International Business: Nike's Business Strategies, Products/services, And Markets

Executive Summary

This research report provides detailed business information about Nike including its business strategies, products/services, markets etc. Moreover, the study is also suggests business organizations about the Operational and Strategic Consideration in the global market. On the other hand, this research paper offers in-depth information about the competitive business environment of Nike in the International market. Furthermore, the study is also explains ethical & Corporate Governance practices and strategies of Nike. Finally, the SWOT analysis outlines company’s main strengths, threats, opportunities and weaknesses.

Introduction

In the context of this research paper, Nike is selected as a case study organization that was created on 25th January as Blue Ribbon Sports by Phil Knight and Bill Bowerman. Today, it is one of the largest, reputed and leading American international firms that is involved in the expansion, design and manufacturing sales & marketing apparel, footwear, accessories, and services. In the current time, the company is one of the chief suppliers of athletic shoes and apparel in the global market. The main products/services offered by the company include sports equipment, recreational & Athletic products, and Athletic footwear & apparel. Along with this, the company is also known of the largest and leading manufacturer of sports equipment. This is one the major reason that the company is generating highest revenues and profit in the global market. Currently, more than 50,000 people are working for the company. The company is providing high quality sports products to its global customers at the discounted and reduced price (Nike Inc. 2020). Overall, it can be said that, it is one of the best and largest company in the industry worldwide.

Operational and Strategic Consideration

Nike is one of the main companies that focus on both strategic and operational considerations in the international business environment to be success in the industry. For example, the basis strategic considerations consider by Nike are future plans for the customers, products, services, related markets, technology, customers, production capacity, people, finances etc. On the other hand, as per operational considerations, the company focuses on developing and adopting clear strategies, policies, procedures etc. In the same way, such strategic & operational considerations are taken into account to attain operational as well as strategic goals & objectives in the market successfully (Schrey and Eberl, 2007).

Organization’s Competitive Environment

Nike is considered the market leader in the industry. But, it is facing tight competition from the new and existing players in the industry because there are several brands and companies that are engaged in offering high quality products/services at the reduced priced as compare to

Nike. For example, Nike is facing direct competition from the Reebok, and Adidas along with a number of small and large organizations including K-Swiss, New Balance etc. These are main competitors of Nike that putting the company into pressure (Henry, 2008). The direct and indirect competition is also forcing Nike to reduce the price of the produces by modifying the pricing strategies. This competition had affected company's total profit, market share, revenue and growth negatively. But, in order to effectively and successfully deal with this competition, Nike is adopting specific competitive strategies such as product differentiation strategy, focus on supplier intimacy, focus on market niche etc. In the same way, such strategies helping the company in reducing the competition level in the global market (Fiss and Zajac, 2006).

Ethics and Corporate Governance

In the present time, Nike is paying too much attention on developing ethical philosophy by accepting corporate governance policies. For instance, Nike is completely devoted and loyal to the uppermost level of corporate governance and developing ethical culture in order to attain organizational operational and strategies business objectives. According to the philosophy and values of the company, good governance & ethics is one of the major and essential aspects of good business (Finne & Sivonen, 2008). This is the main reason that, the company had developed a number of ethical and corporate governance polices strategies and practices. For instance, the company had developed ethical codes of conduct that are enforced and communicated throughout the ongoing business. Simply, it can be said that, company has a code of ethics for all its workers and employees called inside the lines the Nike code of ethics. Corporate governance practices are used for the creation of stakeholder values. For instance, as per good corporate governance, the company is focusing on Business Sustainability, and CSR Engagement (Lindorff, Worrall and Cooper, 2011).

SWOT Analysis of Nike

Based on the organizational operations of Nike in the international market, the following given below SWOT analysis is developed that indicates how the key strengths of the company relates with threats, opportunities and weaknesses of the company.

Strengths

- Strong distribution network & widespread global production
- Strong brand reputation & image globally
- Highly innovative business processes
- Huge & strong base of customers
- In-house Professionals & Diverse Brand Portfolio (Amason, 2010).
- Strong Relationships with partners
- Grander Marketing & selling Capabilities

Weaknesses

- Limited existence in developing markets
- Labor issues in the global market
- Pending Debts
- Mainly depends on US Market

- Focus mainly on Footwear segments
- Pressures from the Retailers
- High price of the products as compare to its competitors
- Lack of project planning experience

Opportunities

- Enhance market attendance in emerging nations
- Improvements in employment as well as labor practices
- Attracting and retaining customers
- Focus on Innovative Products

Threats

- Typical competition from existing and new firms
- Currency Foreign Exchange Risks
- Tax Clampdowns
- Counterfeiting (Amason, 2010).
- Economic & political conditions

Conclusion and Recommendation

Overall, it is recommended & concluded that, Nice should adopt best marketing, operational and pricing strategies to decrease rivalry level in the market. Moreover, it should expand business into the developing countries. Additionally, it should also pay attention on project planning to be success in the international market.

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