Nike Essay, Research Paper

Nike Web Page

Companies and other organizations use internet/web sites for different purposes. In general, a web site provides an interface while the Internet provides cost-effective communication capabilities. For this project assignment, the Nike Corporation was chosen and will be dissected for information technology analysis. The Nike Corporation is engaged in the design, development, and worldwide marketing of high quality footwear, apparel, equipment, and accessory products. It is the largest seller of athletic footwear and athletic apparel in the world. The web site that will be examined will be that of www.nike.com. This analysis will be construed into five separate sections that are chronologically as follows: Company Information, Web Site Description, Web Site Analysis, Completing A System, Web Site/Internet Expansion. Company Information: Searching and finding company information on the web-site was quite easy and user friendly (as will be discussed later). Nike?s mission statement reads as follows: ?Nike?s mission for corporate responsibility is to lead in corporate citizenship through programs that reflect caring for the world family of Nike, our teammates, our consumers, and those who provide services to Nike.? Nike has more than 500 contract factories around the world in about 45 countries. Their factories are spread across Europe, Asia, North, Central, and South America, and just recently, Australia. In fact, this area of the web site goes into very thorough detail as Nike deliberates on what exactly it is doing to further achieve its mission statement up to the current day. They address current problems such as age limits in factories, environmental health and safety, independent monitoring, education, research, and community affairs and discuss the new changes that they have implemented to further achieve their mission statement and please all of their current and potential customers. Although outside information besides the company?s web site was used to obtain financial records and reports, it was discovered that the web site also had an annual report, earnings releases, historical revenue, live stock quotes, and dividend and stock information (which is another plus for the web site that will be discussed later on). Nike is in the Textile-Apparel/Footwear/Accessories Industry. As far as size, customer, and market are concerned, the 1999 and 2000 fiscal statistics need only to be glanced at and discussed in order to comprehend all of those subtitles. Nike Corporation had total revenues at about roughly 9 billion dollars last year worldwide. It did not exactly state how many customers actually purchased Nike products last year but considering that enormous revenue, it probably was a significantly large number of customers. That?s a considerable amount of money considering they lost their prime endorsee, Michael Jordan, to retirement. The NBA was forced to shorten its season due to labor disputes, which also greatly affected sales. That information was also available courtesy of the web site and was located under their fiscal year in review. To further put into context the size and power of Nike Corp., one only need look at Market Cap comparisons on the NYSE (New York Stock Exchange). Market Cap is approximately what a company is worth to investors in the stock market. It is determined by multiplying the number of common shares outstanding by the price per share of that company. The Market Cap for Nike in million dollar increments was approximately $10, 664.63. They dwarfed most of their competition from their industry in this area. Their nearest competitor was Gucci Group, Inc. which was about one-half million below them. The rest of their industry competition was not even close. They embarrassed such well-known competitors as Timberland, Reebok, Kenneth Cole, Justin Industries, Sketchers, Wolverine, and Velcro (to name a few). Another interesting tidbit that was provided by means of their fiscal report on their web site was their total shareholder returns data. This basically stated that one hundred dollars invested in Nike Corporation ten years ago would have been worth $1, 432 dollars on May 31 of this year. That completely usurped that of the S&P (Standard and Poor?s) 500, which would have been only worth a measly $527 on the same date. After reviewing all of this financial information that was provided by the web site, it was easily determined just in fact how large the Nike Corporation actually is. Web Site Description: In a brief description of this web site, the primary purpose of this web site is that of electronic commerce. Electronic commerce is the process of buying and selling goods and services electronically involving transactions using the Internet, networks, and other digital technologies. As the web site puts it, ?This site offers you the chance to get direct delivery of the world?s best sports and fitness products through nike.com or help you find your local Nike dealer through our Store Locator. In that essence, Nike nicely performs the art of disintermediation, as the text refers to it. Disintermediation is the removal of organizations or business process layers responsible for certain intermediary steps in the value chain. In other words, through their web site they have eliminated the middleman (wholesaler or retailer) from consumer purchase and further made newer shoes available earlier which in turn has increased customer compliance and satisfaction and in turn increased sales. That is another positive point for their web site since it is significantly accomplishing its goal of electronic commerce. They further follow up that statement with the following: ?Either way, you will experience the superior design and performance of Nike products. Besides its primary purpose, there are other features that are interesting to the web site. They do have a retailer locator as mentioned previously. They have additional sites such as sport sites (football, soccer, etc.) for footwear, apparel, and accessories to be bought at. They have a product finder where their web site will locate any product that the possible consumer desires and tell them information such as price, sizes available, and if and when that particular product is available. There are three very interesting parts to the web site though. The first is that of nikebiz, or a place to research