



“Just Done It”--- Nike’s New Advertising Plan Facing Global Economic Crisis

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Abstract

Nike, Inc. is a marketer of sports apparel and athletic shoes. The American manufacturer, through its marketing strategy which rests on a favorable brand image, has evolved into a large multinational enterprise. In keeping with the brand image is its association with the distinctive logo and its advertising slogan, "Just do it." In order to maintain and sustain this image, the company makes huge investments in advertising and brand promotion.

At the critical time of global economic crisis, Nike will react to the consumers' pessimistic attitude and stressful emotion during this period. It may become a good chance for Nike because it can take advantage of its previous advertising way of "Just Do It" campaign by sponsoring sports stars to express the corporate philosophy of grit, determination, passion and humor, giving people more courage and psychological comfort in face of economic crisis.

But besides that, we also focus more about family function especially in Asian countries which emphasize a lot on family, which can provide caring emotional communication. Therefore, from both strong-willed hero worship and water-like fork environment, customers can easily link Nike image with not only strength, but also warmth. The preferred media we choose are TV, specific magazines, outdoor and internet.

Keywords: Economic crisis, Nike, New advertising strategy, "Just done it!"

1. Introduction

Nike, Inc. is a leading supplier and marketer of sportswear and equipment. The American manufacturer was founded on January 25, 1964 as Blue Ribbon Sports. In 1978, the new Nike, Inc. was formally built under the name of Nike which has the meaning of Greek goddess of victory.

The world's N.O. 1 shoemaker designs and sells shoes for a variety of sports. Nike also sells Cole Haan dress and casual shoes, as well as athletic apparel and equipment. Nike is now engaged in the design, development and marketing of footwear, apparel, equipment, and accessory products, covering different types of the sports categories, sports-inspired lifestyle apparel, as well as athletic bags and accessory items under many Nike brand names and trademarks such as Nike Golf, Nike Pro, Nike+, Air Jordan, Nike Skateboarding and subsidiaries including Cole Haan and Converse. In addition, the company operates retail stores under the Niketown name.

Through its marketing strategy which rests on a favorable brand image, Nike has evolved into a large multinational enterprise. In keeping with the brand image is its association with the distinctive Swoosh logo (a graphic design created by Caroline Davidson in 1971, representing the wing of the Greek Goddess NIKE.) and its advertising slogan, "Just do it." In order to maintain and sustain this image, the company sponsors many high profile athletes and sports teams around the world and makes huge investments in advertising and brand promotion.

Till May 31, 2008, Co. had 296 retail outlets in the U.S. and 260 retail outlets outside the U.S.

2. Situation analysis

2.1 Market Trends by Stages

First stage: Nike is a high profile athletic apparel and footwear company with a market share in excess of 35 percent (Jeff Jensen, 1996). So Nike's initial product advertising strategy of using professional athletes for raising demand through word-of-mouth provided good publicity, rising into prominence during the late 1970s and early 1980s.

Second stage: In the last few years of 1980s, the market for high-priced performance shoes has been flat, while the market for casual and fashionable shoes has increased. That means Nike could not only focus on athletes and active

males. The market demand from teenagers who should be Nike's largest and most important target market increased very fast and Nike started to expand its targeting market to younger consumers because of its severe competition with Adidas and Reebok. Therefore, since the late 1980s, Nike has worked to transform itself from a brand of sneakers to a product integral to the sports culture.

During this stage, the Nike brand has become so strong as to place it in the rarified air of recession-proof consumer branded giants, in the company of Coca-Cola, Gillette and Proctor & Gamble. Consumers are willing to pay more for brands that they judge to be superior in quality, style and reliability. A strong brand allows its owner to expand market share, command higher prices and generate more revenue than its competitors. With its "Just Do It" campaign and strong product, Nike was able to increase its share of the domestic sport-shoe business from 18 percent to 43 percent, from \$877 million in worldwide sales to \$9.2 billion in the ten years between 1988 and 1998.

Third stage: Nowadays, since the financial crisis has expanded to all over the world and people need more sports to relieve their stress. We predict that young and middle-age people may prefer extreme sports and camp trip more because they need more ways to escape from the real stress they are facing. At the time, family concept seems to be more important at this time because when people are facing problems, on one hand, they don't want to put any pressure to his family; but on the other hand, they need family's warmth and support more. Also, the rapid development of internet is the efficient tool of advertising for Nike, especially between young people who have more casual lifestyle and fashionable tastes. So the new trends also provided Nike with more chance in marketing and advertising.

2.2 Competitors Analysis

The main competitors always for Nike are Reebok and Adidas. But since their products are not entirely different from Nike's, all involved in the design and marketing of both athletic and non-athletic footwear and apparel, as well as other various fitness projects and Nike's distinctive competency lies in the area of marketing, particularity in the area of consumer brand awareness and brand power, for a long time, Nike's leading position has been established.

However, in 2005, Adidas' purchase of Reebok has narrowed the gap between Adidas and Nike in the market share. So Nike must face more competition in global market. As we analyze, Nike's no.1 seat cannot be replaced by its competitors so easily because its long-lasting image by the famous slogan "Just Do It" and symbols "Swoosh," coupled with sports icons to serve as instant reminders of the Nike Empire.

Two key attributes of the distinctive competency for Nike are its inability to be easily replicated and the value or benefit it offers to consumers. As Nike becomes a more integrated part of American and world culture, the brand power becomes increasingly difficult to replicate. Few companies have such a recognizable image and the resources to promote their company identity as Nike do. For decades, by associating star athletes and motivational slogans like, "Just Do It," with marketing campaigns that emphasize fitness, competition, and sportsmanship, consumers have come to associate the Nike image with high-quality products, and a spirit of achieving courage, greatness where younger consumers especially benefit from this positive influence.

