How Nike's Leadership Affects Brand Image Internally and Externally

James Elmer Neiderhauser

Faculty Sponsor: Dr. Elizabeth Crosby, Marketing

ABSTRACT

The nature of this project is to determine how the leadership within Nike, specifically Phil Knight, affects the brand image both from an internal company focused perspective as well as from an external viewpoint of the consumers and the media. I am curious to see how leadership and brand image are connected. As well as to what extent leadership improves brand image and perception in the minds of Nike members as well as customers. The focus will be on evaluating the leadership of Phil Knight, to see how that directly impacts Nike's brand image. The analysis will be done looking inward on other members within the Nike work culture, as well as outward on customers, media, and members of the community. Through studying Nike using brand image and leadership as the areas of focus, useful insight as to how these two are connected will be made to improve companies' brands.

Key words: branding, leadership, organizational communication, media, buyer behavior

INTRODUCTION

Background

Phil Knight was one of the cofounders of Nike and served as CEO until recently. It was through his leadership and his vision that he was able to build one of the biggest names in sports. The brand itself is worth over ten billion dollars, which makes it the most valuable name in the sporting world today. Not only that, Nike has built an incredible culture both from the inside aspect of a company to a culture wide Nike movement. Through Phil's strategic leadership in Oregon he was able to build a company that not only was successful but a company that is always on the cutting edge of innovation and advertising. It is obvious that Phil Knight and Bill Bowerman, both cofounders of Nike, have had a tremendous impact on leading this company down a successful road. However, the extent to which these leaders impacted brand image inwardly and outwardly is yet to be determined.

This study will be valuable for not only Nike but also for other corporations to see how the leadership of key individuals affects the perception of the brand from both a company and consumer viewpoint. This will play a role in determining what kind of leader is best suited for a company if improved brand image is desired as well as, how communication of the leader within a company such as Nike affects the brand image.

DISTINCTIONS BETWEEN HOW NIKE'S BRAND IMAGE IS PERCIEVED INTERNALLY AND EXTERNALLY

The way that the Nike brand is perceived from within the Nike organization is based on alleged factors such as identity, work culture, organizational communication, and if the members understand the brand. In the book *Just Do It: The Nike Spirit in the Corporate World* by Donald Katz discussion regarding how Nike came about and the past decisions that led Nike to the top of the sports world were explained and studied.

Internally

Identity. Katz often mentions in his time spent with Phil Knight, that Knight has a great sense of identity, association, and ownership with the brand itself (Katz 1994). Not only that, but also organizational members, workers, and players sponsored by Nike felt a great sense of identity with the brand. What makes organizational members with Nike unique is that Nike has managed to capture the true essence of athletics and extends the idea of being on a team into that of being a member of the Nike team. It is an innate desire to want to be a part of something grand, something impactful and exciting. For most, the concept of a team is stripped from their vocabulary upon leaving high school or college sports. At Nike, members highly identify with that and desire that sense of belonging; their attitudes gravitate toward it and they buy into the concept and reality of that. On top of it all, Nike is a winning

team whose very name is Greek for the word victory. Many of the athletes that are endorsed by Nike have a winning reputation and a passion for their sport. It aligns well with Nike without reshaping their own value system. One Nike executive went on record to say that "Michael Jordan holds us to our values", Nike desires to enhance people's lives through sports and fitness (Katz 1994, 25). Knight has been intertwined with the brand of Nike. He is only a pair of wedding rings away from a beautiful marriage. Sacrifice, genuine love, and endless passion towards this brand is displayed in an almost human like form from Knight. One exaggerated comparison was made that some employees within Nike do not have platelets in their blood but instead have little Swooshes (Katz 1994, 87). Multiple times it was almost jokingly stated how integrated organizational members were with Nike, the logo, the concept, and the slogans. People become what they think about. The longer someone thinks about something the more likely they are to associate with that object or identity. Because of the intensity of the importance of brand integration into employees, executives, and athletes lives it becomes a large part of how they associate themselves.

