

Creative Brief

Nike Air Force 1s

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Executive Summary:

Nike is a household name in the world of sporting goods. Their products include athletic shoes, fashion shoes, apparel, and sports equipment (“Nike, Inc.,” 2014). Nike has a far reach, having stores in many countries worldwide. Their top competitors are Adidas, New Balance and Puma (“Hoovers,” 2014).

While the Nike Air Force 1 has endured considerable commercial success, showing how Nike evolved as a brand proved to be important. Each prominent athletic shoe company has launched a popular sneaker model (“Hoovers,” 2014). The difference between these companies and Nike is that Nike outperformed its competitors with regards to marketing.

In researching Air Force 1 and Nike as a whole, it became evident that Nike had been the pioneer in many different advertising segments. The data keenly expressed how Nike initiated trends in the past using athletes to advance their brand and how they intend to stay ahead of competitors in the future through modern environmental practices (“Nike, Inc.,” 2014).

Table of Contents

Title Page.....	Page 1
Executive Summary	Page 2
Table of Contents.....	Page 3
Background Information	Page 4
Target Audience.	Page 5
Product Features and Benefits.....	Page 6
Current Brand Image	Page 8
Desired Brand Image	Page 9
Direct Competitors	Page 10
Indirect Competitors	Page 11
Advertising Goals	Page 11
Strategic Message	Page 11
References	Page 12

Background Information:

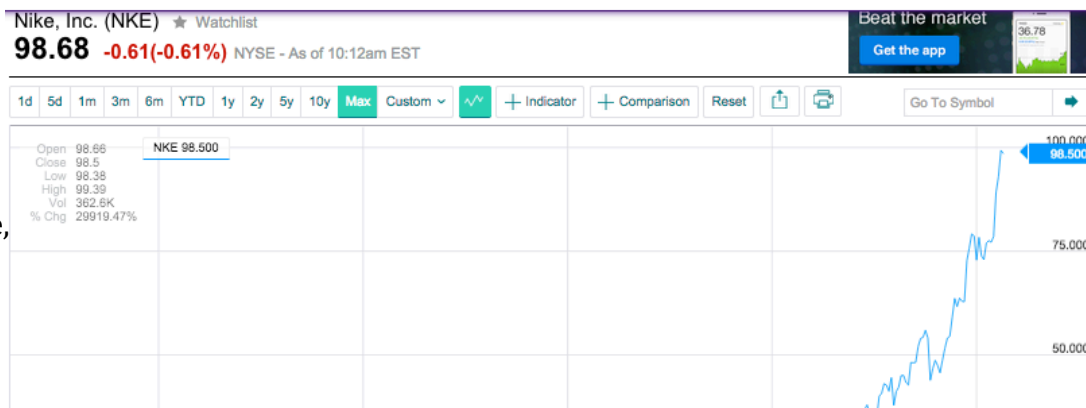
Nike, Inc. is a sportswear company specializing in athletic shoes, apparel and sports gear. Nike is marketed to men, women and children alike (Global Data, 2014). Nike sells its merchandise in retail stores, independent licensees and distributors in more than 180 countries worldwide, with a focus on China, Russia, Eastern Europe, India and Brazil (LexisNexis, 2006).

For convenience sake, Nike products can also be purchased online at nike.com. Geographically, the company's operations are spread across the world in North America, Central America, Asia-Pacific, Africa, the Middle East and Europe (Global Data, 2014).

In the 1980s, Nike emerged to the top of the athletic shoe market after the company began advertising their shoes with renowned athletes. In particular, Nike employed NBA legend Michael Jordan to promote their new Air Jordan sneaker line (Foot Locker, 2014).

Nike Air Force 1s have been a part of the Nike shoe lineup since 1982, with little changing in its design since it was first released (The Ledger, 2007). The shoe is named after Air Force One, the plane that carries the President of the United States. It comes in three different heights: low mid and high. The most common Air Force 1s sold are solid white, with the second most popular being solid black (The Ledger, 2007).

(Yahoo Finance, 2014)



Target Audience:

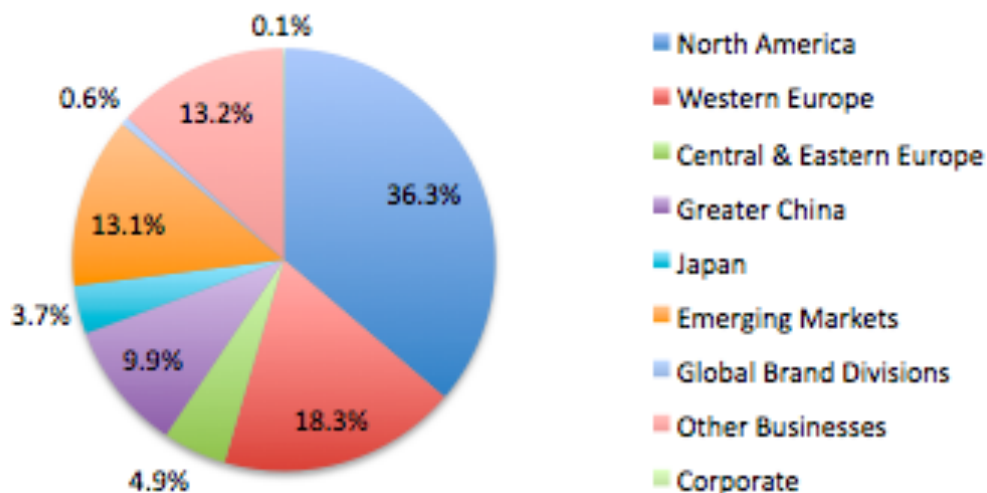
Nike's target audience demographics focus on relatively young men and women aged 18 – 30, with their socio economic status being “AB”, or upper middle class to middle class (Business Insights: Essentials, 2014). Nike's psychographics are athletes/athletic people who live “casual” lifestyles and care about their style and how they look, not only to themselves, but also to others (Business Insights: Essentials, 2014).