3. Findings from situation analysis

From the above market trends and competition analysis for Nike recently, we find in order to differentiate and compete with the combination of Adidas and Reebok, Nike should be alert in the changing market trend nowadays, focusing on extreme sports, family concern and social consideration. It needs to better understand its customers so that new products and new advertising can have the most impact in the market by giving consumers what they want and appealing to customers' physical and psychological needs.

The critical period may become a good chance for Nike because it can take advantage of its previous advertising way of "Just Do It" campaign by sponsoring sports stars to express the corporate philosophy of grit, determination, passion and humor, giving people more courage and psychological comfort in the face of economic crisis. But besides that, we also focus more about family function especially in Asian countries which emphasize a lot on family, which can provide caring emotional communication. Therefore, from both strong-willed hero worship and water-like fork environment, customers can easily link Nike image with not only strength, but also warmth.

4. New "Just Done It" advertising campaign plan

4.1 Objectives

- **To continue the previous "Just Do It" advertising campaign's strategy**

The ads will rarely focus on the product itself, but on the person wearing the product. The ads will still capture the corporate philosophy of grit, determination and passion of heroes and hero worship in a humor way by many top athletes.

- **To attract more young and middle-age audience with more emotional communication**

4.2 Segmentation and Targeting

For this “Just Done It” campaign, our targeting market is:

- Young people, from 20-30 years old, low and middle income and social class
- Middle-age people, from 30-50 year old, middle and high income and social class

Because during this period, especially young people who are preparing to enter or have just entered into the job market as well as middle-aged people who have achieved a little in his life are confronting more pressures from the impact of economic crisis.

4.3 Positioning

In addition to maintain Nike’s most powerful image, Nike positions itself as most considerate and confident brand all over the world, which can accompany you to overcome the most critical time.

4.4 Message strategy and tactics

- Targeting all audience--Why choose “Just Done It”

Following “Just Do It” slogan, it shows the message that “I have done it! The situation is not as difficult as you think. Just do it and you will have it done soon.” Just like Nike’s consistent powerful image, Nike wants to tell consumers: Believe yourself just like believing Nike as you’re always doing.

- Targeting young people, from 20-30 years old, low and middle income and social class—using endorsement strategy

For this group of generation X, they prefer extreme sports, fashion and really need a sense of belonging when they feel lonely and stressful. So Nike will still use celebrity endorsements to appeal to the consumers’ sense of belonging and show their hero worship and self-fulfilling image by the message that wearing Nikes for every part of your life was smart (the shoes are designed for comfort) and hip (everyone else is wearing them, you too can belong to this group which is heroic, courageous and always with you.)

The advertising can be put on the big walls of apartment buildings or outdoor billboards which can be easily identified and recognized, showing that an athlete is running through the wall or billboard wearing Nike shoes, left a swoosh view of his back. The picture can be black and white, only focusing on the outline of the figure and shows his speed and power. The line can be: “This is the miracle Nike has done. Nike is running with you! Just Done It!”

- Targeting middle-age people, from 30-50 year old, middle and high income and social class

For this group, people don’t worship celebrities too much. The advertising can be focused on Nike’s brand identity and long history as well as great achievement, showing Nike’s brand personality of bravery and venturing spirit.

The advertising can be demonstrated on TV or some important events that a series of footprints moving by various kinds of old-fashioned and stylish shoes during Nike’s 50 years business. Their footprints gradually make up of the outline of Nike swoosh, with the line: “This is the path Nike have done. Nike is always running with you! Just Done It!” The message is “In your life there are of course many high and low tides just like Nike has experienced. But after that, you’ll be proud of what you have overcome and your future will be much smoother.

In addition, the advertising about Nike sports or camp equipment can show that families go out for a camp trip. With the fresh air, green mood, sweet dream and good Nike equipment that are matching with their fashionable lifestyle and higher social positions, they forget every distress in business, totally relaxed. Standing on the mountain climax, the man showed his strong shoulder with his Nike bag: Thank you for always with me!” The message is obvious, that Nike is always like someone who has strong will and unlimited courage, accompanying you to overcome difficulties all the way.

4.5 Media Strategy

- **Television**

Television is always the most powerful medium for Nike to attract consumers with humorous, innovative sight and sound. And the wide coverage of television advertising can reach most of homes all over the world. Since Nike is investing a lot on advertising and promotion, so it will continue taking advantage of this costly medium to target all audience.

- **Magazine**

The marketing advantage of this medium can appeal to sport-interest, travel-interest or business people which can be targeted specifically. For instance, our target may consist of avid runners, there is *Runners World*; for the outdoors and hiking enthusiasts -- *Backpacker*; for vacation planners -- *Midwest Living* and so on. In addition to the distinct audience profiles of magazines, good color production is an advantage that allows magazines to create strong advertising images.

- **Outdoor**

As I mentioned before, for the first target market, the most cost-effective advertising vehicle-outdoor billboards, bus stop, high way can be used. The message can also be remembered by fleeting.

- **Internet**

Advertising on the Internet is the fastest-growing media vehicle. This media vehicle has the advantage of low cost and active reader involvement and attention – Nike users have the capability of choosing different types and enjoying different advertisings of Nike on Nike official website, YouTube or other video websites. Because Nike’s advertising is always attractive and innovative, internet is a good choice to share Nike ads.

5. Conclusion

Since the crucial global economic crisis comes, we hope that cannot become the barrier of Nike business.

On the contrary, it can be a good opportunity for Nike to win consumers’ hearts along with its new advertising plan “Just Done It”.

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