Work Culture. The culture within Nike is one that embodies the very nature that it supports, competition. "Employees who want to excel at Nike must understand what makes people able to cry and scream with pleasure while watching a game" (Katz 1994, 54). Emotion is infused with everyday work life much like it is within competitive. "Unlike so many other businesses in which sporting metaphors have become part of the everyday managerial vocabulary "quarterbacking" a committee and the like, Nike is a gigantic multifaceted sports metaphor. Entire careers are envisaged as extended sports movements. Work weeks and fiscal quarts are all imagined as increments upon a game clock, as portions of the season's perpetual big game. And as of the beginning of 1993, everyone inside Nike knew that the head coach of the company had been crowned "the most powerful man in sports"" (Katz 1994, 54). When things are put in the context of a game or athletics, it makes the work environment seem more like a field or arena. One Nike employee said, "Working at Nike is like a factory for fun, like finals night, being in a playground, or coming down the face of a wave" (Katz 1994, 49). It is obvious through the research and investigation that has been done that Nike has worked to create a culture that breeds winning through hard work and teamwork. Knight and the rest of the members associated with Nike know that their slogan "There Is No Finish Line" resonates deep within the heart of the corporate athlete. The innate and slightly trained idea that true competitors are never content with mediocrity keeps the minds of Nike banging on all cylinders. The moment they take the foot off the gas or eye off the ball is when the opponent will strike. Knight expresses his mentality toward corporate winning when he says "I worry over it like I worry about my kids…I can't break the power of the connection any more than I can stop worry about my two kids, and they're grown up now. There's just too much emotion involved. I'll never quit worrying about Nike, and we'll never stop needing to win" (Katz 1994, 90).

Organizational Communication. The organizational members are the players on the team and the head coach is the Phil Knight, who pioneered Nike from the very beginning. Knight communicates in a harsh and brash sort of way. He knows what he wants to accomplish and he wants others to be on board with that plan. Much like Nike's slogan, the organization operates in the "just do it" sort of mentality, where quickness in decision making is valued. Members are aware that the products that make up the brand are superior in quality to that of their competitors and they conduct themselves with a subtle arrogance that is often found in highly competitive athletes (Goldman and Papson 1998). Knight is also a man of few words; he is direct and to the point. Most would classify him as mysterious. He is not easily understood and has a sense of wonderment about him. Corporate stories are another road that communication travels on. These would be tales of glorious moments within Nike and it is through these legendary tales of Phil Knight and Bill Bowerman that carry that management ideology and reinforce company policy. These stories go from person to person through the grapevine. While they are rarely stories that are shared in a large audience corporate setting, they are passed down from older members within the organization.

Do Members Understand? Organizationally speaking, members of Nike understand the image and identity that surrounds this brand. Corporate Nike employees and executives live and breathe Nike, they are mindful of the full weight that the brand is and the journey it has been on to get where it is today. Phil Knight has instilled in others what he has first instilled in himself. This comes from a deep seeded belief of winning and being part of something that will leave a legacy. Knight knows just how successful Nike has become because he was the one who created the idea from a college paper that he wrote back in his time spent at the University of Oregon (Katz 1994). We had a vision at that point and time of what a winning business could look like, however, that vision would take flight and would soar to the top of the sports world. During the 1992 summer Olympics in Barcelona the legendary USA basketball dream team was highlighted when their identity with Nike was taken perhaps too far. Several athletes who were sponsored by Nike, specifically Jordan, Barkley, Robinson, Stockton, Pippen, and Mullin refused to wear the official Olympic jackets during the awards ceremony because the Reebok emblem was visible (Katz 1994, 16).

Over the course of the Olympics many phone calls were made to Phil Knight from these athletes exclaiming that they were not going to be unfaithful to Nike. It was Nike and only Nike that was suitable for them to wear (Katz 1994, 17). This was not something that was forced upon them by Knight or by other athletes or corporate executives this was an emotional connection to the brand and all that it stood for. It shows that Nike is not just a brand but a symbol and all other brands will not be deemed acceptable because of the honor, privilege and prestige that the Nike brand has to offer.

Externally

When the view shifts to the customer, typically the brand image will differ from the company's brand identity. There are a variety of factors that can contribute to this. Ultimately, if a company can portray their brand with an image that is perceived to be somewhat close to or moderately ideal for most, then companies are satisfied in their brand management.

