ISC 321: Final Project Report

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Cover Letter

This report is a final analysis of marketing research conducted on Nike Footwear created by Nike, Inc. from the months of September 2014 through the beginning of December 2014. As a team conducted several months of research. This research was collected by several different methods. Phase I consisted of conducting secondary research in order to obtain background information for a situational analysis of Nike, Inc.'s footwear brand. The situation analysis established strengths, weaknesses, opportunities and threats (SWOT) of Nike, Inc's footwear line. After this information was collected we moved into the next phase of the study.

The second phase conducted, Phase II, consisted of exploratory research. We developed a focus group guide in order to conduct focus group interviews (FGI) on the specified target market. We selected subjects using the convenience sampling method. Our sample consisted of ten respondents, six males and four female college students. All of whom were aware and had come in contact with the Nike Footwear brand at some point. The FGI helped us with the next phase of the study.

For the third phase, Phase III, our team conducted primary research. The primary research consisted of creating a survey questionnaire based on the results from the focus group interview. The survey questionnaire consisted of 12 questions. The survey was designed to help Nike, Inc. better understand their current marketing strategies and become more aware of the target market's attitudes towards Nike Footwear. Every response was entered into an Excel spreadsheet. From the Excel spreadsheet, we developed a codebook. These answers were then coded. The information was analyzed for the final portion of the project, giving us the final marketing results and recommendations. The results from the survey will help Nike, Inc. improve their marketing decisions for the Nike Footwear brand.

For all phases of our research, the target market and subjects of study are college age respondents and participants. Although, we did gain some research from older-aged respondents, to gain better knowledge of how they view the brand and what their attitudes and perceptions of it.

The objective of this study is to better understand the feelings, attitudes, behaviors and motivations associated with Nike Footwear from college-aged respondents.

We noted that the college-aged student respondents preferred to wear Nike Footwear over any other athletic brand of shoe. They also preferred Nike Footwear over any brand of shoe in general. In addition, they are most likely going to wear Nike Footwear on a daily basis, for example, walking to class.

In an effort to better understand why Nike Footwear's target audience of college-aged students may or may not favor their products, we conducted research that will help determine Nike Footwear current position in the local market. After establishing specific research objectives, we gathered information from the target audience by holding a focus group interview and administering surveys.

After gathering and analyzing our data, we have come up with several educated recommendations of how Nike, Inc. could enhance Nike Footwear's brand image and increase their sales with the target market. These recommendations are based solely on the conclusions drawn from our research data.

II. Situational Analysis Report: Nike Footwear

Brand/Company Profile:

"Nike, Inc. is currently the largest and most successful brand of shoes, sports equipment, clothing, controlling more than 60% of the market and becoming a pop culture icon" (History of Nike). However, it took a long time for Nike, Inc. to become the brand it is today. Nike, Inc. was founded by Bill Bowerman, a nationally respected track and field coach, and Phil Knight a talented middle-distance runner (History & Heritage). The duo had a vision for creating running shoes and having them be manufactured in Asia (History & Heritage). They started a company called Blue Ribbon Sports, which sold Japanese Onitsuke Tiger running shoes (History of Nike). Blue Ribbon Sports was in business from 1967-1970 before the duo decided they had bigger aspirations then importing shoes and selling them; they wanted to design and create a better product. In 1970, Bowerman invented the Nike Waffle Outsole and with that invention brought the creation of Nike, Inc. The company officially became Nike, Inc. on May 30, 1978 (Nike facts).

Nike, Inc. is currently headquartered in Beaverton, Oregon (Nike facts). Nike, Inc. employs 48,000 people and there are 753 retail stores nationwide (Topic: Nike). In 2013, Nike's revenue worldwide reached an all-time high of USD 25.313 billion (Topic: Nike). Nike sells a wide variety of sportswear products but is mainly recognized for their shoes. In 2013, Nike.Inc fiscal sales were $25 billion, and currently they control half of the running shoe market and an astounding 92% of the U.S. basketball shoe business (Nike).

Target Audience:

Nike, Inc. uses many marketing channels to attract consumers to their brand. They use direct advertising, print advertising, and commercials on television. Nike, Inc. current demographic are Black/African males ages 18-24 (mriplus). Their demographic has typically attended college and has household income greater than $150,000 (mriplus). Nike consumers love to spend time being active. They are sports enthusiast, whether it be actually playing sports or being a sporting fan. Because their target audience is very active, they are loyal to the Nike, Inc. brand. Their

consumers trust the functionality that Nike Footwear has and that is why they have continued to purchase. Nike, Inc. has established their brand as a lifestyle, instead of just a shoe company. They have instilled this mentality through campaigns such as the "Just Do It" campaign that promotes the idea that anyone can be an athlete. This has allowed Nike, Inc. to not only expand their brand but also expand their reach as far as the people who use their products.

Previous ISC Characteristics:

Nike, Inc. is known for their "outside the box" strategies when it comes to advertising campaigns, and the last two signature campaigns are no exception to that. The "Find Your Greatness" and "Risk Everything" campaigns go beyond what Nike, Inc. has done before to promote their footwear and their brand as a whole.

