

Unit 3 Strategy

Nike's Goddess

PAGE 25

Future forms

PAGE 27

Career skills: Short presentations

PAGE 29

Dilemma: Harley's Angels

PAGE 30

www.longman-elt.com

www.economist.com

The big picture

Keynotes

Developing a successful **strategy** is a vital part of the **planning process** for all business organisations. Analysing where a business stands in relation to its **markets** and **competition** enables it to identify potential **opportunities for growth** and potential **threats**. It is then possible to set **strategic objectives** and to predict the human and financial **resources** needed to achieve them.

Preview

Choosing a strategy

Which of the following factors do you think a company considers when it undergoes the strategic planning process? Put them in order of importance.

product development economic forecasts competitors technology
human and financial resources fashions and trends current sales

Listening 1

1 David Drexler is a professor of economics. Listen to him explain one approach to the strategic planning process and draw the diagram he describes.

2 The Quadrant corporation has prepared a SWOT analysis. Some of the different points that appear in the analysis are listed below. Under which heading would you put them?

- 1 Our prices are higher than the competition but our margins are lower.
- 2 Planned EU legislation will force us to invest in new equipment.
- 3 We have a highly-skilled young staff.
- 4 We have a strong internet presence.
- 5 We have discovered a new and potentially cheaper source of supply.
- 6 Our brands are not recognised internationally.
- 7 New companies are entering our industry.
- 8 Analysis shows our products could be successfully introduced in Asia.

Reading

The Nike strategy

1 Read the text on the opposite page and complete the SWOT analysis with the different elements of Nike's strategic position.

Strengths

leader in sports marketing

Weaknesses

Opportunities

Threats

2 What three changes has Nike had to make in its effort to appeal to a female audience?

Nike's Goddess

Could a famously masculine company finally click with female customers? That was the challenge behind Nike Goddess, whose goal was to change how the company designed for, sold to and communicated with women.



In its 30-year history, Nike had become the undisputed leader in sports marketing. But beneath the success was an Achilles' heel. Nike is named after a woman — the Greek goddess of victory — but for most of its history, the company had been perceived as being mostly about men.

Could Nike do more to realise the full potential of female customers? And how could it afford not to, given the threats to its future with Air Jordan running out of air and brands like Skechers digging into the teen market with shoes inspired by skateboarding, not basketball. That was the huge question at Nike HQ. The launch of Nike Goddess was the makings of an answer.

Just Doing It Differently

For much of its history, Nike's destiny was controlled by its founders, Phil Knight and his running buddies, who signed up athletes in locker rooms and made the executive decisions. But by throwing together a diverse team of people with different backgrounds and different levels of seniority, Nike has found that it can keep many of its core attributes while adding new sources of inspiration.

Take the combination of star designer John Hoke and newcomer Mindy Grossman, vice president of global apparel. Hoke designed the look and feel of the first Nike Goddess store. Then Grossman, whose career has included helping make Ralph Lauren into a retail icon, pitched the design ideas to Nike's top retailers as stores within stores. Now it looks like Nike has a chance to reach a crucial objective: double its sales to women by the end of the decade.

How to Sell to Women

Nike Goddess began as a concept for a women-only store, and there's a reason why. Many of the retail settings in which the company's products were found were a turnoff to female customers: dark, loud, and harsh – in a word, male. In sharp contrast, the Nike Goddess stores have the comforting feel of a woman's own home.

How to Design for Women

Designing a new approach to retail was only one element in Nike's campaign. Another was redesigning the shoes and clothes themselves. Nike's footwear designers worked on 18-month production cycles – which made it hard to stay in step with the new styles and colours for women. The apparel group, which worked around 12-month cycles, was better at keeping up with fashion trends. But that meant that the clothes weren't co-ordinated with the shoes – a big turnoff for women.

How to Talk to Women

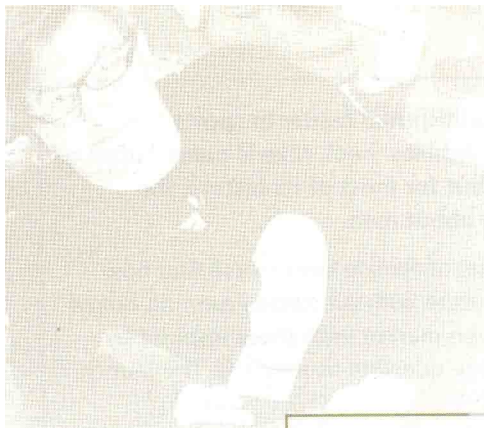
When Jackie Thomas, Nike's US brand marketing director for women, first heard the phrase 'Nike goddess,' she wasn't impressed. 'I don't like talking to women through gender,' she says. Nike Goddess had to mean something to women and it was her job to make that happen. 'Women don't need anybody's permission. We are at our best when we are showing women a place where they didn't think they could be.' For John Hoke, the real power of Nike Goddess is not about traffic at stores. It's about changing minds inside the company. 'I knew that Goddess could galvanise us,' he says, 'It was an opportunity to redefine and re-energise our entire brand around a market that was taking off.'

Glossary

pitch sales argument

turnoff demotivating factor

galvanise shock into finding a solution



3 Read the text again. Who was responsible for the following?

- 1 Nike being seen as a male brand
- 2 taking market share away from Nike
- 3 creating a new style of Nike retail outlet
- 4 persuading Nike retailers to accept the Nike Goddess concept
- 5 putting sports celebrities under contract
- 6 communicating more effectively with women

Vocabulary 1

1 Replace the *italicised* words with one that has a similar meaning.

- 1 Nike's destiny was controlled by its *founders* ...
 a designers b sponsors c creators
- 2 The company had an *Achilles' heel*.
 a strongpoint b secret weapon c hidden weakness
- 3 ... a collection of people with different levels of *seniority*.
 a knowledge b rank c performance
- 4 Nike has found that it can keep many of its core *attributes* ...
 a origins b qualities c aspects
- 5 ... vice president of global *apparel* ...
 a clothing b equipment c designs
- 6 Footwear designers worked on 18-month production *cycles*.
 a shifts b delays c periods
- 7 'I knew that Goddess could *galvanise* us.'
 a motivate b surprise c renew

Breaking into a new market



Mario Moretti Polegato is the ¹ founder of Geox footwear. In the early 1990s he created a new footwear ² _____: a special membrane that could be used in shoes to prevent perspiration. He approached Nike, Adidas, Timberland, the ³ _____ of the footwear market.

But nobody was interested. So he decided to go it alone and set up his company with five employees. Today the company has 2,800 employees and sales of \$350m. Mario thinks the company's next ⁴ _____ will come from the clothing market and he plans to produce a range of clothes incorporating the same patented material. The only ⁵ _____ that Geox faces is the same for all fashion businesses: a sudden shift in consumer ⁶ _____.

2 Complete the text with the following words.

leaders trends threat founder opportunity concept