Image. The way that Nike is perceived by customers and by the people in general is best identified and put into words through the use of the Brand Personality Scale, in which 42 items are being evaluated (Anana and Nique 2009, 9). After, these responses were broken down into five clusters where they were further analyzed. The five clusters were essentially determined based on the favorability of the brand from severe criticism to highly favorable and everything considered moderate in between. Cluster one, would state the Nike is almost an ideal brand. People within this group view Nike as up to date, successful, charming and original, a brand that illuminates power and energy. The only downfall for this group is their questioning of the reliability and tenderness of the brand (Anana and Nique 2009, 13). Cluster two mainly views Nike as a valuable brand but not the most reliable. Generally speaking, Nike is somewhat up to date, successful and original. There is a sense of glamour and winning associated with it but it struggles to be sincere or reliable in their eyes (Anana and Nique 2009, 13). Cluster three looks at Nike and sees a brand with no distinctive attributes, neither reliable nor glamorous. They would have the same general perceptions as cluster two (Anana and Nique 2009, 13). Cluster four would be noted as saying that Nike has no attributes at all. They would be the most critical of the brand and the brand is mostly deemed as being down to earth but carries no real excitement with it (Anana and Nique 2009, 13). Lastly, cluster five regards Nike as a valuable yet not glamorous brand. This cluster would generally have similar perceptions as clusters two and three seeing them as successful, energetic, and up to date (Anana and Nique 2009, 13). Regardless of the cluster or group it seems as though Nike is perceived by others as not being the most honest brand (Anana and Nique 2009, 16). This could be due to a multitude of factors such as their lack of operations transparency, secret working conditions in third world countries, or a variety of other dishonest moments that have occurred over the decades.

These brand personality traits describe Nike in a way that is fair and honest. However, there is an image about Nike that cannot always be put into words; it is more of an emotionally elicited response. People cannot help but be drawn toward Nike. When the image of Nike comes to mind, consumers and non-consumers have a thought, emotion, or experience that arises. In an instant they are able to associate the brand with an image, the Nike name, the Swoosh, and other Nike emblems are associated with something. It could be a memory, a person, an idea, a concept, or a product. Either way, Nike has a recognizable, visible image that people are aware of.

Culture. The culture surrounding Nike has been largely impacted through sponsored athletes. The first name that comes to mind when someone says Nike athlete is Michael Jordan (Bedbury and Fenichell 2003). He has become the face of the Nike world. It seemed as though, once Jordan got noticed wearing Nikes and appearing in commercials, the craze for buying Nike shoes took off. There is something magical, something mystical that is alluring for the iconic Nike Swoosh. It symbolizes everything an individual hopes to be in any sport, the best. Winning and Nike are nearly synonyms as individuals from different generations have watched their favorite athletes wearing Nike shoes, apparel and equipment, many of whom have found abounding success. From a young age individuals are deciding if they will be loyal to Nike or not (Aaker and Joachimsthaler 2000). The phenomenon of brand loyalty and brand recognition from a young age is nothing new, but it does bring into question the reason of why and how. The concept of role models, specifically professional athletes, with children is a tremendous contributor to brand loyalty. Seeing that they wear Nike and that they perform at a high, almost heroic level, children assimilate themselves with that particular athlete leading them to become faithful to the brand. Interestingly enough, this idea of seeking after a sports idol will transition to making purchases from an emotional standpoint to a familiar standpoint. People progress in why they make purchases; and as maturity and reasoning increase the product or brand may stay the same but the response for why they make the purchase may change. At the heart of it

all lies the fact that emotion is still the source for why the Nike brand is purchased (Katz 1994). It is just masked by attributes of familiarity, performance, price, or availability.

Media. Tying into culture, is media. Media has become a part of today's culture and one of the ways that culture adapts so rapidly. It is largely due to the media that acts as a medium to connect individuals to one another. There are both pros and cons to the media, some are based off of truth and other sources are more questionable. Regardless, it is up to the viewer to decipher whether or not they view it as credible. Advertising plays a large part in how the brand is perceived. Nike has always been known for having captivating commercials and print advertisements that have gripped the minds and eyes of the young and old, the athlete and the non-athlete. Strength, speed, innovation, technology, clutch, and winning are just some of the words used in the advertising of Nike (Goldman and Papson 1998, 49). "Nike continues to represent itself as a self-reflexive corporation with a thoughtful philosophy. Though Nike has become the Goliath of the industry, it still wants to appear like David (Goldman and Papson 1998, 45)". This shows how Nike is perceived as the underdog in a market in which they are the juggernaut. This is because the underdog is typically a desirable position to root for. People can associate well with being the underdog and having a fighting spirit to win. Nike commercials were trusted for the most part, and when having a reliable figure like Michael Jordan in the advertisements, people saw their deepest emotions through them. The commercials were encouraging and inspiring and spoke the words to consumer who drank deeply from the advertisement like a thirsty dog. Nike strategically places attributes of amazement and determination along with humanness in the commercials featuring MJ. They seek to make him an idol but at the same time they want him to be able to relate with the average Joe. They also work to execute a healthy balance of seriousness and humor (Goldman and Papson 1998, 49). In one advertisement Jordan is speaking and says "Challenge me, doubt me, disrespect me, tell me I'm older, tell me I'm slower, tell me I can no longer fly, I want you to (Goldman and Papson 1998, 50)". The epitome of emotion, reflection, and attitude is offered in this commercial. This aligns with the central theme of winning, "Just do it", and rising above.

