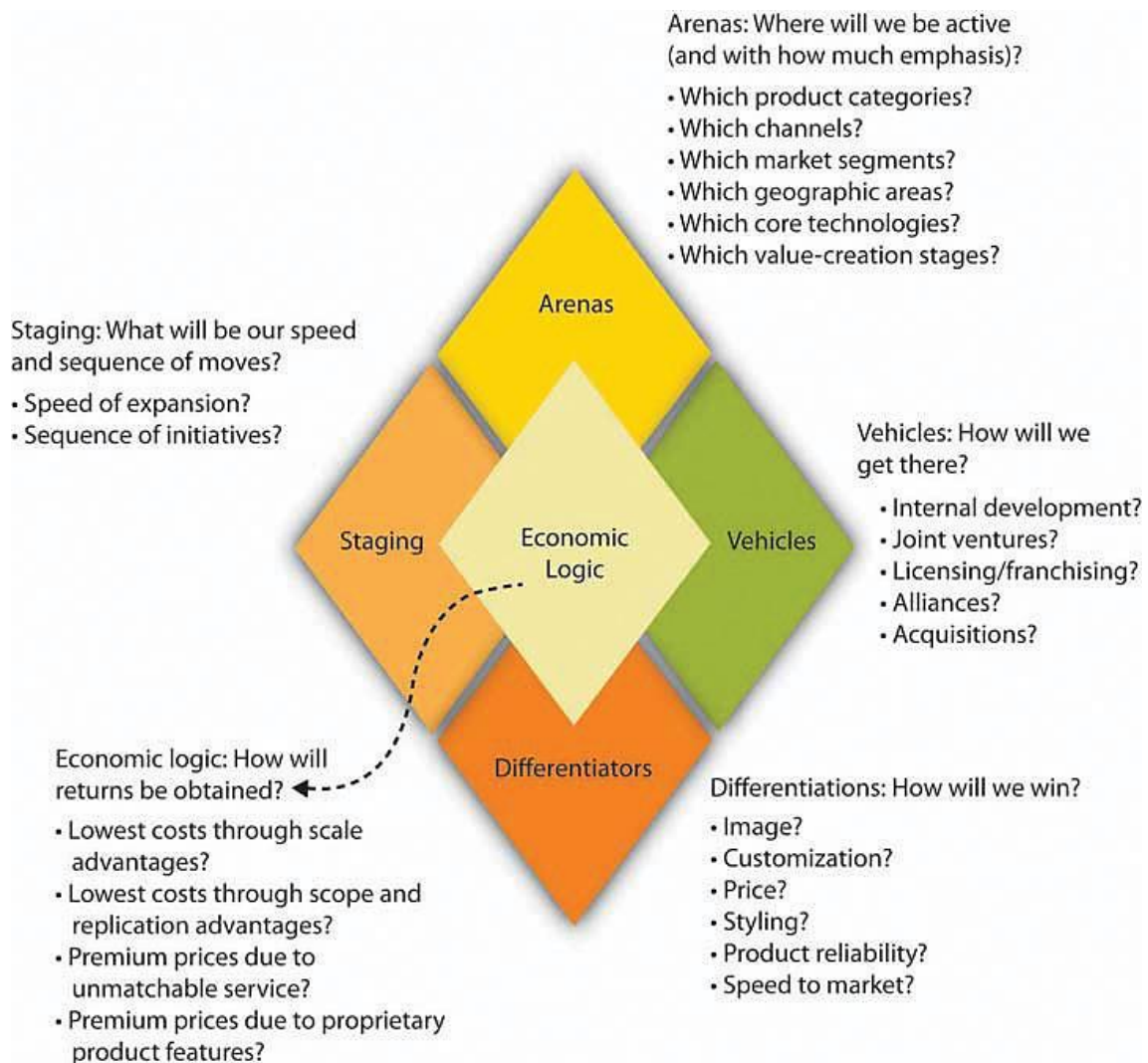
STRENGTHS.	WEAKNESSES.
It is the leading brand in sports equipment and sportswear. It has agreements with leading brands in other sectors that have enabled it to launch more complete and more complete and innovative products.	Despite the fact that the organisation has a diversified range of sportswear, however, the business's revenues are still largely dependent on its share of the footwear market, leaving it quite vulnerable if for some reason its share of this market loses strength.
It has great strength in its marketing campaigns by sponsoring top athletes.	Nike has experienced stagnation due to strong competition in the market.

