

## Nike Campaign SWOT Analysis

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Nike's 30th anniversary campaign included Colin Kaepernick. With Kaepernick's controversial background, a lot of backlash occurred when the campaign was released. Some say the campaign "will go down as one of the boldest, riskiest, and smartest plays in sports marketing history for taking a politically charged social stance." (Daniels, 2018). Many believe that Nike is telling people to choose a side which in turn alienates a huge population of the country. The president of Maroon PR, John Maroon, says, "Politics in this country right now is very night and day... Nike has made a clear-cut decision that this is our customer base, and no longer this group of people". Other experts believe that the campaign is modernizing and making Nike's slogan 'Just Do It' more relevant to today's society. This controversial subject begs the question, "How is Nike's public relations team handling the backlash from the Colin Kaepernick campaign?" The bad backlash was anticipated by the public relations team. This means that it was no surprise when "disgruntled white men" were setting their shoes on fire and defiantly chopping off the tops of their socks (Darby, 2018).

The public relations team at Nike projected the boycotts that would present themselves after this campaign was released. Some marketing experts said the controversy may "ultimately prove beneficial for Nike in a climate where consumers expect companies to take political stands" (Gibson, 2018). Although negative backlash is present after this release, the positive backlash outweighs it. The ad, which Nike released a day earlier on YouTube, has surpassed over 10 million views. Nike's online sales had also jumped 31 percent a week after the Kaepernick campaign was released. This positive backlash allowed Nike to overcome the percent of individuals that vowed to never purchase from Nike again. Losing long term and loyal customers because of this is just a bump in the road for Nike. Kirk Stewart, Nike's former global Vice President of Corporate Communications from 1997 to 2005, stated that "you don't get to where you are without taking some risks and being bold and taking a stance". These rings true for Nike's very bold and political campaign. Nike calculated the impact of negative reactions and determined that they were not costly enough to change course or that they actually would serve to drive sales.

While Nike has become the center of a two year long controversial discussion, they have had some positive backlash since the release of the advertisement. Profits and stocks have increased since the advertisement has been aired. According to MarketWatch, stocks have increased by 0.62% and sales have increased by 31%. Since the sales have increased, this shows that Nike's current customers that agree with them have been supporting them with purchasing apparel. Nike has also gained new customers that are standing for the same thing.

Nike has gained a lot of support from not only customers but from celebrities. According to Billboard, many celebrities are standing behind Nike and Kaepernick such as Ludacris, Quavo, 2 Chainz, and many more. With the celebrities backing up Nike, this gives the company an advantage if they had fallen down. With the support of high income individuals, they could use them to help bring their business back to the top.

With every strength there are weaknesses. Nike has created a strong weakness against themselves. When releasing the Nike ad with Kaepernick this added more controversial to what Kaepernick starting kneeling for. Because of adding to the controversy and standing with Kaepernick, Nike lost many loyal and long supporting customers. Many customers and celebrities are supporting other brands. In the article released by The Washington Post it explains that Nike released and was not interested in Stephen Curry because they believed he was 2<sup>nd</sup> string. They did not want to use Curry because they didn't believe he would make them enough profit. Now using Kaepernick, in a post written by The Atlantic, they wrote "The truth is far more simple: Colin Kaepernick has a dream, and selling dreams is Nike's business".

Nike has several important publics that they must appease to keep their brand in business. Some of their primary publics include their current Nike customers and future Nike customers.

Some of their primary publics include their current NIKE customers and future NIKE customers. With the negative backlash of this campaign, many current Nike customers went to the extreme and burned their Nike apparel. Others vowed to never purchase from Nike again, but rather switch to Under Armour or Reebok. This created a trend increasing sales for these other brands as Nike's following dwindled with their current customers. However, their positive backlash created a rush of new customers to purchase their products. This impacts their future as a company as well as future possible consumers. With Nike targeting a certain population in the country, their awareness of who their publics, in the terms of future Nike customers, has shifted to, specifically, Colin Kaepernick supporters. The needs for their future and current consumers, that support Nike, are for more controversial campaigns in their favor. This creates a flux of a more politically driven public to purchase their products.

Nike's secondary publics include the general public and stockholders. The general public is tremendously affected by the impacts of Nike's Colin Kaepernick campaign. With the growing controversy, many individuals have sworn off using their products even if they had never used them before. The public as a whole is split when it comes to deciding on using and purchasing their products. Stockholders have a major impact on Nike's business. With this controversial campaign and the possibility on Nike's stock dropping, stockholders are affected as well. Due to their active part in Nike's corporation, their support and opinions directly impact the business. Their only interest is to make money, so if Nike's new campaign makes them money, their personal political views will not impact whether or not to sell their stock in the company.

Being the global brand Nike is, they will have many opportunities from this new campaign. The first opportunity they will have in front of them is their reputation and public image will go up. This is because of the use of a minority for a major ad campaign. This will be in good standing with the public as it shows they do not discriminate and they value everyone equally. Many celebrities and famous athletes are getting behind Nike and Kaepernick alike showing their support for the ad and how they feel about Nike's new image. LeBron James, arguably one of the best and most successful athletes of all time, said "I stand behind Nike, all day, every day" (Skiver, 2018). This shows how one of the best athletes supports the new movement. Another opportunity for Nike is to reach the next generation of potential customers. The world is becoming more and more integrated with different races mixing with each other. This is targeted by Nike's campaign as it shows they do not discriminate to anyone. By catering to this next generation of customers, Nike has the opportunity to lock in a new generation of customers for life, thus securing their future business.

A threat Nike is faced with after this camping is a point that directly goes against a potential opportunity. This is because it depends how the public views the new ad in time. A threat is the possibility that this ad hurts their public image. Many people and customers are boycotting Nike and cutting of the trademarked "swoosh". Many athletes as well as colleges across the nation are dropping Nike as their brand and switching to competitors because of this new ad. The College of the Ozarks has dropped its longtime partner Nike as they believe they are choosing "country over company" (Ellefson,2018). This shows how many trusted customers ultimately are choosing to switch from Nike because of the ad. This threat shows potential problems for Nike as a boycott would hurt sales and ultimately the company if too many people feel the same way about this ad.

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