As much positive that may come out of using media as a medium for communication, only a handful can be controlled by Nike. When media that is uncontrollable by Nike reaches consumers and non-consumers it has an effect on the overall image. Sponsored Nike athletes can have unglamorous and unpredictable or even disrespectful moments on and off the field. They can become injured, get ensnared in various scandals, perform at a mediocre level, and get caught up in financial or immoral trouble (Goldman and Papson 1998). Since these athletes represent the Nike brand then Nike represents these athletes and that can come back to bite them and eventually hurt their desired image. Nike can manage these incidents by trying to rebuke the athlete or to remedy the situation but it is more of a maintenance role than a prevention role.

Succinctness of Consumer Values. In a study conducted on branding and buying behavior one respondent said "I know Nike is using sweatshops…but I will still buy it, when I like the shoes. It is shallow, but it is so far away from your own situation. It is not your mother who gets exploited, you know" (Salzer-Morling and Strannegard 2007, 416). Ultimately, it comes down to consumers being aware that there are short comings with Nike. Consumers know that the brand does not live up to its idealistic standards. Individuals can have a negative attitude toward the brand, yet the continued use of the brand and purchasing of the brand will persist. Their overall connection with the morality concerning the brand and the product they buy seems to be severed when in the act of purchasing (Salzer-Morling and Strannegard 2007, 416). The out of sight, out of mind mentality continues, which is overall a good thing for the brand image of Nike. Because of this, Nike has the freedom to act as they want knowing that at the end of the day consumers will still remain loyal and will still desire the product but above that they will crave the brand.

NIKE'S LEADERSHIP AND BRAND IMAGE

Leadership at Nike

"Companies that have taken leadership positions in their industries in the last decade such as Nike have done so by narrowing their business focus, not broadening it. They have focused on delivering superior customer value in line with one of three value disciplines: operational excellence, customer intimacy, or product leadership (Treacy and Wiersema 1993)." Product leadership is exactly what Nike has found the secret to. When it comes to innovation and being the best at what you do, Nike does it best with shoes. Scott Bedbury describes how Nike was

far ahead of its time as far as industry leading brand building practices (Bedbury and Fenichell 2003). Even though Nike was still considered the number three athletic footwear brand back in 1987 they were working as if they were on top. They implemented new ideas, game changing innovations, and infused profitable creative assets into their business. With the development of the "Just Do It" campaign, the brand expansion via the creation of new products and top of the line communication programs, Nike was making moves. They began integrating women's print advertising and beefing up television commercials and even worked to open a few retail concept stores such as Nike Town. Between Phil Knight and Bill Bowerman, leadership at Nike has been constant. These two talented and driven individuals, both athletes themselves, partnered to lead a company to greatness. Bowerman was older than Knight at the time and had more of a coach's prospective as he spent most of his adult life coaching sports. He became so renowned and innovative in his thinking that he went on to coach during the summer Olympic Games in Mexico and Munich in the late 1960's and early 1970's. His pioneering mind came into play when he introduced the concept of jogging into society (Katz 1994). It became a huge success for both athletes and fitness fanatics alike. Nike has been set on a leadership course from day one. Now that Bowerman is deceased and Knight is no longer CEO but has taken the chairman role, the platform and standard for leadership continues on through their legacy and through Knight's guiding hand on the business. Company leaders such as current CEO Mark Parker and brand president Charles Denson have continued carrying the baton (Bedbury and Fenichell 2002). These leaders have been homegrown, meaning raised in the Nike system under the leadership of Knight. They have been molded and purged with the Nike culture in a way that has helped them to understand the vision of Nike and for Nike. These leaders do not need to reinvent Nike but rather continue to make sure that the brand stays on course and that it continues on its intended path for unceasing success.

Phil Knight's Impact

Knight has acted much like the potter would with his clay. He has molded something out of nothing, and something has become a beautiful, valuable work of art. "Nike's ability to innovate products for customers becomes sustained through employees' commitment to find innovative ways to do their work. When the external brand consumers prefer reflects the internal culture experienced by employees, brand becomes a major source of competitive advantage (Ulrich, Smallwood, et al 2000)".

