

MARKETING MANAGEMENT



Brand: Mehta Solutions

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Short Description

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case study

Description

MARKETING SPOTLIGHT- NIKE

Nike hit the ground running in 1962. Originally known as Blue Ribbon Sports, the company focused on providing high-quality running shoes designed especially for athletes by athletes. Founder Philip Knight believed that high-tech shoes for runners could be manufactured at competitive prices if imported from abroad. The company's commitment to designing innovative footwear for serious athletes helped it build a cult following among American consumers. By 1980, Nike had become the number-one athletic shoe company in the United States.

From the start, Nike's marketing campaigns featured winning athletes as spokespeople. The company signed on its first spokesperson, runner Steve Prefontaine, in 1973. Prefontaine's irreverent attitude matched Nike's spirit. Marketing campaigns featuring winning athletes made sense. Nike saw a 'pyramid of influence' – it saw that product and brand choices are influenced by the preferences and behavior of a small percentage of top athletes. Using professional

athletes in its advertising campaigns was both efficient and effective for Nike.

In 1985, Nike signed up then-rookie guard Michael Jordan as a spokesperson. Jordan was still an up-and-comer, but he personified superior performance. Nike's bet paid off: The Air Jordan line of basketball shoes flew off the shelves, with revenues of over \$100 million in the first year alone. Jordan also helped build the psychological image of the Nike brand. Phil Knight said. "Sports are at the heart of American culture, so a lot of emotion already exists around it. Emotions are always hard to explain, but there's something inspirational about watching athletes push the limits of performance. You can't explain much in 60 seconds, but when you show Michael Jordan, you don't have to."

In 1988, Nike aired its first ads in the "Just Do It" ad campaign. The \$20 million month-long blitz-subtly encouraging Americans to participate more actively in sports-featured 12 TV spots in all. The campaign challenged a generation of athletic enthusiasts to chase their goals; it was a natural manifestation of Nike's attitude of self-empowerment through sports. The campaign featured celebrities and noncelebrities. One noncelebrity and featured Walt Stack, an 80-year-old long-distance nunnery, running across the Golden Gate bridge as part of his morning routine. The "Just Do It" trailer appeared on the screen as the shirtless Stack ran on a chilly morning. Talking to the camera as it zoomed in, and while still running. Stack remarked, "People ask me how I keep my teeth from chattering when it's cold." Pausing, Stack matter-of-factly replied, "I leave them in my locker."

As Nike began expanding overseas to Europe, it found that its American style ads were seen as too aggressive. The brand image was perceived as too fashion-oriented. Nike realized that it had to "authenticate" its brand in Europe the way it had in America. That meant building credibility and relevance in European sports, especially soccer. Nike became actively involved as a sponsor of soccer youth leagues, local clubs, and national teams. Authenticity required that consumers see the product being used by athletes, especially by athletes who win. The big break came in 1994, when the Brazilian team (the only national team from which Nike had any real sponsorships) won the World Cup. The victory led Nike to sign other winning teams, and by 2003 overseas revenues surpassed U.S. revenues for the first time. Nike also topped \$10 billion in sales for the first time in the year as well.

Today, Nike dominates the athletic footwear market. Nine of the 10 top-selling basketball shoes, for example, are Nikes. Nike introduces hundreds of shoes each year for 30 sports – averaging one new shoe style every day of the year. Swooshes abound on everything from wristwatches to golf clubs to swimming caps.

Discussion Questions

1. What have been the key success factors for Nike?

2. Where is Nike vulnerable? What should it watch out for?

3. What recommendations would you make to senior marketing executives going forward? What should they be sure to do with its marketing?

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers