



NIKE

Demand driven strategic planning assignment

HISTORY

1964

BLUE RIBBON SPORTS

Bill Bowerman, a coach of track-and field, and Phil Knight founded.

1966

FIRST RETAIL STORE

Located at 3107 Pico Boulevard in Santa Monica.

1978

NIKE WAS BORN

The company was renamed Nike, the Greek goddess of victory.

2000

WORLD CONQUEST

A curved check mark called the “swoosh”— was recognized throughout the world.



EXTERNAL ANALYSIS

BIGGEST THREAT: COMPETITION

- Sports apparel market will retain its consistent growth
- Similar products
- Nike position: differentiate itself from the others with better technology, higher quality products, and a stronger sense of environmental and social responsibility; control of the market.

POLITICAL

PESTEL ANALYSIS



Neutrality of USA political temperatures



Best placed in the political climate as an ethical company



Market leader but also leaders in the industry labor practices initiatives



Top ten companies in the world in the current sustainability global reports program



Leading transparency in matters related to social responsibility made the company to be named as the top US company



The major issue which affected the reputation of Nike Company is employee wages and benefits

ECONOMIC

PESTEL ANALYSIS



Increased demand for the products in the sporting clothing market



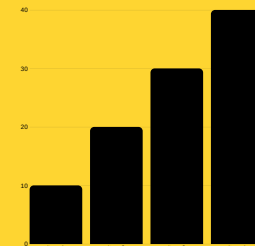
Nike is usually making much profit due to its increased sales and low costs due to economies of scale it is enjoying



Lower prices and same quality of the concurrence



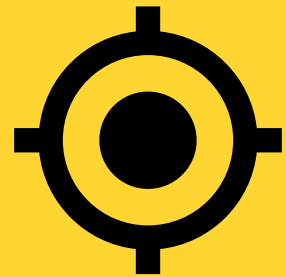
Beggining of Nike: very good economic stability > maximize the profits by exploiting cheap labor, especially at the industry in Japan



Financial Challenges. "Solution": CEO's decision to solve BRS's financial problems by offering 30% of the company **failed**.

SOCIAL

PESTEL ANALYSIS



Nike targeted athletes and their need for quality affordable shoes



Change in the customers needs and preferences for high quality affordable sport gear

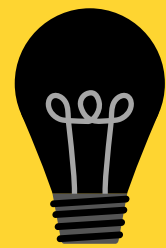


Transformation of lifestyles

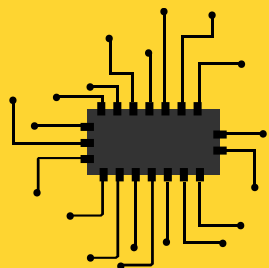


TECHNOLOGICAL

PESTEL ANALYSIS



Nike enjoyed technological innovations in sports wear by producing and selling sport shoes, which are ultra-supper light to athletes



Money is expected to use both existing and new technology to grow its business portfolio



Research committees and advisory boards made up of athletes, coaches, trainers to consult and review designs, concepts and materials

Technical innovations in the design of foot wear, apparel and athletic equipment is stressed so much that products are produced to reduce injury, enhance athletic performance and improve comfort

ENVIRONMENTAL

PESTEL ANALYSIS

- The implementation of sustainable product innovation cycle has helped the company to advance in creating products that are sustainable
- Use of organic cotton plays a major role in preserving and protecting the environment and health of the people living near cotton growing areas
- Nike shoes are easier to recycle, and the solvent use is reduced by over 85% when compared with other brands like Tiger and Adidas



LEGAL

PESTEL ANALYSIS

- Health and safety laws, consumer law, competition law, employment law, and discrimination law
- Nike has faced a lot of legal issues in its process of growth and development
- **Stakeholders vs. Nike case:** Nike stakeholders sued it claiming that Nike's executives withheld negative news and profited from the results. The allegations stated that the actions of Nike led to an increase in stock value.