Brand Identity. For Nike, they are a company built on innovation and being the best (Aaker and Joachimsthaler 2000). Knight has set the tone for what that looks like and in turn the corporate leaders within the company follow suit. They are competitors that work hard and understand the standard that Knight has set; that idea is ingrained into the company DNA. Because the business platform is so intricately established and rooted in meeting the needs of the athlete, it has the capability to bridge the gap and connect the customer with a valuable product. On a deeper level it comes down the power of the brand and how that can be used. "Thinking about a firm's brand as its culture and set of management practices, however, does not fully explain the power of the brand. The brand should also be imbedded in each leader throughout the firm; then they communicate that brand to employees who then sustain it with customers (Ulrich, Smallwood, et al 2000)". Leadership of the brand lies at the core of Nike and has become one with their identity. Over the course of time the organization creates leaders who are in a sense branded, they are different than other competing leaders in their industry (Ulrich, Smallwood, et al 2000).

Brand Image. Globally, Nike maintains the same image in all the markets that it is targeted toward. For fitness and performance the functionality of Nike's marketing mix and product concepts work to be dynamic throughout the world. Local athletes and more regionally popular sports are emphasized using a combination of pricing strategies, communication methods, and distribution outlets. That is why the Nike brand image is noticeably visible on other continents and in other markets outside the US traditional sports market (Roth 1995, 56). Even though the marketing mix may vary in that the athletes and sports may change based off of geographic location, the basic principle is that each advertisement and strand of the overall marketing plan points back the same fitness and performance image. Nike calls this strategy pattern standardization, which reinforces these key fundamentals within the company (Roth 1995, 57). Nike has the foresight to see that different regions of the world have different focuses but they can all be achieved through Nike's overarching theme that transcends cultural and geographical barriers. As Nike's product leadership and overall company leadership continues to strive toward functional innovation in a way that is connected with others around the world the brand image will continue to prosper as it has done for the past 25 years.

Correlation between Leadership and Brand Image

Great leadership does not always translate into a high regard for brand image or even a positive view of a particular brand. Where the correlation lies between leadership and brand image is in the advertising and promotional aspect of what Nike is all about.

Findings. In all of the studies that have been examined, no article or study has been forthright in declaring a 100% correlation between Nike's leadership and brand image. However, much is to be said regarding leadership in shaping brand identity. Brand identity is the root of brand image, meaning that from the original identity of a particular brand an image of some degree of accuracy is formed. Creating the brand identity involves remarkable strategic leadership. Elements such as capabilities, personality, purpose, culture, values, community, and image all go into the melting pot of shaping one's brand identity. These characteristics are not stumbled upon, they are dreamt about, envisioned, planned for, and adaptable to achieve the higher end goal. The scream of the brand is for its ambiguity for what it will become. During the creation period of the brand identity if characteristics are not synced up with one another conflict and confusion arises. Nike has eclipsed achievement because they have found a synchronous recipe that accompanies their brand. As mentioned before, research concerning brand image perceived by people was studied (Anana and Nique 2009). After analyzing, the findings depict that because of the indirect aspect of leadership at Nike which allowed the brand identity to be established, certain personalities were evoked and recalled by participants in the study. Personalities such as successful, charming, and exciting that are associated with the brand were strategically created by Nike's leadership, which showcases Phil Knight (Anana and Nique 2009). The marketing that was affective with the various participants was able to shine through; while those that associated the brand less than desirable personalities fell short of Nike's expectations. What Nike heard was likely less directly impacted by Nike's branding techniques or leadership a more of a result of unrealistic or uninformed individuals.

Why? Brand identity and brand image are two different topics. One is a company's ideal perception and another is a consumer or outside individuals thought of a company. A correlation can be made because although brand image and brand identity are different there are similar elements to both. Both require leadership. With brand identity it is more hands on, direct and controlled; whereas with the brand image, leadership is more of a result of good or bad leadership in the stages of brand identity. Nike has had great leadership and has truly had one leader since its birth. Studying its brand trend using leadership as an active component, helps to better understand where the image has been and where it is going. More research needs to be done due to the lack of current research on leadership at Nike and brand image. Branding is a relatively new subject that is being studied in great detail and therefore specifics to Nike are limited.

Affect on Future Business. When and if Nike becomes aware of what they can control and what they cannot control they will be able to refocus their leadership and marketing efforts, which will make them more efficient and likely more affective. If leadership significantly affects brand identity, as it has been identified in this study and in the research and books published on Nike, a greater focus will be directed toward aligning the proper leadership with the ideal brand identity in hopes that a strategic alignment between identity and image will be built over time. Brand image can be influenced but it cannot be controlled. Therefore, time spent orchestrating a masterful brand identity that has the capacity to be transparent and transportable is better time spent than chasing after things that are changing and intangible, such as brand image. For Nike, they seek transparency and so do their consumers (Anana and Nique 2009). By striving after transparent brand identity in a world where most are aware of Nike's existence, the Nike image will slowly be more transformed by the translucency of Nike's leadership in dealing with their true identity.