Nike uses “Flywire” filaments and “Lunarlon” foam to make manufactured shoes lighter and more controllable manufactured shoes lighter and more controllable (Nike Inc., 2022).	Nike has been accused of violating workers' rights in its Asian factories, creating a negative image for the brand.
It has exclusive shops and the availability to sell its products through multi-brand shops.	Nike has long refused to provide any information about its partner companies.
It is very strong in research and development work, which is evident from its innovative product range. Likewise, it has a team that meticulously designs each product.	The retail sector is price sensitive as are consumers with another cheaper product, which in turn tends to be squeezed as retailers try to pass some of the competitive pressure of low prices onto Nike.
OPPORTUNITIES	THREATS
Nike does not consider its clothes as a fashion brand, but young people do, so the company should take advantage of this opportunity to become stronger in the market.	Imitation and counterfeit products. Nike suffers a great loss due to the growing market of counterfeit products, these products are sold at lower prices, so their materials are of poor quality and this also affects the reputation of the image.
Emerging markets, such as India or China where Nike can establish itself and make profits.	The competition is getting tougher every day. Nike must invest more budget in marketing and advertising to remain the number one choice among athletes and consumers.
Own supply chain, Nike relies on independent suppliers, so it should buy	Tensions between countries. Nike has shops in several countries, including

some of its own and thus achieve an integrated, efficient and optimal supply chain.	China and the US, so tensions between the two giants would have negative consequences for the company.
Partnership with metaverse technology, it did so in 2021, becoming a digital shoe shop.	Nike has been accused of almost exterminating the Australian kangaroo population by using them to make its football shoes, and environmentalists are calling on the company to find new alternatives to this type of manufacturing.
Nike is moving away from wholesale distribution and will now sell its products in its official physical and digital shops, in order to control prices and improve the consumer experience.	

Source by Nike, Statista and ResearchGate.

8. - THE STRATEGY DIAMOND.



Adapted from Donald C. Hambrick and James W. Fredrickson

Created in 2001 by Donald Hambrick and James Fredrickson, it is used to find out whether the chosen strategy is effective or not and whether these strategies are chosen by a professional, by default or by luck. Therefore, this model provides certainty when it comes to choosing the best strategy for the company. The model is divided into five: arenas, differentiators, economic logic, vehicles and staging and rhythm.

- ❖ **Arenas**, refers to where the company will operate and what its mission, vision and values will be.

Nike is headquartered in Oregon, the geographic market today is very wide around the world, as it was previously limited to US athletics and has bought them in founder Phil's car.

- ❖ **Differentiators** are active tangible or intangible competitive advantages present and future in their arenas.

Nike's most valuable intangible asset is its globally recognised brand. The company is also focused on improving the performance of its athletes and/or consumers through technological developments in its products.

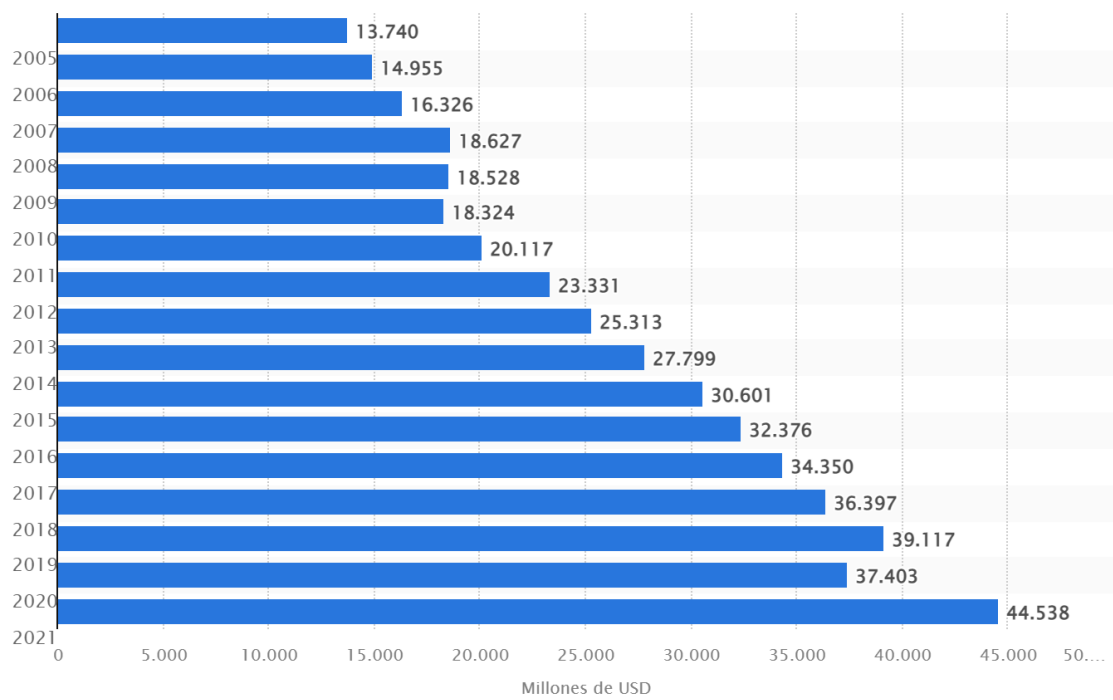
- ❖ **Economic logic.** It is profitable when its profits are above the cost of capital.