With the "Risk Everything" campaign coming out in early 2014, it was clear that they were tying in the upcoming world cup in Brazil to help promote their products. Their initial spot that they ran featured what appears to be a backyard game of soccer that quickly turns into a game of world-class players with each kid playing their soccer idol. It then focuses on a penalty kick in where an ordinary kid takes the world's best player off of the ball so he can score the game-winning goal (Newman, 2014). Also featured is a preview of what Nike, Inc. is calling "the perfect game" where the worlds best risks never playing the game they love again if they lose to perfectly engineered robots. The teaser was only 30 seconds but the full-length short film was about 5 minutes that has more than 70 million views (YouTube, Inc, 2014). What Nike, Inc. is doing is attempting to be instead of just showcasing their product; Nike, Inc. wants to entertain you to the point where you want to immerse yourself in that brand. It's creating incredible brand affinity to a brand that already has a strong following. Instead of highlighting a certain product, Nike, Inc. is showcasing the people that use their product and they great things they can do with it.

In the "Find Your Greatness" campaign, it takes the concept of "greatness" and makes the consumer see that greatness isn't something that is just for superstars, but for everyday people (Nike, Inc., 2012). Those everyday people use Nike, Inc. products and they are able to begin to achieve greatness. With this campaign, Nike, Inc. is giving consumers the idea that their

products have as much say on your performance as you do. Something that is unique with this campaign is the role that social media plays. The tagline in the campaign is #findyourgreatness and on instagram, there was over 200,000 images with that hash tag (Kameir, 2014). Nike, Inc. is creating such brand presence again not by just showcasing the product, but establishing motivation in people to want to achieve greatness. Using social media for people to show the motivation they got from that product is letting consumer do marketing for them on platforms that Nike, Inc. footwear may not be a focal point.

These two recent marketing campaigns are highly regarded because it rethinks how the consumer will receive the message of the brand. The two campaigns have done an incredible job in not only promoting the footwear that is sold by Nike, Inc. but they are able to tie in other products the brand offers in the campaigns which really creates brand continuity. Both of the campaigns have been Nike, Inc.'s biggest and most recent, which is why I decided to highlight their importance as to what Nike, Inc. has been up to recently. Nike, Inc. is changing from making the specific product they want to promote the main idea of the ad campaign; they are using people and their emotions to do all of the convincing for them.

Competition Profile:

Although Nike, Inc. is one of most popular athletic footwear brands in the world, it has many direct and indirect competitors (Forbes.com). This competition can decide how Nike, Inc. prices its products and how it is advertised. A direct competitor is a good or service produced by one or more companies. Business operators watch other businesses to make sure that these companies do not develop any type of advantage over their own company (WiseGEEK.com). An example of a direct competitor would be Adidas, which is also a company that sells athletic wear, sports equipment, and athletic footwear. Adidas is considered the next most popular athletic footwear brand in the world. Next listed according to popularity would be Reebok and Under Armor (Forbes.com). These brands are all very popular amongst athletes, fans, and active people everywhere, but Nike, Inc. comes in at number one on the list. At UK, Nike, Inc. is the sponsor of all athletes' clothing, most of the equipment, and most importantly, their footwear. Athletic departments are sponsored by one brand because most companies want you to wear their brand only, so that those schools can represent them. These brands can advertise through athletes

and schools, thus hoping to influence the audience or even on-lookers, to want to buy their product.

The other type of competitor that the brand faces is the indirect competitor. Indirect competition is among the suppliers of different types of products to satisfy the same needs (WiseGEEK.com).When selecting a specific product in the Nike, Inc. brand, the indirect competitor changes. In this case, the specific product is Nike, Inc.'s abundant selection of shoes. Nike's footwear ranges from running shoes, to basketball shoes, cleats, heels, sandals, and many more. Nike, Inc. has designed a type of shoe for almost every type of person, and this is one of the main reasons that it is so successful. The quality of the shoe is very important to the buyer and if potential buyers know the shoe is very popular amongst people, they will be more likely to buy it. Nike, Inc. has a great reputation for having footwear that looks and feels good, and competitors have to fight to keep up with them. A footwear brand that would be considered an indirect competitor would be the brand Chaco. Chaco, Inc. is a brand of footwear that is known for having sandals that are strapped in a Z shape. Originally, these sandals were intended to be used by whitewater rafting guides, but have since branched out to other types of customers (Wolverine Worldwide). Chacos have now become a style that many people like to wear when hiking, walking, or for casual wear. This brand is a competitor because it is in the same product category and someone could choose to wear Chacos over Nike, Inc. even though the style of shoe is different.

SWOT Analysis:

Strengths	**Weaknesses**
-Product Innovation -A leader in the market and strong brand position	-Dependent on footwear - Overseas Manufacturing -Price Sensitive (Retail stores price pressure)
Opportunities	**Threats**
-Fashionable Brand -International Development	-Highly Competitive - Imitations

Strengths

Leader in the market and a strong brand position

Nike footwear is respected worldwide. Their brand logo “SWOOSH” is globally recognized and respected. They are one of the largest sellers of athletic footwear and according to the industry sources. The Nike brands, such as Jordan and Hurley, are sold globally by retailers in over 160 countries and also have 70 company owned Nike retail stores in the US (NIKE 2014). Having a high number of stores makes it easier for customer relations and interactions, which has increased their sales and maintains their competitiveness in the market.

Product Innovation

Nike is known for coming out with the new innovative products before anyone else. This gives them a competitive advantage and is one reason to why they are the worlds leading brand for sportswear and apparel. By producing the latest technology in the industry, they are able to attract loyal consumers and endorse top-notch athletes. Sponsoring these athletes is an easy way for Nike to gain exposure. Innovative product development also allows Nike to maintain its pricing power that it has it the market.

