

Consumer Product Lifecycle of the Nike Shoe

Team #6: Angela Santucci, Mohammad Jawas, Bo-Yang Chen, and Rashed Yousef Alkhanbouli

In the 1960's the Nike brand was nothing more than an idea made up by Phil Knight and Bill Bowerman. Today, Nike is one of the largest shoe and athletic apparel company that is known all around the world. Starting in the early '60's the two men came up with an idea to make a running shoe that was both durable and lighter. With some research and guidance from other people the Nike name and trademark Swoosh was created. Less than a decade after the idea Nike paved its way to success.

http://xroads.virginia.edu/~class/am483_97/projects/hincker/nikhist.html



Phil Knight and Bill Bowerman in the 1960's

In an excerpt from Nike's recent 10-K they say, "We believe our research and development efforts are the key factor in our past and future success". The research and development mainly takes place at the main headquarters in Beaverton, Oregon. With more than 40+ researchers with doctorates in all fields dealing with product development i.e mechanical engineering, math, and kinesiology they design and innovate products that will be used by athletes everywhere. It is said that many ideas using the technique of trial and error were made. But this is how they have come up with the successful ideas that make Nike stand out against its competition. Along with the ideas of the company's employees in the US, Nike has reached out to other countries such as Asia and Europe for concepts and new designs.

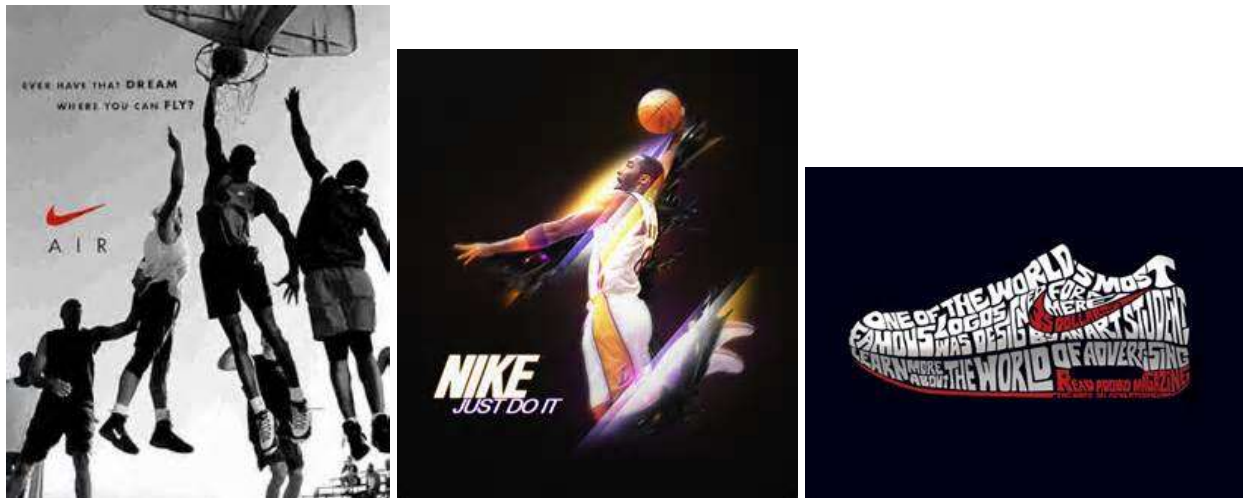
<http://about.nike.com/pages/company-profile>



Nike's main headquarters in Beaverton, Oregon

Nike's marketing strategy appeals to their audience. Nike uses their iconic logo, the Swoosh, as branding as well as having famous athletes, such as Michael Jordan be the spokesperson for the product. For decades the Nike Swoosh has been a common known logo in many households. Nike also uses magazines, and commercials to market their shoes to the general public. Also people wearing their shoes are a form of marketing as well. As Ira Kalb, a business student from the Marshall School of business describes, "The location of the swoosh for maximum exposure enables the brand to be continuously etched into the brains of anyone that witnesses the events or sees the replays and news coverage".

<http://www.businessinsider.com/nike-the-brand-that-keeps-on-giving-2011-12>



Various Nike shoes ads

The manufacturing process for Nike shoes involves 2 key stages. The first stage is where they extract and obtain all the materials such as organic cotton, leather and rubber from places near the factory. The second stage is the actual production and assembly of the shoes. This involves templates and sewing. It is said that Nike reuses all of the excess materials that they do not use in production for the next production.

<http://www.ukessays.com/essays/marketing/the-manufacturing-process-of-nike-shoes-marketing-essay.php>



Nike shoe factory and manufacturing process

In Nike's packaging process the company tries to use as much recycled materials that they can. Nike has an ongoing commitment they want to live up to, innovation and sustainability. In addition, they thought beside customers recycling the shoe box, it is better to cut down the usage of cardboard. Over the last couple years, Nike had redesigned their shoe box by decreasing 16% of cardboard usage. This translate reducing the waste of cardboard over 5000 tons per year. The Nike shoe boxes are then shipped out all around the world to stores for sale.

<http://www.deq.state.or.us/lq/pubs/docs/sw/packaging/csNIKESHoebox.pdf>



Nike shoe box that has become more environmentally friendly

Nike has created a network of distribution sites all around the world. Having one headquarter, 2 subcontractors and numerous retail stores that sale the shoes to people. Nike has over 750 retail stores worldwide selling their shoes and apparel. The process of retail distribution is by the Nike stores selling their shoes to retail stores who sell them to the general public.

<http://www.slideshare.net/RachaelMcGowan/nike-distribution-system>



Global map of the distribution of the Nike shoes and retail stores

After the sales and distribution the Nike shoes are in the hands of the consumer. The consumer may use the show for recreational or professional use. The shoe can be used for months or years depending on the wear and tear it endures. It all depends on the person and how often and what they are using the shoe for. For example, a professional or avid runner man wear through the shoes much quicker than those use just use the shoes for walking.



After the shoes are discarded many just get thrown away in the trash. Nike also has a new incentive to return the used shoe and Nike will recycle the shoe. This idea is called reuse-a-shoe. This plan was created to hopefully create less waste in landfills and promote recycling of all kinds of materials.

http://www.nike.com/us/en_us/c/better-world/reuse-a-shoe