In addition, Nike has also looked into growing global markets, as countries such as Brazil, China, India, and Japan are the fastest growing markets in the world. In the past five years, Nike has increased its profits by 62.5% in emerging markets (Statista, 2014).

Nike seems to want the average, everyday person to think they can be athletic and compete with top athletes, and do anything they can put their minds to as evidenced by its “Just Do It” motto (Global Data, 2014). Additionally, Nike can help the “average person” achieve these goals.

% of Sales by Category, FY11

(Seeking Alpha, 2011)



Features and Benefits:

Product Feature:	Product Benefit:
Recognizable Name	Nike is a household name in most parts of the world. Most people in the target market know and recognize Nike and their high quality products. Air Force 1s are highly regarded by many shoe consumers.
Fashionable	People who wear Nike Air Force 1s care about being trendy and “hip” within their peer group and family members. The shoe is made of real leather, has pronounced details and a sleek design.
Customizable	Comes in a high top and low top version. Also, by visiting the Nike website customers can change features on the shoe like the color and materials.
Durable	The high quality materials of the shoe (leather, plastic) do not easily wear down or break apart. The target market should feel that their investment in Nike Air Force 1s is well worth the money.
Comfortable	Nike Air Force 1s have cushioned soles and support; they do not easily create

	blisters on the feet.
92% of people recommend	Consumers who bought Nike Air Force 1s have a favorable opinion of them, which makes the product and brand credible. ("Nike, Inc.," 2014)



("Nike, Inc.," 2014)

Current Brand Image:

Nike remains the most successful company in the shoe industry as it accounts for 31 percent of market share nearly doubling its closest competitor (Trade Forecast, 2009). Nike also has the advantage of being in a customer's evoked set of brands, as Nike is oftentimes the first athletic shoe brand a consumer thinks of.

Nike's current brand image revolves around appealing to its target age group and making them believe that by purchasing their products they will have a leg up on the athletic competition (Taman, 2013). Nike has a positive brand image overall and continues to appeal to the masses in a wide range of countries (LexisNexis, 2006). Nike's "swoosh" logo is highly recognizable all over the world.

In a word, Nike's current brand image could be described as "athletic" (Redbooks, 2014). Current ads focus on the cold and how to "Choose Your Winter", meaning that although it may be cold you don't have to stop being athletic and achieving your goals (Redbooks, 2014). In the past, celebrity endorsers like Michael Jordan helped consumers associate Nike with celebrity athletes, making their brand more valuable and desirable (Quick2Launch, 2014). Currently, Nike is partnered with some of the biggest names in basketball: LeBron James, Kobe Bryant, and Kevin Durant ("Nike, Inc.," 2014).

NIKE MENTAL MAP



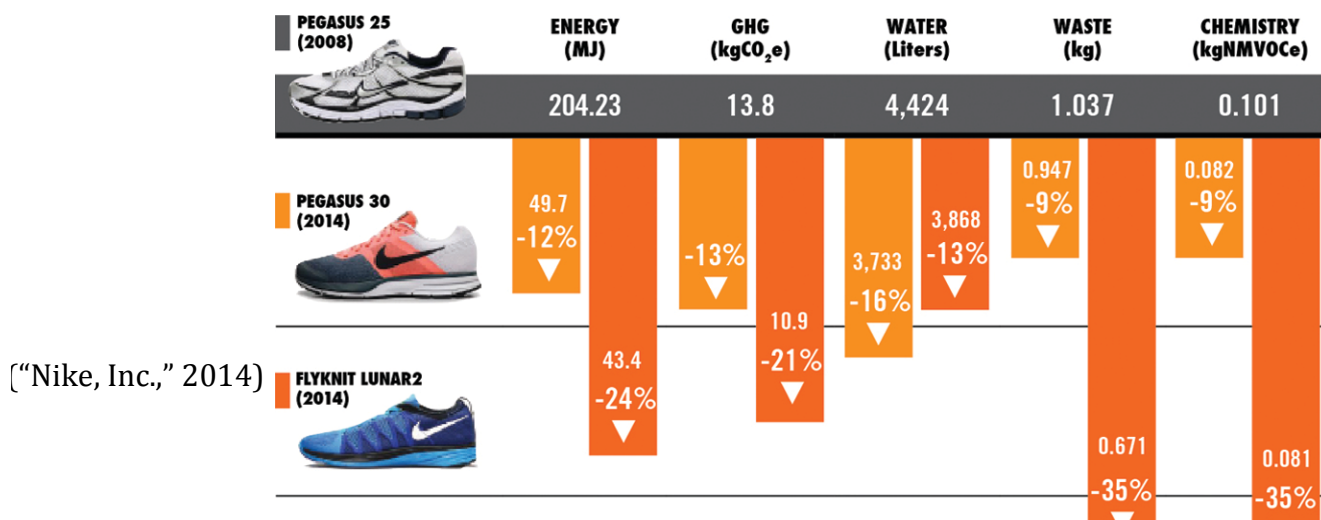
(HowDesign, 2013)