and discover all of Nike?s business recollections, transactions, and business dealings, past and present. Nikebiz includes information such as history of the company, important chronological dates in Nike Corp. history, corporate responsibility news and bylaws, global community news, environment news, financial reports, and job listings and overviews for every region that contains Nike factories. The second interesting feature to the web site is that of the ask nike section. In this area of the web site, someone online in the nike web site can ask any question and ask nike will do its best to research and answer the question regarding the any aspect of the company as a whole that someone may wish to know (very similar to www.askjeeves.com in that area). The final feature and most interesting and fun part to Nike?s web site is that of the area where a potential consumer can go and personally design their shoes that Nike will not only develop but ship out to them. This is a giant step in information technology progress as Nike has encompassed the needs and wants of all consumers. They have not only taken a giant step in customer compliance but also in customer satisfaction as they have brought the consumers to the shoes instead of the shoes to the consumer. In other words, consumers can now pay to be picky and particular with their shoes (in all aspects too from colors to size to fit to texture, etc.). In the end giant revenues will be reaped from this information systems decision. Web Site Analysis: In a brief analysis of this web site, one word comes to mind-thorough. It is so suitable and user friendly to the occasional browser and permanent consumer. There is not much missing in this web site as it is very in depth (as discussed previously). The web site even includes financial and historical information about the company, which makes for extreme convenience when research is taken into consideration. The ask nike and product finder functions also make for further convenience as the browser doesn?t find himself frustrated looking for particulars. But the customizing of building one?s own shoes makes this web site great. Many consumers just do not like what is offered in the market sometimes by Nike, yet wish to purchase Nike shoes because of customer loyalty. With this giant step to incorporate the making and purchasing of one?s own shoes, Nike has totally empowered the consumer in this decision and hence will reap the benefits from significant increases in revenue and sales. To make it even better and more thorough, Nike has developed a chat room where people can discuss the ins and outs of custom building shoes online with employees to make the process that less cumbersome and burdensome. Activities Required to Complete the System: As stated previously, this web site is not missing very much at all when it is placed under the microscope of analysis. But I do have a possible suggestion that would potentially complete Nike?s initial step of custom building one?s own shoe. One significant problem does arise. If a browser/customer is having several problems customizing and building the shoe, they have to call a 1-800-number. The problem occurs that they have to get offline to do so thus negating any progress that they made while developing their potential shoe. My suggestion to accompany that possible problem is this, which would, in the end, totally complete Nike?s system and succeed in achieving all of the company?s objectives in the process. I believe that they should implement a means of state of the art or cutting edge technology to accompany the customization of the shoe as a means of further customer support. I suggest that Nike incorporate the link, www.zapdata.com to their home web site. There, customers can contact Nike in real time via text-chat software hosted by www.liveperson.com. Customers who need a question answered can just click on a text-chat button and the site launches a new window. Customers can continue to browse Nike while a support rep answers their question(s). Also with LivePerson, your service reps can push pages to you as a customer. If after asking the question and still having difficulty finding the information, the representative from Nike online can simply send you the page with regards to the information that you were seeking. This might be a costly decision at first for Nike, but I guarantee, in the end, they will increase sales even further because they paid for the efficiency early on in their customization shoe site and further increased customer support and satisfaction. Internet/Web Site Expansion: Lastly, Nike can expand their web site with additional activities to make the web site not only more appeasing and interesting but also increase business from the web site in the process. Nike Corporation prides itself on the sale of sports/athletic apparel, footwear, and accessories. Also, Nike?s image has been pushed to the consumer by means of such great athletes as Tiger Woods, Michael Jordan, Barry Sanders, Kobe Bryant, and Ken Griffey, Jr. Since Nike is incorporating the idea of sports towards its athletic apparel, footwear, and accessories, it only makes sense to me that they should use their web site to further enhance the customers? ideas and perspectives of sports? athletes with Nike gear. I suggest that they incorporate two additional activities into their web site to increase customer satisfaction and in the end to increase the number of customers that would actually buy directly from the web site. First, I believe that they should place a constant sports ticker on the web page so that consumers can see how their favorite teams are doing while they are potentially shopping at the web site. This convenience and interesting ?side dish? will definitely increase sales as the consumer has sports to reflect upon while buying Nike gear. Lastly, I believe that they should place additional links on their web site to particular places like www.espn.go.com or www.cnnsi.com that stress sports at the core. The addition of several of these ?sports? web sites will increase the number of hits by people per day and in the end will increase the number of new customers to Nike Corporation as they will have completely incorporated the image of sports going hand in hand with Nike apparel, footwear, and accessories and in the end further pleased and increased their consumer base.