Thus Nike, manages to reduce its production costs by the factories located in Asian areas and also thanks to the developed technology they have, making the work more efficient. We also see this reflected in the fiscal year 2021, when instead of having losses due to the global pandemic, Nike increased its profit by 7.1 billion dollars compared to 2020 (Statista, 2022).

- ❖ **Vehicles** are the means of communication for the strategy to be implemented. Nike creates connection with its customers through its emotional campaigns, as well as marketing communications.

- ❖ **Staging and pacing** will manifest the succession and speed of strategic moves, preventing static and monolithic decisions from being made.

Nike has seen how good decision making and strategy has paid off, as its global revenues were not affected during the pandemic despite its 48 shop closures worldwide (Statista, 2022) and we see this growth reflected in the graph below.

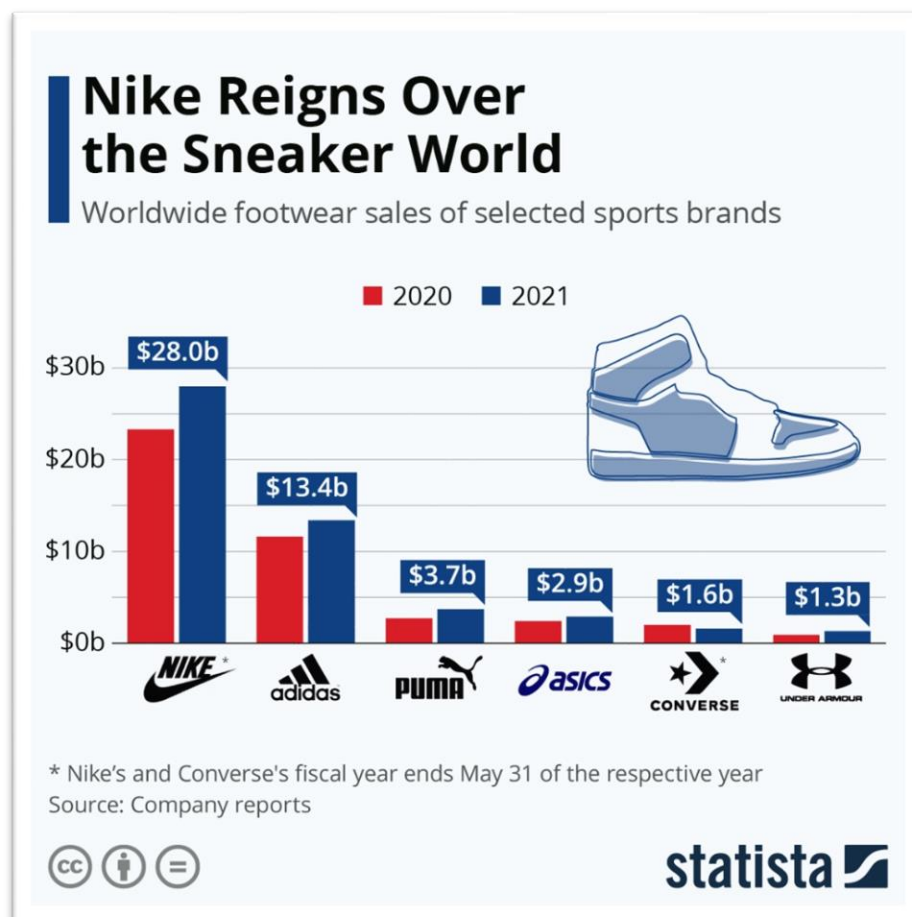


Source by Statista

9. CONCLUSION AND RECOMMENDATIONS OF NIKE.

CONCLUSION.

