

SUMMARY

NIKE FOOTBALL

World Cup 2010 South Africa

PERFORMANCE AND INNOVATION

The story of Nike comes from humble beginnings, having grown from a little-known shoe distribution company into a boldly reimagined shoe design and manufacturing brand. Founded in 1972, Nike quickly became a competitor in the U.S. running shoe market and by 1979, Nike had captured 50% of the overall market.

Over the next ten years, the brand expanded into sports outside of running, with shoes and apparel for golf, tennis, basketball, and cycling, to name a few. In addition, Nike leveraged collaborations with elite and upcoming athletes and professional teams for both sponsorships and product development.

Forging their way into football, they developed a range of shoe technology innovations that incorporated eye-catching aesthetics and enhanced athlete performance capabilities, both of which came to define the brand's identity.

THIS IS A STORY OF A BRAND, FOOTBALL, AND INNOVATION.



FIFA WORLD CUP

Football is the most popular sport in the world, with viewership and participation continuing to grow. In 2006, 265 million people played the sport, compared to 242 million in 2000. Professional leagues exist throughout the world, with the most popular clubs in Western Europe. Since the early 1990's and the globalization of the game, Western Europe has had international phenoms from South America, Africa, and Asia competing in their top leagues.

The World Cup, FIFA's flagship event, is a tournament between 32 qualifying nations held every four years. In 2006, Germany hosted the FIFA World Cup and drew a cumulative viewership of 26.29 billion over the course of the event. It was estimated that nearly half of the planet watched the final match, making it the most watched sporting event in the world.

242 Million

Players in 2000



265 Million

Players in 2006



“

As a company, we were really looking to grow our brand internationally, and when you have a sport like football, which is the most globally watched and participated in sport, it was really important that we be successful.

”

Trevor Edwards, *VP of Global Brand and Category Management at Nike*

BUT, THERE WAS COMPETITION

The sports apparel and footwear industry was highly competitive between brands including Nike, Adidas, Puma and New Balance. Adidas was Nike's biggest competitor, and the partnership between Adidas Football and the World Cup was very well established. In 1954, Adidas, a German brand, designed a screw in cleat for the German World Cup team, giving the team a unique advantage that ultimately led to their victory over Italy in the championship match.

Since that moment, football fueled Adidas's growth and they held a dominant position in sports apparel until the arrival of Nike in the 1970's. Adidas competed with Nike across categories and also sponsored star athletes and sports teams. Adidas marketing had a growing emphasis on digital media, with video content and a large social presence. They also had a firm commitment to traditional sponsorship activities as well, investing to become the official sponsor of the NFL, NBA, MLS, and 2010 World Cup in South Africa.



NIKE FOOTBALL HISTORY

“The Nike” was released in 1971, the first shoe to bear the Nike swoosh and it was a football cleat. It was sold exclusively in the United States and was used for not only football, but American football and lacrosse athletes as well. The next 23 years were dedicated to developing cleats, but Nike as a brand still didn’t have much knowledge around the sport of football.

**In 1994, with the FIFA World Cup hosted by the United States,
ALL OF THAT WOULD CHANGE.**



PRODUCT RELEASE AND SPONSORSHIPS

Anticipating the excitement, Nike released the Tiempo Premier, a specially designed boot for the 1994 World Cup. Individual athlete sponsorships propelled the brand forward, with 10 of the starting 22 players in the final match wearing the new boot. Adidas boots, the most popular at the time, were not worn by a single player on the pitch. Nike's investment in the '94 World Cup, with both product development and individual sponsorships sparked huge changes for the brand in a positive way and continued to define the brand's involvement in the sport moving forward.



SPARK BIG CHANGES

After the conclusion of the tournament, a new partnership with the Brazilian National Team was established, a first for the brand in football. In addition, a new department was formed, **Nike Football**. The establishment of a new arm of the brand is a solid move strategically. This gives Nike the resources and autonomy to impact the sport of football more profoundly. With a new goal to deliver innovative high-performance football products to the consumer, Nike Football adopted two new guiding principles: First, they wanted to create a new culture for football and second, they wanted to see the world through the eyes of a 13-year old football player/fan, their new target market.

ADVERTISING THE CULTURE OF THE GAME

A new style of football was emerging, one with a little more **flair** and a focus on **individual creativity and ability**. The style was developed in informal pick-up games between children on the streets of Brazil and Argentina. With Nike ready to build a new culture around the game, the time was right to promote their new partnership with the Brazilian national team.