Weaknesses

Dependent on footwear

Although Nike has a variety of products and brands, they mainly depend on the sales of their footwear. Without footwear, Nike would not be nearly what it is today. Therefore, they are highly dependent on the footwear industry and its competitors. This can be dangerous to the Nike company, especially if the footwear industry drops in value. Being dependent on one aspect of their company makes it easy for competitors to know what to focus on when competing against Nike. For example, Since Adidas know that Nike is so dependent on its footwear; Adidas will focus harder on their footwear to try and take away business from Nike.

Overseas Manufacturing

Nike is dependent on manufactures that are based outside of the US. Their main factories for footwear are in Vietnam, China and Indonesia, but they also have independent contract manufacturers in 28 different countries. One of the problems with this is product quality and product differentiation. With all the different independent manufacturers, this can create manufacturing errors. Manufacturing errors can lead to recalls, which can affect the Nike image and possibly turn away loyal consumers. (NIKE 2014)

Price Sensitive

Although Nike does have their own stores such as Nike Town, a majority of their income comes from outside retailers. The one problem with this is that retailers are just like consumers, they want to get Nike products for the lowest possible price, so they can sell the products for a lower price than their competitors. Nike feels a lot of this pressure from the retailers because the market is so price sensitive. (Friesner 2014)

Opportunities

Fashionable Brand

Nike owners standby the belief that Nike is not a fashion brand but a performance brand (Friesner 2014), but the fact that people wear Nike as a fashion brand is inevitable. In the younger generations especially, kids wear the Nike shoes as a fashion statement and when the shoes wear out, they look for the next fashionable shoe. If Nike can create fashionable shoes year after year, people will keep buying them just because of the way they look. They also have opportunities to create new products other than shoes for fashion statements such as sunglasses.

International Development

With the emerging middle class in other countries besides America such as China, Brazil and India, consumers have more disposable income and can spend their money on products such

as Nike. Nike already has high brand recognition in these countries and a growing market due to events such as the Olympics and the World Cup. There are great opportunities to grow a long-term market in these countries. (Hellman 2014)

Threats

Highly Competitive

Athletic footwear is a highly competitive market, even though Nike is the leading brand, they must stay ahead of the competition to stay on top. Other brands such as Under Armour and Adidas compete with Nike in product, price and consumer targets. There competitors are beginning to create alternative brands to take away from Nike's market share (Friesner 2014). These emerging pressures on Nike could eventually affect their company's margins.

Imitations

The demand for Nike products are very high; because of this people have found ways to produce counterfeit Nike products and people buy them. They buy these shoes not for the quality but for the "SWOOSH" logo. In recent years, the number of counterfeit products has grown drastically in European countries. "According to European Commission, the number of detention cases registered by customs reached 90,473 in 2012. Of this, the number of detention cases registered under sport shoes category were 6,768" (NIKE 2014). This not only affects the company's profit margins but also the brand image of Nike.

Key Marketing Problems and Opportunities

Through understanding the analysis of the secondary information throughout the report, key opportunities that the brand has, as well as its marketing problems, begin to become clear. By having knowledge of the opportunities and threats, Nike, Inc. can adapt its approaches to marketing, business practices and public relations in a way that will take advantage of

opportunities and diminish problems. The goal is to find a way in which Nike, Inc. can convert marketing problems into opportunities to build customer ethos and increase profits.

A major threat to the brand is that it operates in a very competitive market. There are a number of other brands that are beginning to gain popularity in the same key demographic. Although Nike, Inc. still controls the majority of the market share, the brand should still be concerned about competitors. Being unaware of competing brands and their marketing efforts gives the competition an opportunity to build a reputation in the market and increase sales before Nike, Inc. has time to respond. It is easier to keep a customer with Nike, Inc. then try to regain a lost one. Because of this, it is very important to be proactive. With the proper action, the treat of competition can become an opportunity for Nike, Inc. to secure its spot at the top. The way to do this is through building brand loyalty. Brand loyalty can be earned through an increase in the consumer's ethos, pathos, and logos. The company needs to be viewed as the logical and economical choice, a trustworthy brand, and also appeal to the consumer emotionally. By building on the already strong marketing campaigns, this can be achieved and help secure the brand at the top.

Another major threat is brand imitation. If a product is sold with the signature Nike "SWOOSH" that was not produced by them, it would not only be profit the company isn't getting but it would also reduce the company's presage if the product isn't of the same quality. Because the shoes are highly desirable it will be hard to stop imitations directly. There are, however, three ways that the company can turn this threat into opportunities. The first is through a creative advertising campaign to "accept no imitations" and perhaps use the ads as a platform to compare quality of the two products. This will help to somewhat cut down on people willing to buy imitation products by helping the consumer to see imitations as not as desirable. This will also be an opportunity to showcase the benefits of owning the product to people who might not yet be a Nike, Inc. consumers or someone who doesn't have strong brand loyalty. The threat might also create an opportunity to be more creative in design and to continue to push forward. By staying 'fresh' they can stay ahead of imitators, reducing the number of people who buy their products, and also insuring the Nike, Inc. is viewed as current and in style, a trait that the target market views as valuable. The third opportunity that the company has is to expand its business overseas. The majority of the imitation products are being created and bought oversees. This shows that there is an interest in the brand in other markets and that an expansion is likely to be

successful. With an increased availability, the consumer will be more likely to buy a genuine product. It will also allow for the company to build worldwide brand loyalty that is similar to the one that exist in the United States. This also creates the opportunity of sponsoring more international athletes in highly visible events such as The FIFA World cup and the Olympic Games.