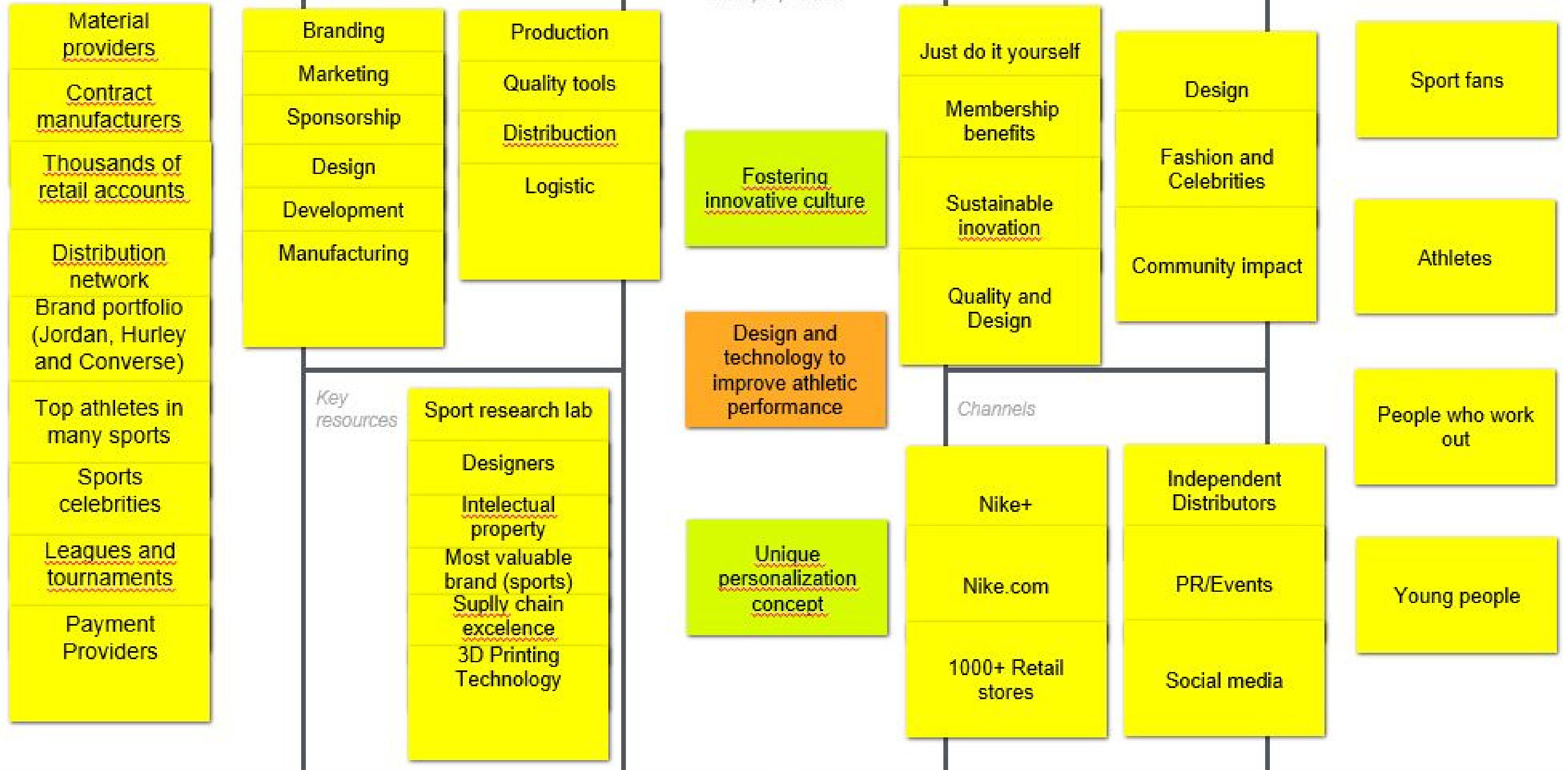
Key partners

Key activities

Value proposition

Customer relationship

Customer segments



Financial Summary

For the nine months period that ended in 28 February 2019, Nike Inc revenues increased 9% to \$28.93B. Net income increased 4% to \$3.04B. Revenues reflect Greater China segment increase of 23% to \$4.51B, Comparable Store Sales (%), Greater China increased from 2 to 19.7%. Net income was partially offset by Operating overhead expense increase of 13% to \$6.56B (expense). Dividend per share increased from \$0.56 to \$0.62.



CORE STRATEGY

“GROWING INTO AN ADJACENT SPACE”





**AND THEY ARE DOING IT
AGAIN!**

Serena William - Dream Crazier

RECOMMENDATIONS



CUSTOMER
EXPERIENCE



TRIPLE DOUBLE
STRATEGY



SUSTAINABILITY



Thank you!