NIKE Strategy: Strategy Management
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Abstract.

NIKE’s mission statement is very straightforward. By referring to legendary track-and-field coach Bill Bowerman’s quotation, NIKE states that the vision of their company is “To bring inspiration and innovation to every athlete in the world.”

Keywords:

Nike, strategy, product differentiation, innovative and outsourcing.

To follow its mission, NIKE’s managers are concerned with elaborating on the strategies listed below:

• Functional-level strategy: is directed at improving the effectiveness of operations within the company. NIKE is employing this strategy within its manufacturing, marketing, product development, and customer service processes. Thus, in order to improve its customer services, NIKE strives to represent the highest service standard within its industry, and tries to build loyal customer relationships around the world.

• Business-level strategy: encompasses the business’ overall positioning in the market. NIKE stays competitive due to its cost leadership, product differentiation, and industry segment management.

• Global strategy: addresses the company’s needs to expand its operations outside the home country and compete on a global scale. NIKE is applying this strategy to its fullest extent reaching its customers on all six continents: USA, Europe, Middle East, Africa, Asia Pacific, and the Americas Regions.

• Corporate-level strategy: concentrates on the firm’s ability to focus on particular businesses that maximize the long-run profitability of the organization. NIKE is able to maintain its long-run profitability and even continue to grow within its industry because it produces what it knows best, as well as, improves and innovates its products.

NIKE depends heavily on Strategic Outsourcing. Virtually all footwear products are produced outside the United States. There were seven (7) contract suppliers outside the US that manufactured NIKE brand footwear in 2003. The Republic of China, Indonesia,
Vietnam, and Thailand manufactured 38%, 27%, 18% and 16% of total NIKE footwear respectively.

Another key to success for NIKE Inc. is its exploitation of the network structure, which allows it to replace the non-performing alliance partners that fail to meet NIKE’s standards with new partners. In addition, the company works closely with its suppliers, which helps NIKE reduce costs and increase product quality with new developments in technology.

**Bibliography:**