The last threat is one that is more sensitive and prevalent than the others. Nike Inc. has what many consumers consider to be questionable business practices in its oversea factories. Issues with child labor, wages and safety conditions have been frequently discussed and has become an issue majority of the target market is familiar with. This is a serious threat to the prestige of the company and can lead the consumer away from the brand and towards another. Nike, Inc. has made strides to improve these issues however the damage has already been done in the mind of the consumer. Nike, Inc. must find a way to communicate its efforts to the public in order to improve its image. Through press releases and publicity, Nike, Inc. can improve the brand view in the consumer mind and position their brand as the best. If the company would really like to take advantage of the situation they can continue to make effort to improve their overseas practices and become a company that leads the way in their treatment of employees and working conditions. This is a major investment though and won't be something that the company will be able to do quickly. The idea is that is the long run it will increase Nike, Inc. brand view so much that there will be a jump in sales and increase the credibility of the brand in a way that will create lifelong customers.

It is important that Nike looks at the treats to their company and learns how to convert them into opportunities. There are major ways in which the company could increase brand loyalty, sales and market share if the knowledge is applied correctly.

III. Research Objectives

The listed objectives below will provide the direction on what we wanted to accomplish while carrying out this project.

- To learn how to research in an effective and accurate way
- To increase our leadership and communication skills while working in a group
- To determine how 18-24 year olds feel about Nike footwear products
- To find out what is important to 18-24 year olds when they are looking to buy footwear
- To find out some of Nike footwear's top competitors
- To see how often people wear Nike shoes

IV.Exploratory Research

A. Objectives:

- To determine why people prefer their athletic footwear choices.
- To learn how people perceive Nike Footwear's and brand image.
- To gain a perspective of Nike Footwear's strengths and weaknesses compared to their competitors.
- To learn consumers opinions and perceptions of the Nike Footwear product.

B. Sampling Methods

We will be gathering insight on the strengths and weaknesses of Nike Footwear, what about athletic footwear is appealing to them, why consumers select Nike Footwear over competitor's brands, what consumers opinions are of the product, and the different attributes about footwear that have a role in the purchase decision process.

To further understand how Nike Footwear is viewed among the target audience, we will conduct a focus interview using method of non-probability sampling. In order to attain the most feasible information, our focus group wanted to chose members that would yield the most true representation of data of members in the target audience/ demographic. Participants for the focus group were selected on the basis of following these guidelines:

- Participants of the focus group can be either Male or Female.
- Participants of the focus group are between the ages of 18-24.
- Participants of the focus group are current students attending the University of Kentucky.
- Participants of the focus group have a high affinity for athletic wear.

The focus group took place on November 3, 2014 at 7:00pm in the Center for Academic and Tutorial Services (C.A.T.S) in Memorial Coliseum on the campus of the University of Kentucky. Kelby Hickey, a member of our research group, served as the moderator. As well as moderating the focus group interview, Kelby will lead all discussion on an in-depth level to learn from our participants think about athletic footwear as well as Nike, Inc. products and what their feelings are regarding the product. Other members of our research group will record notes on the

reactions throughout the interview. Our focus group interview will give us detailed information via comments of the participants regarding the target audience.

C. Focus Group Interview Results:

After asking 10 individual's questions from our Nike footwear Focus Group Discussion Guide, we have discovered additional insights about what students look for when looking to buy athletic tennis shoes. The participants are listed below (participants names have been changed for their own privacy).

- John- 22 year old male (Senior class, Business management major, undergraduate student at the University of Kentucky, recreational sports)
- Tyler- 21 year old male (Junior class, ISC major, undergraduate student at the University of Kentucky, recreational sports)
- Rebecca- 22 year old female (Senior class, Education major, undergraduate student at the University of Kentucky, college athlete)
- Thomas- 22 year old male (Senior class, Business management major, undergraduate student at the University of Kentucky, recreational sports)
- Kathlene- 22 year old female (Senior class, ISC major, undergraduate student at the University of Kentucky, college athlete)
- Victoria- 21 year old female (Junior class, Education major, undergraduate student at the University of Kentucky, college athlete)
- Clay- 21 year old male (Junior class, Education major, undergraduate student at the University of Kentucky, recreational sports)
- Nick- 20 year old male (Junior class, Business Marketing major, undergraduate student at the University of Kentucky, recreational sports)
- Taylor- 21 year old male (Junior class, Business Management major, undergraduate student at the University of Kentucky, college athlete)
- Sydney- 22 year old female (Senior class, ISC major, undergraduate student at the University of Kentucky, college athlete)

To start out our interview and get a chance to see what our participants were like, we all asked them about sports and if they had experience in playing them. Our moderator just casually asked them about what they liked to play either now or before. After this questions we found that all of our participants had played at least a sport in high school and about half of them were athletes at the University of Kentucky. So, all of our participants liked sports and were familiar with the gear/wear needed to play and what brands that they liked.

Even though all of our participants were not athletes at the moment, they still enjoyed playing sports just recreationally. When asked how often they wear athletic shoes, answers did vary, but not really that much. Tyler only wore athletic shoes twice a week and that was when he was exercising. While Taylor wore athletic shoes everyday since he is a college athlete and he said he has to for practice. Taylor also said that "I don't just wear them because I have too, I like the way they look and feel." When asked about brands that they see on campus, Nike was the most popular answer. Rebecca said " Nike is the most dominant brand on campus in athletic footwear no doubt, but I also see more dressy shoes such as Sperry or Clarks while I am on campus." The only other athletic shoe that our participants said that they saw on campus and was semi-popular were Under Armour shoes. Nick said "I've seen some Under Armour tennis shoes that I think are pretty cool, but overall Nike is dominant and are my favorite."