They made the smart move to release a new advertisement that featured members of the Brazilian team dribbling and performing tricks in the airport while waiting for their flight. This advertisement was a way for Nike to engage in pop culture and also bring awareness to a new emerging style of play.



FUN, CREATIVITY, SPEED

Nike also partnered with Brazilian star Ronaldo to develop a new boot. Ronaldo hated the first pair of Nike Air boots given to him exclaiming, “I don’t need to be cushioned, I need to go fast!” Ronaldo told Nike his preferred boot would be barefoot with studs. Nike developed the Mercurial to address that idea.

The Mercurial was the lightest boot at the time and designed in a way to fit the new style of play coming out of Brazil. This was an exceptional concept. Nike has always been about innovation. Crafting a boot to fit the needs of the player revolutionized the industries approach to boots. **Nike is paving the way.**



DIGITAL INNOVATION

Nike decided to make the bold move to digitally innovate and build a new online category site. **Nikefootball.com** launched in 2000. It was the first Nike site to be translated into multiple languages and be presented globally. This was a great way for Nike to engage with a new online audience and build loyalty with the consumer.

Leading up to the 2002 World Cup, Nike Football launched the Secret Tournament marketing campaign, headlined by a tv commercial that featured 24 global football stars playing each other in single goal elimination matches. Nike made the smart decision to release the campaign in three phases, as a way to drive conversions, sales and brand impact.

DIGITAL INNOVATION PHASES

TEASE: Drive Conversions

The tease featured stills of football boots. The early ads were a way to drive viewers to their newly developed Nikefootball.com, where they could learn more about the tournament and play interactive games.

EXCITE: Drive Sales

Excite featured teams facing off against each other. The closing action scene featured the [Nike Mercurial Vapor](#), an innovative boot designed with enhanced traction and acceleration.

IMPACT: Drive Brand Impact

Impact involved the execution of local tournaments in several major cities around the world. An estimated [1 to 2 million children under 16 years old](#) competed in the matches.



KNOW THE LANGUAGE

After the 2002 World Cup, Nike established a fairly large following within their target audience. However, they were looking to deepen the connection. In 2005, Nike planned a re-release for the Air Legend, a boot worn by the Brazilian superstar Ronaldinho. The new style featured gold colored leather, as a way to bring some flair to a boot that boded the traditional black and white. This re-release nodded to Nike's understanding of the shift towards a more exciting and individualized game.



20 Million

Views on YouTube



VIRAL

KNOW THE LANGUAGE

At the time of the release, the consumers were highly engaged with the internet and social networking sites. Nike recognized this as an opportunity to **engage with the audience in their context and language** and decided to release a homemade-looking video on the popular start-up site YouTube. The video was a sensation, going viral practically overnight. Nike's success with this campaign proves their ability to be innovative even in the way that they engage with their audience.



NIKE CLOSES IN ON THE COMPETITION

MARKET SHARE

Nike → 33%

Adidas → 35%

EURO FOOTBALL CLUBS

Nike → 45

Adidas → 41

NIKE VALUATION

1994 → \$40 mil

2006 → \$1.5 bil

**BUT WITH THE 2006 WORLD CUP AROUND
THE CORNER, AND ADIDAS AS THE
OFFICIAL SPONSOR, HOW WILL NIKE
STAND OUT?**

BY LEVERAGING BRAZIL'S STYLE OF PLAY AND PLAYERS

Build A Social Network **Joga.com**

Their goal was to attract people around the world by highlighting a fun and creative approach to football, exemplified by the Brazilian national team's style of play. They signed up one million members in five months, leading up to the World Cup. However, once the World Cup ended, Nike stopped managing the account. For the members of Joga.com, this probably felt like an abrupt break-up.

INNOVATE **SILO BOOTS**

Second, Nike decided to categorize its football boots by playing styles: speed, power and touch. Each silo provided a benefit, a unique design innovation to improve that benefit, and a star player associated with it. This was a smart way to ground Nike back to its identity as innovative with player led design and promotion.

PRODUCT: MERCURIAL **VAPOR III**

Third, they developed a new boot, the Mercurial Vapor III. Ronaldo, a long time Nike sponsored athlete, wore the boots and scored three goals during the tournament to become the all-time leading scorer in World Cup history. A true testament to the power of good design and enhanced performance.

ADAPTING THE GAME PLAN

SHIFT AUDIENCE

Nike decided to shift from 13 year old aspirational kids to 17 year old Football Obsessed Teens (FOTs). This age group is looking for inspiration and perspiration. This was a smart move because not only are they growing alongside their original target audience, they are recognizing that their goals have shifted.