Desired Brand Image:

Nike’s desired brand image can be nothing more than to appeal to its target audience even more, and appeal to an even wider demographic, particularly people of higher age groups (parents and grandparents) (Taman, 2013). Also, besides just athleticism, Nike strives to be multi-faceted, being associated with words like “courage”, “honor” and “victory.” In a way, Nike wants to become the very definition of sports itself (Quick2Launch, 2014).

Also, in the past 20 years, Nike has given substantial effort to maintaining its public relations image, especially after the sweatshop scandal. Amongst public outrage, Nike underwent a decade long project to ensure that working conditions in factories were acceptable. In the process, Nike became the first sports shoe company to publish a complete list of factories it contracted with (Business Insights: Essentials, 2013).

Today, Nike aims to enhance their sustainability efforts to appeal to modern customers conscious of the environment (“Nike, Inc.,” 2014). Three components to Nike’s sustainability strategy include: rejecting toxins, slashing water use, and reducing waste. This strategy has been manifested recently in their lighter shoes and shoeboxes. Nike hopes that its many environmental projects will change consumer’s perceptions and cause them to think of it as a green company (“Nike, Inc.,” 2014).



Direct Competitors:

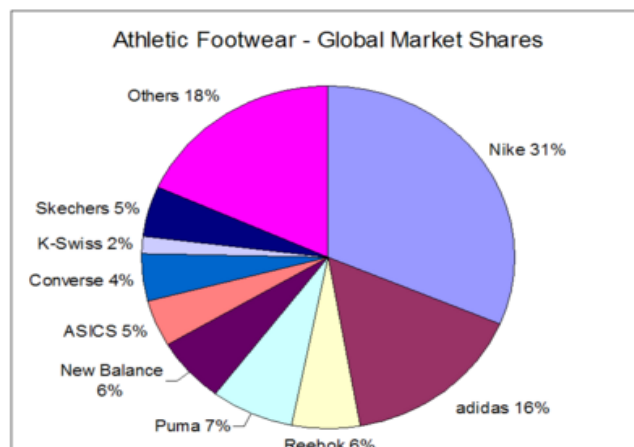
Nike's top three direct competitors for shoes consist of Adidas AG, New Balance Athletic Shoe Inc., and Puma SE ("Hoovers," 2014).

Adidas: Founded in the early 1920s, Adidas AG is most similar to Nike, Inc., selling many of the same products and having similar target audiences ("Hoovers," 2014).

Adidas AG reaches 170 countries, selling from authorized retailers and online ("Hoovers," 2014). Adidas is the number two sporting goods manufacturer, after Nike, focusing on training gear, apparel, and shoes.

New Balance: Founded in 1906, New Balance Shoe Inc. plays on the "everyman and everywoman" appeal, more so than Nike, Inc. They sell similar products to Nike, including men's women's and children's shoes, but differs from Nike in that it doesn't focus on apparel ("Hoovers," 2014). It sells its products in its own stores and specialty retailers. New Balance Shoes Inc. is known for their variety of shoe widths. Aimed at an older demographic.

Puma: Puma SE differs from its other competitors in that its main focus is shoes, with athletic equipment and apparel not playing as big a role in its total revenue ("Hoovers," 2014). Puma still sells apparel, but its sales pale in comparison with its shoe sales. Like its competitors, it operates its own retail stores and controls product distribution in a number of countries ("Hoovers," 2014).



(Trade Forecast, 2009)

Indirect Competitors:

Indirect competitors of Air Force 1s comprise of brands that do not concern themselves with athletic footwear as much. This includes Ralph Lauren Polo shoes or Vans. Also, since the Air Force 1's debut, a growing number of counterfeit products in the United States have risen. High levels of counterfeit merchandise may lower the company's sales and affect its profit margins (Global Data, 2014). Also, these counterfeits are usually low quality and fall apart easily, affecting customer loyalty and consumer confidence (Global Data, 2014).

Advertising Goal:

The advertising goal with Nike Air Force 1s is to garner a greater audience and expand the age demographic. Nike also hopes to extend psychographics to include people of all styles and trends, all over the world.

Strategic Message:

The Nike Air Force 1 is a classic shoe that has stood the test of time. This smooth aesthetically pleasing sneaker combines exceptional durability with increased comfort.

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