All of our participants preferred Nike as their athletic footwear brand of choice. The only concern that they as college students had was price. Some of our participants could not afford to purchase Nike's because of the price so they had to switch to cheaper alternatives. Sydney said "Since I am a college athlete at UK and UK is sponsored by Nike, I get a lot of free Nike shoes. If I were not on the team though, there is no way that I could afford to buy a $100 pair of shoes like Nike." Four out of the ten participants reported that they thought the price of Nike footwear is too expensive. Of the four though, all of them had a pair of Nike shoes and said they were happy with the quality and style of their Nike shoe. As far as performance benefits, 6 out of our 10 participants said that they did not think that Nike shoes had performance benefits. They just bought Nike shoes because of the quality and style. They did not think that Nike could make you run faster or anything like that. The other 4 participants said they bought Nike shoes because there were certain benefits that Nike provided them with that other brands didn't. Victoria, a

college athlete, said “Nike offers me the comfort and durability that I need when I am exercising, and I have tried other brands, but Nike is by far my favorite.” John, one of the participants who said he didn’t buy Nike shoes for performance benefits, said that he buys Nike shoes because of how stylish they are. He said Nike sets the bar for every other brand and almost anything they come up with becomes the newest thing that I have to have.

In regards to the advertisements that we we showed them at the end of our interview, our participants had some interesting things to say. After showing them the Nike footwear commercial, Kelby asked them what their overall reaction was to the commercial and if it prompted them to want to go buy Nike shoes. 7 out of the 10 participants said these commercials did not make them want to go out and purchase Nike shoes. However, they said the commercial did catch their attention and they were interested in watching the commercial. After talking to the participants, we found out that the best way that Nike advertises to them is by endorsing professional athletes and sponsoring college sports teams. Thomas said “The thing that makes me want to buy Nike shoes the most is when I see the entire Kentucky team or famous athletes like Lebron James, wearing Nike shoes.”

Through our Focus Group Interview, our group has become better knowledgeable in what people look for when they are looking to buy athletic shoes. We also learned the most important things consumers want. In our research we learned that Nike has a high brand image and high brand awareness. Nike creates great products and if they continue to make these great products and the newest products, sales will continue to rise.

V. Primary Research

Survey Research Objectives

After gaining a better understanding of consumer views of Nike Footwear and athletic footwear in general, a survey was conducted. The survey's purpose was to understand consumer buying behavior and patterns, including frequency of purchase, preferred brands and desired characteristics. Through analyzing the results, a better understanding of the current brand position in the target marker can be gained. The objectives of the questionnaire are:

1. Gain an understanding of consumer athletic shoe buying behavior
2. Gain information about what consumer's value in footwear
3. Understand consumer's perception of Nike Footwear

After meeting these objectives, a more effective and cohesive campaign can be developed for Nike, Inc.

Sampling Methods

The sampling was conducted through non-probability sampling. Each member was responsible for finding 6 participants to take a survey, resulting in 30 completed surveys. There were 15 females and 15 males who took the survey. The surveys were handed out without regards to race or cultural identity of the individuals in an attempt to collect unbiased results. The wide variety of responses given will help to better represent the University of Kentucky as a whole. From the information collected, a more effective campaign can be conducted for Nike Footwear.

VI. Primary Research Findings

From the surveys collected, quantitative research can be generated to help support the qualitative research found through conducting the focus group. The five main topics the questionnaire covered were number of shoes bought, what the top shoes brands are, desired characteristics in a shoe, Nike brand perception, and demographic information. Through understanding these areas, a more comprehensive and effective campaign can be created that will better target the key demographic.

The first question of the survey asks how many pairs of shoes the respondent buys in a year. The chart below demonstrates the results.

CHART 1: (Appendix III)

As you can see from the chart, 1 student buys one pair a year, 8 students bought 2 pairs a year, 8 students bought 3 a year, and 7 students bought 4 a year, 3 buy 5 pairs, 1 student buys 7 and one student buys 9. The majority of students are buying between 2 and 4 pairs with the average being 3.41 pairs. This leads us to believe that students are buying new shoes but it isn't a frequent purchase. This is useful information because it is now clear that students are already purchasing in the brand category and that marketing attempts don't need to be focuses on the idea that students should buy shoes but rather they should buy Nike brand shoes. The data also shows that although students are buying shoes, they aren't buying them so frequently that they are going to be careless in their purchase. If a student is only buying three pairs of shoes in a year, they are going to be wearing each pair a considerable amount of times and they are going to want to have something that they really enjoy. This means that it is important to understand what students are

looking for in a pair of shoes so that the ads can showcase Nike shoes having these characteristics.

Next, the survey aimed to understand what the top shoe brands at the university are. Through the focus groups, popular brands names were discovered. This information was used to create two survey questions asking if 1) students owned these brands and 2) which one they wear most frequently. Understanding this information will help create a better idea of the Nike's market share at the university and the types of shoe students like to wear in their daily activities. Below is a chart that examines what footwear brands students already own.