NIKE'S ORGANIATIONAL COMMUNICATION AND BRAND IMAGE

Knight has devoted his life to Nike, and to the success of his corporation. In his devotion he has also made it his mission to create a culture within Nike and also in the world. Through communicating his vision he has established an organizational culture that is communicatively constructed. It is based off of what he values such as functionality, performance, and winning (Katz 1994). Because he has established this culture, although it is flexible, it works to guide the organizational members and keep them on track. The world is changing and so is just about every other environment however, as the members perform their roles and carry out their daily communicative

interactions this created organizational culture works to mold them and keep them working effectively. Knight is more of an introvert at times, as most within the organization in Beaverton, Oregon have never stepped foot into his office (Katz 1994, 74). Some describe Knight as one who avoids direct contact and often speaks in a tizzy as if his thoughts are formulating faster than he can exclaim them. When the organization communicates in a manner in which all members are on the same page, understanding one another, and the goal then brand image would be more constant. Brand image is always something that fluxuates and ranges depending on who is being asked. If organizational members communicate in an organized way, and they seek to be transparent in their communication, the chaos will float to the surface and send organizational members into a widespread confusion of brand identity. This can only bleed into the consumers view point of the brand. Luckily for Nike, organizational communication has been consistent since the time Nike opened shop. Not that it has not adapted with the technology because it has been progressive, but the same structure has been in place with the same leader at the helm. Specifically, within the Nike organization communication acts as an exchange. An exchange of ideas, messages, actions, and orders between people. Because the weight of communication within Nike is considerable heavy, in that substantial decisions that are being made with millions upon millions of dollars hanging in the balance, high attention must be paid the sender of each message. The formulating of ideas, the focused planning of the brand is communicated throughout the company which in turn is delivered to consumers in hopes of continuing to emphasize and embellish the Nike brand.

Through Knight's communicative leadership which is considered visionary, he indirectly communicates freedom to his employees allowing them the independence to experiment, take calculated risks, and continue to strive for innovation. He trusts them and that is displayed through his communication or rather his lack of communication at times (Katz 1994). Since Nike is an incredibly competitive environment Knight welcomes the thought that employees should be able to see what they can do in their own divisions. If they create something great or have an idea that could provide more value to the consumer then useful and meaningful communication can occur at that time.

Specifically for Nike brand image has changed over time and has fluxuated as a result of negative press or successful advertising. Negative press could be stories about worker exploitation in third world countries. Successful advertising like the "Just Do It" campaign worked to propel Nike to the next level and raised brand image (Roth 1995). For example, an individual may be protesting the fact that Nike utilizes foreign labor at a more economical rate compared to that of the United States, while that same person a week later may stroll into a Nike outlet store and purchase a new pair of shoes.

LEADERSHIP AND NIKE'S BRAND IMAGE

Phil Knight's Vision

Knight had a passion for sports and a vision for greatness. He grew up around sports and athletics both as a spectator and as a competitor. Knight ran track at the University of Oregon under Coach Bill Bowerman (Aaker and Joachimsthaler 2000). The unique blend of being an inventor, entrepreneur, and innovator made him a terrifying combination which left him at the crossroads of certainty and blind faith. Knight readily sought after functionality, his thought was that if it he could create athletic shoes that functioned well for their specific task that he could be successful and one day lead an industry. He had a knack for craftsmanship and knowledge of quality that allowed him to feel confident in the product he was selling. What was different about Knight was that he asked athletes what they needed. He was highly focused on the people he was trying to market his products to.

Techniques Used

Developing into a great leader is what Knight desired. He utilized a multitude of techniques which allowed him to lead well. His success is mostly highlighted in today's world and those are credited to the majority of the decisions he made to better the company. Knight embraced the risk that was associated with each decision, he knew things could fail but he refused to let the "what if" mentality plague him and hold him back from greatness. He had a reckless pursuit toward sports, winning, marketing, and ultimately Nike. Specifically he believed in advertising, athletes, himself, his brand, and others that surrounded him.

