



Company Research Report

NIKE, INC.

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Business Writing



Executive Statement:

This report explores Nike, Inc., a multinational corporation that specializes in the design, development, manufacturing, and marketing of athletic footwear, apparel, and accessories. The report provides a narrative of Nike's founding, history, and development, highlighting the company's ethos, mission, and innovation. The goal of the report is to effectively communicate story of Nike and how it has grown to be one of the biggest companies in the world.

Purpose Statement:

The purpose of this report is to provide a comprehensive overview of Nike's founding, history, and development, highlighting the company's innovation, mission, and impact on the athletic apparel and footwear industry. The report aims to explore Nike's ethos and how it has shaped the company's growth and success over the years. Additionally, this report, assigned for a class, aims to analyze Nike's relevance to my career path and the steps I can take to align my goals with the company's initiatives.

Problem Statement:

There is a need for this report to provide insight into Nike's founding, history, and development, and how it has become a global leader in the athletic apparel and footwear industry. The report will provide a comprehensive understanding of Nike's mission, ethos, and impact on the industry. This report is essential to help individuals interested in Nike understand the company's history, mission, and core values, which can help guide their career aspirations.

Methods:

To gather information for this report, I utilized various sources, including the company's website, mission statements, external websites and databases found on Clemson's LibGuides.

I established a basis of facts and knowledge on the company's business metrics and performance along with gathering perspective on Nike's marketing through two databases on Clemson's LibGuides:

- Gale Business
- Business Source Complete

I was also able to find more information on Nike's marketing and company history through this external articles by simply googling "Nike marketing" and "Nike revenue":

- <https://hbr.org/1992/07/high-performance-marketing-an-interview-with-nikes-phil-knight>

The graph used was found through a similar google search on the website Statista:

- <https://www.statista.com/statistics/241683/nikes-sales-worldwide-since-2004/>

As well as obtaining the advert photo from this website:

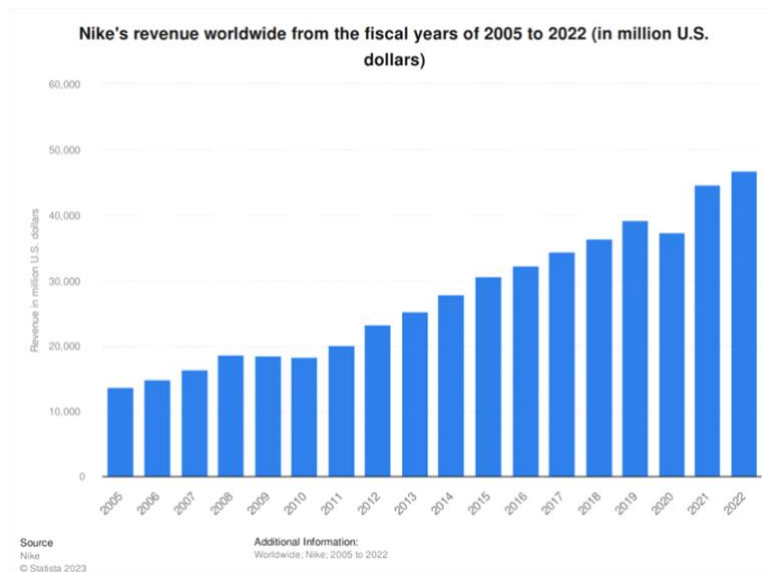
- <https://www.theguardian.com/sport/2019/sep/16/nikes-dream-crazy-advert-starring-colin-kaepernick-wins-emmy>

Summary Results:

When the company was first established as Blue Ribbon Sports in 1964, its mission was to provide high-quality running shoes to athletes. Over the years, Nike has grown to become one of the most successful and recognizable brands in the world while expanding its reach beyond footwear. The company has a strong brand image and is known for its innovative products, as well as its commitment to social and environmental responsibility. Nike is also known for its high-profile marketing campaigns and sponsorships of various sports teams and athletes around the world.