CHART 2: (Appendix III)

From this chart, it is clear that many students own a pair of Nike Footwear already. 27 students out of the 30 students surveyed responded that they already own a pair of Nikes. That means 90 percent of the representative sample own Nike. It is safe to assume that majority of students at the University of Kentucky are also brand users. This is useful information because it means that the students are already familiar with the brand. It is easier to keep a customer that find a new one. The campaign should remind students why they bought Nike in the first place, and create brand loyalty. The next brand that was owned the most was Sperry with 14 people already owning a pair. That is 13 less people than Nike and not even half of the surveyed students owning a par. That means that Nike is not closely competing with any other brand. Especially when compared to other traditional athletic shoes like Asics which only had one student owning a pair. This information is important because it shows that Nike doesn't need to focus its ads as much on brand comparisons. The most effective ads will be based around keeping the brand

loyalty that already exists. The next chart also concerning top brands and brand competition. The chart shows what shoes are worn most frequently.

Chart 3: (Appendix III)

From this chart, it is clear that many students ranked Nike as their most frequently worn shoe brand. Out of the 30 students surveyed 13 students ranked Nike as the most frequent. This creates an advantage because students are already wearing the brand. Taking this research into account, Nike can now create ads that target students who would want to wear the brand everyday, and not just for athletic purposes. The ads could focus on brand loyalty and not comparing Nike to competition. The next topic of questions that were surveyed was the desired characteristics in a shoe. This was important information to acquire because it is what Nike can have the ad focus on. This is important because it will help decide how to 'brand' the shoe. The next chart explains what characteristics are most important in buying a shoe. The students were given six different shoe traits; comfort, style, fabric, weight, durability, and price. The students were then asked to give points of how important the characteristic was to them and the total must add up to ten. The chart is an average number of points assigned for each category, meaning that the more points mean that the characteristic is more important to them. The categories that were chosen came from the focus group that was conducted.

CHART 4: (Appendix III)

In this chart, it was noted that style was the most important for many students. An average of 3.36, or 33% of the reason someone chooses one pair of shoes over another is due to style. Comfort was the second most important for students at 2.96, or 29.6% of the reasoning. Price followed, being the third most important at 1.7, or 17% of the reasoning as to why students buy a

pair of shoes. Knowing what the consumers want and desire in a shoe is important information in building the campaign. When ads are being made, they should focus on these characteristics of the shoes because this is the best way to target the market.

NIKE BRAND POSITION

The next part of the survey was to see how students perceived Nike footwear. This covered the Nike brand position, which includes student usage products, brand perceptions, and what students think of Nike. After making note of the results, there was an average 1.5 pairs of Nikes bought a year by students, though most students bought two pairs of shoes a year. Most students wore the shoes frequently to very frequently, which was 4.2 on a 5 point scale. This is important to Nike because now we know that students are already interested in the product that is being advertised, so now the focus is on keeping the customers rather than acquiring them. The following chart will cover how customers perceive Nike.

CHART 5: (Appendix III)

In this chart out of the 30 students surveyed, 21 students considered Nike to be very stylish, comfortable and durable. Since this is a factor for many students in making a purchase, the ads should focus around these characteristics to best market to students. These ads could possibly help brand Nike shoes as being light-weight and reasonably priced, this way it would be advertised as an opportunity to make a great purchase. As for the demographics of this survey, the average age was 20.26, many were full-time students and ethnicity was majority white.

VII. Research Findings

After compiling our data from our Focus Group Interview, Survey, and secondary research, we have all gathered a strong conclusion regarding the integrated campaign for Nike footwear. With our research we gained knowledge on how college students between the ages of 18-24 perceived the Nike brand and what they want in the shoes that they purchase.

With our Secondary research findings, we were able to establish the strengths, weaknesses, opportunities, and threats for the Nike brand. Nike has a strong brand image and is a leader in product innovation. The problem with having a strong brand image though is that people try to imitate their product which takes away from the Nike business. Not only does it take money away from them, but it makes people believe they are wearing Nikes that aren't so quality could be terrible and they would put this blame on Nike. One thing Nike needs to work on the most is being dependant on their footwear market and also depending on overseas manufacturers.

While conducting our Focus Group Interview, we concluded that college students are consumers of Nike footwear. We also learned that Nike is their favorite footwear brand. However, price is one area that is a weakness for this demographic because they do not have the extra money to spend on Nike shoes unless there parents pay for them. Price is not the only thing these students want in a shoe, they want a shoe to be durable, comfortable, and stylish, all in one shoe. Overall though, Nike has a strong brand image in this demographic.

Through our research done by passing out our survey, we were able to see the number of shoes people buy, the brands of shoes people bought, the brands they wear, the importance of shoe traits, and characteristics of Nike shoes. This information will help lead us to our positioning statement and campaign recommendations.

VIII. Conclusion and Recommendation

After gathering all of our data, we have decided on an effective integrated strategic campaign for Nike Footwear. Even though Nike, Inc. is the leader in this market, we need to make sure we are improving otherwise competitors like Adidas and Under Armour could capture some of our prospects. The success of this brand is very important to us so it is vital that we ensure that Nike Footwear is the leader in the athletic footwear market. With our help, Nike Footwear will remain and continue to not only compete but to succeed in this category. Nike Footwear prides itself on being the most stylish, best performing, and overall best athletic shoe on the market.