Mistakes. Knight is on record saying "The trouble in America is not that we are making too many mistakes, but that we are making too few" (Carmichael 2009). What Knight is alluding to is that often companies, even successful ones, such as Nike fail to take the risk of doing something great or unexpected because the fear of failure is too great. The leadership mistakes that Knight has made are few outside of needing to continue to pursue transparency. Knight views success and mistakes based off perspective, as seen often in his quotes (Goldman and Papson 1998). When he does not hit a directed goal, he utilizes the information gained from that experience to rebuild and try again. Total organizational identification inside and out of Nike is one area where Knight will never fully succeed, just as no other company will eclipse it. He seeks it daily, and in having a positive outlook, and humility in times of short comings he is building a more sustainable business inside and out.

Successes. Phil Knight concentrated on redefining what value was for Nike customers. Vision and focus became the road for which he ran on. He established an organized business model that could provide better value than other competitors in the field. In working to achieve these things he raised customer expectations onto another planet that the competition couldn't touch (Treacy and Wiersema 1993). When all of these things occur, an industry leader is born and that is exactly the case with Nike. Knight has also realized that to achieve his dream and to achieve lasting success that he cannot do it alone. Whether it was Bill Bowerman his track coach from Oregon, or whether it was other creative minds that he brought on for a season of time, he knew it would take teamwork to make an impact (Bedbury and Fenichell 2003). Sometimes leadership is about recognizing where you fall short and having enough humility to know where to go for help. Knight often went to the best, to people with experience and expertise in advertising and marketing as well as sports and athletics. He had a tremendous edge in starting Nike because he was able to see how other companies in the industry had faired. He took note of their brand image and the trajectory of their brand to see where he wanted to go. One thing that worked extremely well for Knight was that he was able to find athletes in a variety of sports that could latch on to the Nike brand and carry it as they went throughout their careers. Michael Jordan was perhaps the greatest advertising piece that could have happened to Nike, in that his success almost became synonymous with Nike's success. During this marriage of Nike and Jordan the aim was to enthrall or re-captivate a generic product such as a Nike shoe by infusing them with positive images and meanings (Salzer-Morling and Strannegard 2007, 410). It creates a lasting relationship with the customer via Jordan so that they become loyal to Nike.

Leadership Style

There is no dispute that Knight is a visionary leader. He is goal oriented and uses that vision and passion to shape every action by the company. Providing direction is the way that he is best able to assist a growing company. Knight focuses on building leaders and bringing leaders to Nike because he knows how to match leadership with results. Too many companies use cookie cutter generic versions of leadership models and fail to link them to results, that is why they fall short (Ulrich, Smallwood, et al 2000).

Evolution of the Brand

This brand has grown up much like a child who matures into an adult. The only difference would be that this child grew into a world renowned athlete that has its name written all over the globe. In the late 1970's Knight's company, originally called Blue Ribbon Sports became Nike and shortly after went from $10 million to $270 million in sales (Katz 1994). The brand first had to be changed to the name most are familiar with today. Nike strategically placed itself into the sports and athletic market during a time in which exercise was more of a trend versus a revolution. The Nike Swoosh went from a silly drawing to one of the most globally recognized and valuable logos. It has evolved to encompass just about every major sport in the world, all the while continuing to penetrate deeper and deeper into each of the various sporting subcultures.

THE NIKE CULTURE AND THE COMMUNITY

Advertising

Every person has a desire to be a part of something more in life, it can be a family, team, or movement or it can be as simple as a brand. "Nike also wove its brand into timeless emotions by becoming the category protagonist for competitive sports and fitness (Bedbury and Fenichell 2003)". Nike has relentlessly pursued

innovation and never ceased creating new products and reinventing its marketing. What made them successful in the late 80's to early 90's was their focus on their core brand positioning. Yet, they worked to utilize thousands of different creative ways of saying the same thing. They did not want people to forget about Nike or to feel like they had achieved some sort of end with the company. They had a fresh mindset, and knew that yesterday was gone, tomorrow was a new day and it was time to be relevant and up to speed with the change in the world. Marketing campaigns were slashed from one year to three or four months for the average product life cycle (Bedbury and Fenichell 2003). This was an initiative to increase the speed at which the company pursued change and relevancy.