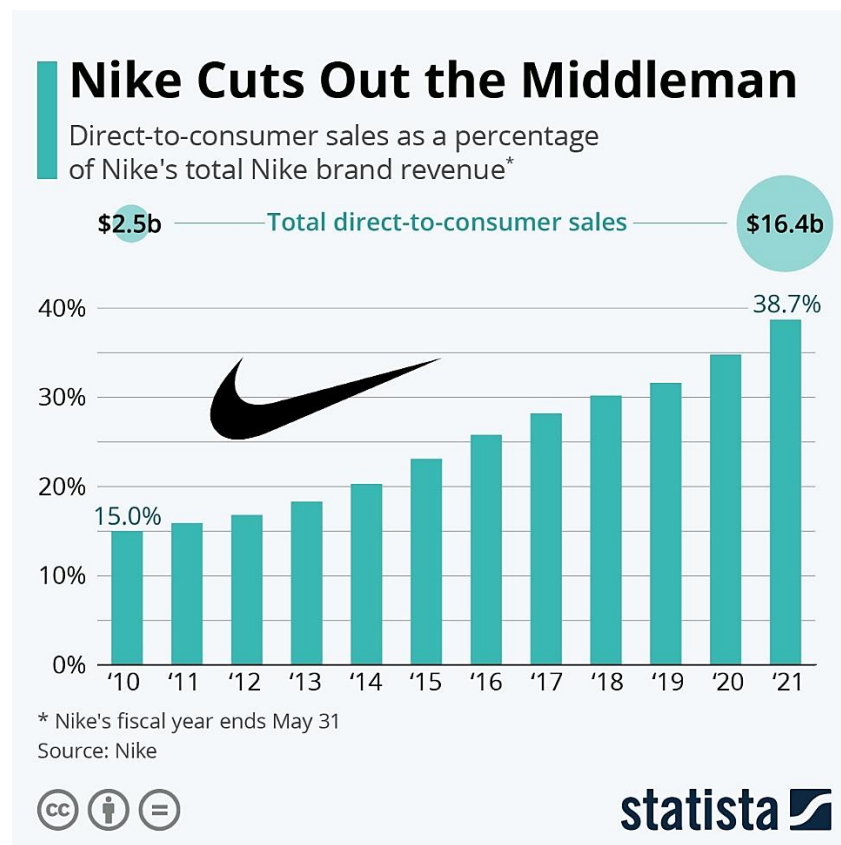
As a conclusion of this work we can say that the international brand Nike is a company that since its inception in 1964 has had a focus on being the leader in the sports footwear industry and, it can be said with certainty that today it has achieved it. In the following graph we can see how the Nike brand is positioned as the number one in sales of sports shoes worldwide. Thus, at the end of the 2021 fiscal year, the company earned \$28 million in profits from the sale of footwear.



The organisation's identity and value proposition are consistent with its mission, vision and values. In all these elements, innovation, a sense of belonging and the

emotional benefits that the brand brings through effort and self-improvement can be appreciated, while also offering the highest quality to the customer, giving them the possibility to personalise their products, which reinforces the relationship between brand and consumer. In addition, prices are directly related to the value offered, so they will continue to increase as value increases.

The company has also strengthened its connection with its customers through its excellent marketing team and has managed to excite people with its advertising campaigns, while creating communities and events for consumers. In the same way, they have focused on direct sales, so in 2021, Nike's revenue came 38.7% from online sales, also due to the Covid-19 pandemic.



To conclude, the Nike brand is a company that has all the potential to reach all its goals, offering new products to achieve more market share in the shoe manufacturing and textile industry.

RECOMMENDATIONS.

Looking at the current market, the following recommendations are made:

- Transparency with its manufacturing companies. Nike should improve its brand reputation with more transparent labour policies, so as to put an end to the company's black record of abusive contracts, low wages and exploitative child labour.
- It must include hyper-reactivity in all channels. Nike has recently been focusing more on upgrading and improving the online experience for consumers, but don't forget that physical shops are also a major revenue stream for Nike.
- Having its own suppliers. Nike would have a great advantage in the market, if instead of having independent suppliers, it could create its own supplier network.

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