Something that we found in our research was that college students see the Nike Footwear brand as the elite brand in athletic footwear. They are consumers of the product and this brand is heavily favored among college students. However, with Nike Footwear often being out of the budgetary limits of most college students, Nike, Inc. often loses business to imitators that sell a similar product for a fraction of the cost. The way that we will ensure that we won't lose prospects in this target audience is by hosting events across the country promoting Nike Footwear. These events should allow consumers in the target market to really interact with the product and see the value that it has. We want to go across the country and start with schools that may be smaller, and then gradually building to larger, more name brand schools. By doing this, we are able to get smaller schools involved and what that can do is to create momentum for when we are at the bigger market schools. What we want to do with this "Nike Footwear" campus tour is to really give students the opportunity to experience the product and give members of the target market to try on a shoe and find the one that best fits them in a friendly environment. We will be showcasing a variety of our products for consumers to "try on" our products. When the consumer has interacted with our product, we want to offer them a special opportunity to have "action" shots of whatever school we are at's flagship sport. This creates an emotional connection between the consumer and the product through the affinity that the consumer will have for their school. It creates more than just an advertising event, it creates a program and the consumer is likely to respond to that in a more positive way and create exclusive brand loyalty with our products. Also, we should feature giveaways of accessories of the footwear (socks, insoles, etc.) This gives the consumer something to take home and to remember the product. Something we will also be doing is handing out coupons for Nike Footwear products to help

mitigate the cost problem that is seen with our target audience. With this event, we are able to give consumers a first-hand experience of why our product is superior and worth the cost. We know that our target audience sees our product in a favorable manner, but we feel that this will go above and beyond and make our target audience really desire Nike Footwear and nothing else.

With our target market being in a demographic where social media is so prevalent, we want to use that as a platform in order to capture and communicate with our target audience. Holding things like twitter contests to find out what campus we will be at next. We also aim to use social media to post pictures of the events in order for consumers to see and to make them want to come out to the event near their campus. What this does is creates a platform for consumers to see our products more likely than they would at a store or online. We want to bring the product to them in as many ways possible. This also will give consumers in our target audience a way to learn and experience our brand for free, which is the major weakness of our product with this demographic.

Nike Footwear will use these marketing communication techniques to further pull ahead of its competitors in this market. Nike, Inc. is known in so many areas as the “gold standard” of athletic wear, our consumers will be made aware of that in a way that is not currently offered by our competitors. Nike, Inc. will be well known not only as having great apparel, but great footwear as well. Through event marketing, word-of-mouth-marketing, and social media, Nike Footwear will further demonstrate why it has been so successful and will continue with that success and innovation.

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X. Appendix

Appendix I: Focus Group Guideline

Introduction

Hello, first off I want to welcome you to our ISC 321 research group's focus group interview. Thank you for taking the time out of your no doubt busy schedules. My name is Kelby Hickey and I am going to be moderating this focus group on behalf of my research group. We coordinated this focus group in order to learn information on perceptions of athletic footwear among college students ages 18-24.

You all are gathered for this interview because the members of this research group feel that you all are a great representation of the demographic that we are conducting research on. You fit the qualifications of the type of person that we are researching. You all are college students and have some sort of interest in athletic wear. We want to know what you prefer about shoes and why you prefer certain styles and brands.

We will be discussing the different types of shoes you as consumers have bought recently, your favorite types of shoes, why you prefer that style of shoe, what brand you prefer, and why you prefer it. We will also show you two commercials regarding footwear and we are interested in what your reactions and feelings are towards the brand that these commercials represent and the brand as a whole.

A couple of things before we begin, this is an open forum for discussion. We aren't here to try and sway your opinions regarding a brand a certain way or are we trying to get you to buy a

brand, this interview is for research purposes. Also, there are no right or wrong answers in this discussion. Different people in the room may have different feelings and preferences in terms of their product which is what has intrigued us about this research. Whether you have a comment that is positive or negative towards something that is being discussed, all comments are welcomed to better gain knowledge of this demographic.However, to ensure that nothing is missed in our notes, only one person should be speaking at a time. We want to also note that your name and participation in this discussion will remain confidential.

This session will last between forty-five minutes and one hour. Remember the guidelines we have just discussed throughout the discussion. To begin, we will go around the room and say our names in order to create a better group dynamic.

Usage/Purchase of Athletic Shoes
How often do you wear athletic shoes?

When/Where do you wear athletic shoes? Why?
Types of athletic brand footwear you see most around campus? (Nike, Chaco's, Addidas, etc.)

Likes/Dislikes of athletic footwear

Brands preferred? Why these brands? Vary by demographic?

The Perfect Shoe
What product characteristics do you look for in a shoe?
EX: color, styler, material, weight

When buying a shoe, do you look for the performance benefits?
When buying shoes, do you prefer to buy them online or in an actual store?.. Why?

General Attitudes Towards Athletic Shoes

What is your favorite athletic brand? .. Why?

When thinking of athletic brands, what are the first words that come to your mind?

What is the most important factor to you when you are shopping or getting ready to buy a pair of athletic shoes?.. Why is this?

Attitudes Towards Nike Footwear

How familiar are you with the Nike brand? How are you aware of Nike?

What comes to mind when you think of Nike footwear? Why?

Do you Like or dislike your experience with Nike footwear? What things did you like/dislike about Nike?

What is your favorite style of Nike footwear? Which style do you see people wearing the most?

Show and Discuss Advertising Concepts

Can you all recall any Nike ad/campaigns? What was it about?

What is your overall reaction to Nike Ads that you have seen?

Did you likes/Dislikes our advertisement? Why or why not?

What kind of person do you think our advertisements target? Why?

Is it believable?

Does this increase your interest in buying Nike products? What part of the advertisement makes you want to buy something?

When you see athletes and famous people wearing Nike footwear, does this make you want Nike's also? why or why not?