SHIFT SILOS

Nike renamed their “power” silo to “accuracy” and added an additional silo called “control.” Nike conducted numerous studies and the results support the decision to make this shift. This also points back to the new audience’s desire to improve their game. A smart decision by Nike.

SHIFT DIGITAL

Joga Bonita proved Nike could build a large online audience. They created the Nike Football Training (NFT) initiative in the fall of 2006. This provided an opportunity to fill a need of their new audience’s, better preseason training. However, moving forward, Nike wanted to connect with their consumers in more ways than just football. This seemed to deviate from that idea.

NIKE FOOTBALL TODAY

By 2009, Nike was the top manufacturer of athletic apparel and footwear. It had nearly surpassed its main competitor, Adidas, in the football market. Nike's success came from a combination of technical and digital innovation, thoughtful audience consideration, and advanced marketing efforts. Nike continues to build an authentic global culture while pushing the category forward in preparation for the FIFA World Cup 2010 in South Africa.



PLANNED PRODUCT RELEASES

Nike has not strayed from product innovation. The 2010 World Cup is set to release the **Nike Mercurial Vapor Superfly II** and the **2010 Elite Series** after working with four professional footballers and analyzing over 64 games for innovation ideas. The new boots feature increased traction capabilities and a carbon fiber footplate. Total orange and metallic mach purple offer color performance enhancement because of their vibrancy. This is something we have come to expect from Nike and it would have been remiss to not innovate for the 2010 World Cup.



IN QUESTION

Nike is planning to advertise with long-time partner Wieden+Kennedy. In order to make an impact, Nike must combine an **emotional connection to culture while still remaining authentic**. In addition, Nike proposed NF+, an initiative that offers innovative products with value added extras like training tips. But questions remain surrounding **type of content, accessibility, and impactfulness**.

Since 2005, Nike committed to reducing its impact on the environment. Nike has been designing sustainable kits for the ten teams they are sponsoring for the 2010 tournament. Should Nike promote their sustainable products? Or keep them hush. Nike was also considering partnering with (RED) foundation, which worked with iconic brands in return for them donating profits to the Global Fund. **Nike wants to be a voice for change**. Is this the right platform? And if so, how should they execute?

HOW TO EXECUTE

Innovation, performance, and responsibility are inherent to Nike as a brand. Nike's integrated marketing strategy must remain true to those values. With Nike's Five Strategic Pillars of **Performance Innovation, Enablement Innovation, Connection at a Deeper Level, Brand Impact, and Timing** at the forefront of decision making, I suggest Nike develop an advertising campaign with Wieden + Kennedy to promote their sustainable kits, organize NF+ content into four silos and make it free, and partner with (RED) to sell shoelaces and donate all sales to the Global Fund.

1 PROMOTE SUSTAINABLE KITS

Since 2005, Nike has focused on reducing natural resource use and carbon emissions. They created the Considered Index, a software program that enables their designers to make informed decisions on how to reduce environmental impact while maintaining quality, durability, and performance. Their new kits will no doubt challenge assumptions around sustainable clothing by proving they not only benefit the environment, but athletes performance as well. This positions Nike as yet again, the innovator in athletic apparel. A story from Wieden + Kennedy that promotes these new kits will be imperative to driving home the value in the new design. Stories from Nike footballers as well as Nike designers and decision makers will provide a more authentic story and nod to an increased focus on the brand's responsibility lens.

I recommend the advertisement get pushed through social media channels and other online content platforms , since Nike has already experienced success there, before the tournament kicks off in order to reach a larger audience and build hype around the product releases on game days.

2 NIKE FOOTBALL + PRODUCT SILOS

Nike did the hard work to determine what their new audience was after. And that was improving their game. Nike's four product silos of speed, accuracy, control and touch are specific skills required for a footballer to perform at their best on the pitch. Fitness is inherent to the game and should be incorporated in the trainings offered under each silo. FOTs already associate Nike with sponsored athletes. In order to amplify that connection and build deeper connections between the brand and its audience, NF+ skills, drills and trainings should be offered by Nike sponsored athletes. I suggest the service be free to increase accessibility and reach. This provides the opportunity to foster loyalty amongst a global community.

3 (RED) SHOELACES

Nike is already set to release their new kits, the Nike Mercurial Vapor Fly III and 2010 Elite Series boots for the World Cup 2010. Another product release from Nike in support of (RED) may distract from those releases and consequently lessen their impact and value. As a way for Nike to still show support of and make an impact in Africa, I suggest Nike sell shoelaces in partnership with (RED). This will showcase Nike's social responsibility efforts and not distract from their larger business objectives.