Athletes

From the very beginning, Nike has been athlete focused. They have heavily sought after the opinions and needs of athletes. One huge way that they have been able to make a lasting connection with customers and the public in general has been through assimilation. Athletes that have been approached by Nike to be a face of the company have gone through a subconscious process of assimilation. It is in that whereby individual athletes become integrated into the Nike culture. It is contagious when individual members of society, cultures, and subcultures connect with a particular sponsored athlete, because that person or people group sees desirable characteristics and qualities in that athlete. One of the most tangible attributes is the brand that they wear and perform well in; that is where Nike dominates. Some of the big name athletes that Nike has acquired are Michael Jordan, Tiger Woods, Dion Sanders, Bo Jackson, Wayne Gretzky, Lance Armstrong, Derek Jeter, and Michelle Wie (Bedbury and Fenichell 2003). These athletes span across different market segments, and play different sports. However, one thing remains the same, their never failing desire to win despite the odds. Interestingly enough these athletes were endorsed by Nike right before or right in the prime of their athletic career. Jordan became sponsored by Nike in 1984 in his rookie year when he was still largely unproven. By 1991, Bo Jackson was the second most famous athlete in the world. His athlete influence rating was 4.22 compared to Jordan's rating of 4.46 (Katz 1994, 145). Everything from the confidence, charm, sincerity, happiness, and superhuman like qualities possessed in these athletes and portrayed throughout the commercials has incredible appeal and draw for viewers and consumers.

Market Dominance

"The branded landscape, or 'brandscape', can be regarded as a culture or a market where brands and brand-related items, such as signs, and logos increasingly dominate everyday life (Salzer-Morling and Strannegard 2007, 412)". It seems as though not a day goes by that a Nike icon, image or Swoosh will go unnoticed. From clothing, athletics, to professional and college televised sports, Nike is seen and known. The iconic Nike logo serves as a means of identification. "The brandscape is thus not merely a landscape filled with logotypes and images, but rather a culture where consumption and commodities are given meaning and where brands are crafted and circulated (Salzer-Morling and Strannegard 2007, 413)". The following of Nike is so deeply rooted that people associate themselves as part of the brand, when in actuality they contribute next to nothing to the brand itself.

CONCLUSION

Through viewing each of the learning objectives in scope of the overarching theme of "How Nike's Leadership Affects Brand Image Internally and Externally", and analyzing relevant research on the topics of branding, leadership, and Nike, clarity regarding the subject has been provided. Phil Knight directed Nike and has facilitated company growth through strategic leadership concerning brand identity. In turn, and through his visionary alignment of brand identity Nike's brand image has soared to a global sized level of recognized success. Knight's leadership has shaped a specific sports minded culture within Nike so that organization members in all senses have an unbreakable bond and loyalty to the brand. The bridge from organizational brand image to external brand image was readily and tactfully assembled through Nike's methodical use of athletes in working to mainstream and assimilate the brand within the global society. Ultimately, Knight used Nike's ideal brand identity to permeate within the culture he advantageously sculpted . From there, organization members bought into his leadership, his vision, and what could become of Nike. The brand began to become its own entity; it began to change a corporation that would reach the world for sports in direct and indirect methods. Nike's brand will continue to thrive because of the leading passion that dwells in the brand the Knight had the vision and dream for years ago.

ACKNOWLEDGEMENTS

REFERENCES

Articles

Anana, Edar and Walter Nique (2009), "Perception-Based Analysis: An innovative approach for brand positioning assessment," *Database Marketing & Consumer Strategic Management*, Vol. 17 (1), 6-17.

Roth, Martin (1995), "Effects of Global Market Conditions on Brand Image Customization and Brand Performance," *Journal of Advertising*, (Winter), Vol. 24 (4), 55-75.

Salzer-Morling, Miriam and Lars Strannedard. (2007), "Ain't misbehavin' – consumption in a moralized brandscape," *Marketing Theory*, Vol. 7 (4), 407-22.

Treacy, Michael and Fred Wiersema (1993), "Customer Intimacy and Other Value Disciplines," *Harvard Business Review*, (January-February), 84-93.

Ulrich, Dave., Norm Smallwood, and Jack Zenger (2000), "Leadership Brand," *Innovative Leader*, (May), Vol. 9 (5), 1-4.

Books

Aaker, David and Erich Joachimsthaler (2000), *Brand Leadership*. New York, NY: The Free Press.

Bedbury, Scott and Stephen Fenichell (2003), *A New Brand World: Eight Principles for Achieving Brand Leadership in the 21st Century*. New York, NY: Penguin Books.

Goldman, Robert and Stephen Papson (1998), *Nike Culture: The Sign of the Swoosh*. Thousand Oaks, CA: SAGE Publications.

Katz, Donald (1994), *Just Do It: The Nike Spirit in the Corporate World*. New York, NY: Random House Inc.

Websites

Carmichael, Evan (2009), "Philip Knight Articles" http://www.evancarmichael.com/Famous-Entrepreneurs/988/summary.php.