

ENT600

TECHNOLOGY ENTREPRENEURSHIP



CASE STUDY: NIKE

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EXECUTIVE SUMMARY

Nike is a brand and worldwide company which produce a lot of products which are shoes, apparel and equipment. In this company analysis, it focuses on one product of Nike air max which is Nike Air Vapormax Flyknit 2 to be investigate, identified and analysed along with their current problems and come out with solution.

The first problem regarding their product is upper mesh and tongue unit is less durable and easily tear. As we know, Nike produced sport shoe that can be use for performing any exercise. The shoe should be durable and not easily tear to avoid any risk of injury. Without this feature, it will bring disadvantages to consumer where if the upper unit tear, it exposes the foot to any existence danger. As for the next problem air cushioning deflated after using several times. Air cushioning helps consumer to absorb impact every step. This problem could risk consumer's leg as air cushioning is function to comfort and support consumer by absorbing impact. Lastly, another issue identified in this case study is air pods technology is deflated after using several times. Air pods technology help to support lightweight and provide bouncy effect to the customer. However, this weakness may not support the function of the shoe while it harms the consumer because of the loss of stability of the shoe.

Apart from that, there are few solutions and innovation to overcome the problems. After analysed the problem, the type of weave should be considered on the upper and tongue unit of the shoe. Woven cloth is the best fabric which is durable and twill leave are believed to provide more durability compared the plain weave of Nike Air Vapormax Flyknit 2. This is due to the higher tearing strength of twill weave. Next solution is air cushioning of Nike Air Vapormax Flyknit 2 should be replaced by air cushioning of Nike React Infinity Run Flyknit. Study showed air cushioning of Nike React Infinity Run Flyknit has best air cushion among running shoe. The last solution is to increase the thickness layer of rubber on outer sole. By this solution, it will help to protect air pods technology and increase durability of the shoe. All of these solutions are need to be considered in order to improve the Nike Air Vapormax Flyknit 2. Besides, with this solution, it will increase the quality and performance of the product, at the same time satisfy customer which leads to business growth, developments and more achievements ahead.

2.3 Product

Nike offers variety of products including shoes, apparel and equipment. Nike offers products for tennis, golf, skateboarding, association football, baseball, football, cycling, volleyball, wresting, cheerleading, aquatic activities, racing and also van be used for outdoor recreation. Running shoes is the first product of Nike. In 1987, Nike NYX and Nike SB shoes produces. Then, in 2008, Air Jordan XX3, basketball shoe was introduced with high performance and designed for the environment. Furthermore, Nike also introduced NIKEiD which are a sub brand that allows customers to design their customized Nike footwear. NIKEiD offers selection of shoe, colours, fabrics and specification.

2.4 Business, Marketing, Operational strategy

Nike incorporation is the world's leading sports footwear and apparel company. Over period of time, the demand of sporting good increase where people will become more health conscious about the sport equipment and sportwear.

2.4.1 Business strategy

Business can be defined as the course of action taken or set of decision which helps entrepreneurs to gain client and achieving specific business objectives. It also known as master plan of company in order to secure a competitive position in the market, maintain its operation, serve customers and achieve the outcome of the business. Nike company serve customer by updating new products from time to time. The quality of brand is high which serve customer very well. However, the cost of producing Nike is high. As the demand of Nike product is increase, Nike has outsourcing strategy with China, from developing countries in Asia such as Vietnam to reduce the cost of producing Nike product.

2.4.2 Marketing strategy

Nike give extensive focus to attract its customer through advertising and promoting. They focused on emotional strategy by advertising its company with athlete background and story. It all start with Jordan shoe with collaborate Nike and Michael Jordan, young start athletes. Then, the collaboration with woods "Hello, World". Woods was an iconic

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