Nike's financial performance over the years has been strikingly impressive, as seen in the chart below detailing the company's revenue growth since 2005. Nike's revenue has steadily increased over the past decade, from \$19.2 billion in 2009 to \$37.4 billion in 2020. In addition, Nike has consistently reported positive net income over the past decade, ranging from \$1.9 billion in 2010 to \$2.5 billion in 2020. The company's gross profit margin has also remained relatively stable, ranging from 43.7% in 2010 to 45.8% in 2020.

However, it hasn't always been this way. In the mid-1980s, after Nike's initial popularization, the company had a drop that forced its strategy to change to a consumer and marketing-oriented brand. Phil Knight has even clarified his view on the categorization of the company saying that



Nike is a marketing company whose first marketing tool is the shoe. He states that the company used to mainly focus on the lab work of creating a product but has come to realize that the innovation that is required is because of the consumer market – therefore that must be at the center of design. Once this value of the company is understood, it gives us a key to understand the strategy behind all the other decisions Nike has made to continue their trajectory.

In order to continually generate the amount of growth that Nike has, a high level of exposure to various markets and consumers must be maintained. With operations in over 190 countries, Nike has established a strong global presence that allows the company to reach a diverse audience. The company operates through various channels, including Nike-owned retail stores, e-commerce platforms, and wholesale partners. In addition, Nike has a strong presence on social media platforms such as Facebook, Twitter, YouTube, and Instagram, where it has millions of followers. This ability for social outreach has been one of Nike's greatest assets in fortifying its strategy of consumer prioritization. Nike has amassed billions of views and interactions through the ability to tell a story and captivate audiences through its marketing. Not only has Nike shifted massive amounts of resources towards its marketing, but it has also developed a style and technique of marketing that focuses on the consumer and their emotions. If you look at the ad below, you'll see how Nike captures the dreams and motivations of the consumer with the idealization of a story of ultimate sacrifice in a single picture.



This leads us to another pillar of Nike's popularity and success which is their emphasis on diversity and inclusion. The company has established a number of initiatives to promote diversity, including the Black Employee Network and the Nike Pride Network. Nike has prided itself on voicing its opinion when it comes to societal problems with topics such as discrimination. Despite it obviously being the right thing to do to stand up against injustice, Nike has also been able to use it as a tool to gain the support of the masses while Nike is speaking out for them.

The last of the tools that has helped propel Nike to the pinnacle of business success is a focus on innovation. Despite Phil Knight referring to this focus on innovation as a crutch of the business at one point, it is the one thing that allows for the aforementioned tools of success to come together in the present state of the company. In order to properly exercise marketing techniques and customer centric strategy, the company must be continually adapting its products, strategies, goals and style to the everchanging consumer market. This even includes the modernizing standards of production. As other societal problems such as climate change arise, companies' business practices are beginning to be restricted in ways that are conscientious of the environment. Nike has already begun to innovate with a focus on future sustainability. The company has developed a range of sustainable materials such as recycled polyester and organic cotton while committing to the use of 100% renewable energy in all of its owner or operated facilities by 2025.

Overall, Nike's success can be attributed to its strong brand image, focus on innovation, commitment to sustainability and social responsibility, and global presence. With a continued emphasis on these areas, Nike is well-positioned to continue its growth and success in the future.

Conclusion:

Nike's founding, history, and development illustrate a company that has consistently pushed innovation, prioritized impact, and been a global leader in the athletic apparel and footwear industry. Nike's focus on innovation has been integral to its success, as the company continually seeks to improve and evolve its products to meet the needs of athletes. This drive for innovation is evident in the company's extensive research and development programs, as well as its commitment to sustainability and social justice initiatives. Nike's dedication to impact is demonstrated through its active initiatives in areas such as reducing carbon emissions and promoting diversity and inclusion. The company's global reach and strong presence in various channels, including its own retail stores and e-commerce platforms, has allowed Nike to maintain its position as a leader in the industry. Yet in the end, Nike's customer-centered strategy has been the driving force behind its success. Nike dissected its mission and found that the customer is what lies at the center. From there, Nike has continuously corrected to be a company that consistently put the needs and desires of its customers at the forefront of its business decisions, which has helped it to build a strong and loyal following and a revolutionary enterprise.

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