Reaction to Nike Advertisement
First, show our focus group two advertisements by Nike

https://www.youtube.com/watch?v=JUdNeFh2SDo
https://www.youtube.com/watch?v=Ev2sHur84sI

What is your overall reaction to these two Nike Ads?

What were your likes/dislikes of of the advertisement?

What kind of person do you think this targets?

Do they catch your attention and make you want to watch?

Appendix II. Survey Questionnaire

Survey Research Questionnaire

Participants,

We want to thank you for completing this survey as well as taking the time out of your day to do so. By completing this survey, your answers will be able to give us interesting perspective's on footwear. You will also be helping us complete our research assignment for ISC 321. A couple of things to keep in mind while taking the survey, make sure that your answers are truthful and honest in every question. These answers will be used for educational purposes. Answer each question with only one answer and be sure that you are following all directions given throughout the survey, they will guide you as you take it. This should take a maximum of 10 minutes to complete. Thanks again!

---

1. During a typical year, how many pairs of shoes do you buy?: __pairs

2. Check all footwear brands you have purchased during the last year?
   Chacos_____
   Sperry's_____
   Nike_____
   Converse_____
   Vans _____
   Asics _____
   Clarks _____

3. Which footwear brands do you wear most often? Indicate the most often worn brand with 1 and the least often bought brand with 5.
   ____Sperry's
   _____Nike
   _____Vans
   _____Asics
   _____Clarks

4. Think about the reasons why you choose a particular brand of footwear. Many potential reasons are in the following list. We are interested in knowing the relative importance of these reasons in your purchase decision.

Assume that you have 10 points. Divide the points among the following reasons to indicate relative importance of each reason. **The more points you give something, the more important it is.** You can give as many or as few points as you wish to each reason. Please make certain that your total equals 10 points.

Comfort	____
Style	____
Fabric	____
Weight	____
Durability	____
Price	____
Total	10

5. How frequently do you buy Nike footwear in general, in a year? (Select One)

Not at all____
1 pair____
2-3 pairs_____
More than 3 pairs_____

6. How frequently do you wear Nike footwear?

Very frequently_____
Frequently_____
Occasionally_____
Rarely____
Never____

7. Below is a set of word pairs. Please check closest to the word which BEST reflects your feelings about Nike footwear.

Stylish		____	____	____	____	____	Unstylish
(1)	(2)	(3)	(4)	(5)			
Comfortable			____	____	____	____	____ Uncomfortable
(1)	(2)	(3)	(4)	(5)			
Durable	____	____	____	____	____	Not Durable	
(1)	(2)	(3)	(4)	(5)			
Light	____	____	____	____	____	Heavy	
(1)	(2)	(3)	(4)	(5)			
Reasonable price		____	____	____	____	____	Not reasonable price
(1)	(2)	(3)	(4)	(5)			

8. Think about Nike footwear. Then read each word or phrase shown below. Think about how accurately or inaccurately each word or phrase describes Nike Footwear. The more a word or phrase describes Nike Footwear, the larger the positive number you should circle. The less a word or phrase describes Nike Footwear, the larger the negative number you should circle.

Cheap

-2 -1 0 1 2

Comfortable

-2 -1 0 1 2

Performance Benefits

-2 -1 0 1 2

9. What is your age?____
10. Check which occupation fits you best?(Select one)
    Full-time student ____
    Full-time worker ____
    Part-time student ____
    Part-time student and worker ____
    Part-time worker ____
    Other (specify) _____
11. Marital status (select one)
    Single ____
    Married ____
    Divorced ____

12. Ethnicity (select one)
    White ____
    African-American ____
    Asian ____
    Spanish ____
    Other (specify) _____

Thank You

Codebook

Question #	**Variable**	**Column in Excel**	**Numeric Code**
1	number of shoes bought	How many pairs- A	number of shoes
2	footwear brands purchased	Chacos- B Sperry's- C Nike- D Converse- E Vans- F Asics- G Clarks- H	(0) not purchased in a year (1) purchased in a year
3	brands worn most often	Sperry's- I Nike- J Vans- K Asics - L Clarks- M	(1)least frequent (5) most frequent
4	Reason for buying brand	N-S	# of points assigned
5	Frequency of Nike shoes bought	T	0-Not at all 1- 1 pair 2- 2-3 pairs 3- 3 or more pairs
6	Frequency of Nike worn	U	1- Never 2- Rarely 2- Occasionally 4- Frequently 5- Very Frequently
7	Opinion of Style, comfort, durability, weight, and price	Stylish-V Comfortable- W Durable- X Weight- Y Price- Z	1- Strongly Negative 2- Negative 3- Neutral 4- Positive 5- Strongly Positive
8	Words to describe Nike footwear	Cheap-AA Comfortable- AB Benefits- AC	1- Strongly Negative 2- Negative 3- Neutral 4- Positive 5- Strongly Positive

9	Age	AD	# is age
10	Occupation	AE	1- Full time student 2- Full time worker 3- Part time student 4- Part time student and worker 5- Part time worker 6- Other
11	Marital Status	AF	1- Single 2- Married 3- Divorced
12	Ethnicity	White-AG African American-AH Asian- AI Spanish- AJ	1- Yes 0- No

Appendix III: Primary Research Findings Charts

CHART ONE

source: survey

CHART TWO

source:Survey

CHART THREE

Chart 3:

Source: Survey

CHART FOUR

Source: Survey

CHART 5

Source: Survey