

Nike:

International Marketing Programs

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Nike:**International Marketing Programs****1. How would you characterize Nike's brand image and sources of brand equity in the United States?**

Since its true inception in 1962 (as Blue Ribbon Sports), Nike has always emphasized a devotion to innovation and performance. Competitive, as are its consumers seeking a brand benefit in tangible physical advantage, Nike originally appealed to the determined athlete in its earliest purist iteration as a running shoe company. According to Keller (2008), “[Phil] Knight recognized a neglected segment of serious athletes that had specialized needs that were not being addressed by the major players. The concept was simple: Provide high quality running shoes designed especially for athletes *by* athletes” (p. 125). Though high-profile sponsorships—with their strong secondary brand associations—would eventually be leveraged as an important marketing strategy to convey Nike’s superior positioning, it was first in this grass roots-level research and development (R&D) approach that the footwear and apparel maker carved its unmistakable identity.

Indeed, with a winning attitude bastioned by grit and conviction, Knight’s support of the earnest sportsperson became a life-long pursuit, unwavering in its established mission. He spoke to athletes candidly and as if a companion; sharing in their true passion for running and listening to their feedback about his products and the sport (Keller, 2008, p. 125). In fact, it is this focus on product advancement that Knight credits as attracting the interest of some of Nike’s first ever endorsements. He explains, “We were able to get a lot of great ones under contract—people like Steve Prefontaine and Alberto Salazar—because we spent a lot of time at track events and had relationships with the runners, but mostly because we were doing interesting things with our

shoes. Naturally, we thought the world stopped and started in the lab and everything revolved around the product” (Keller, 2008, p. 127).

Nike’s reputation as a high-performing and inventive sports apparel company was born. However, not without further (perhaps seemingly peripheral) brand knowledge is this characterization of the pioneer in cutting-edge sports gear altogether accurate. Surely, to understand the heart of Nike is to understand its very brand essence—unadulterated and unfettered. Supplementing this rather vocational identity were personifications of unrelenting human spirit. A win-at-all-costs portrayal articulated the unexpressed desires of the American public. Speaking again to one of Nike’s foremost endorsements, Knight recalls, “Pre(fontaine) was a rebel from a working-class background, a guy full of cockiness and pride and guts. Pre’s spirit is the cornerstone of this company’s soul” (Keller, 2008, p. 126). This “athlete against the establishment” attitude was at the foundation of Nike’s irreverence (Keller, 2008, p. 126). Derivative of its iconic 1988 “Just Do It” campaign, this challenge to the status quo was refreshingly praised by consumers as a reflection of the unabashed, loud, and aggressive nature of human competition. Much of the appeal—and therefore much of Nike’s brand equity (in addition to product performance and innovation)—was earned in the formation of this unique and desirable projection of prizewinning athletic traits.

2. How have Nike’s efforts to become a global corporation affected its sources of brand equity and brand image in the United States, Europe, and Asia?

Nike’s global expansion was a plan devoid of any prior international research—aside, of course, from being a known source of added revenue for corporate opportunists. Not only were competing and homegrown brands in Adidas and Reebok so severely entrenched in the cultural consciousness of Europe, but the message, which was so prominent and iconic a feature of

Nike's communications in the United States, was grossly ill-received based on obvious corrective differences. The uncompromising disposition from which Nike's image was borne and boastfully conceived would need to be eradicated to warrant any semblance of an environment of acceptance. This brash, intimidating, and rebellious attitude was in immediate disagreement among a decidedly European viewpoint. For one, those in Europe regarded the role of sports and top athletes much differently and were not as idolizing of their sports heroes as were Americans (Keller, 2008, p. 133). Second, the extreme treatment of exercise as more than a simple derivative leisurely pursuit was largely unconventional (Keller, 2008, p. 133). Finally, there were no established multiple usage occasions for sneakers—they were primarily one-dimensional in function (Keller, 2008, p. 133).

For these reasons and an additional repercussion of relinquished advertising to local distributors (Nike's inventory control system, "Futures," had helped gauge consumer response and production in the U.S. but not so abroad), Nike was unable, at least initially, to control growth of its brand within a global context (Keller, 2008, p. 130). In fact, it could be argued that what made Nike such a dominant force domestically prevented itself from successful first entry into the highly desired European markets. Cultural sensitivities and preferences varied, and with the marketing strategy unchanged, these nuances had not been carefully accounted for. The overall messaging did not evolve in tandem with international development. The look and feel was decidedly "American"—an element not too fondly translated by unapologetic foreign markets who looked unkindly on ignorant behavior.

Other consequences of global expansion for Nike included the discovery of poor labor practices in Asia and the observation by critics everywhere of the ubiquity of the much recognized "swoosh" logo. According to Keller (2008), "the overabundance of swooshes was

symptomatic of Nike's aggressive corporate philosophy, which had fallen out of favor with consumers in recent years. In the eyes of many members of the American public, the swoosh represented one or both of two modern societal ills—the commercialization of sports and the globalization of capitalism” (p. 139). Though not nearly as threatening to the overall well-being of the brand itself—measures were swiftly taken to counter reports of unsafe working conditions and Nike's purported monopolization of sport—these notable crises interfered with and deflected the building of consumer-based brand equity (CBBE).

Nike's brand image was in jeopardy. The win-at-all-costs mentality seemed to take on a rather bitter bearing. Even a once brazen corporate sentiment, which repeatedly and unceasingly roused an omnipresent Nike, now warned of probable dilution. Only after compromising some of the very core brand associations that Nike initially built, had a more passive approach won over previous detractors of the brand. It was this approach, responsible for giving the brand worldwide relevance and resonance, that forcibly amended elements of the previously existing marketing program.

3. Should Nike do anything different to defend its position now that Adidas and Reebok have joined forces?

It would appear, as a market leader reportedly in good fiscal standing, that Nike is in a favorable position to strengthen current consumer brand associations. A devotion to the brand and its longevity, attentiveness toward fluctuating market dynamics, and a persisting collection of consumer perceptions, I would humbly implore Nike to take part in excessively comprehensive reporting measures. According to Keller (2008), “To develop a brand equity management system that will maximize long-term brand equity, managers must clearly define organizational responsibilities and processes with respect to the brand. Brands need constant, consistent

nurturing to grow. Weak brands often suffer from a lack of discipline, commitment, and investment in brand building” (p. 339). Despite its leadership post, which is to suggest that Nike is prevailing in present admiration among established competition, good intelligence is valuable in equipping a brand with an endowed sense of cunning. In fact, given the uncontrollable nature of external environmental factors, a deftness to navigate potential pitfalls can give actionable direction to future strategy. Seasoned brand tracking studies have the ability to build company-wide preparation programs and tenable counter tactics. Observations of brand performance on a number of key dimensions, both short- and long-term, are beneficial in instituting a proactive approach to brand management.

A global market is an ever-evolving market. And though it must be assumed the prime substantial positioning for a newly combined company (considering the influx of additional resources—monetary or otherwise) is as a direct challenger to Nike, the ongoing feedback received as a result of intensive internal research is the best predictive tool for guiding and adhering to the trajectory of a plan. Consultation of a brand equity measurement system is not fool-proof, but it does encourage educated decision-making with regards to brand development (Keller, 2008, p. 333). The best defense may, in fact, be a good offense.

References

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