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(John A. Young

The success of NIKE, Inc. is deemed miracle by professionals on both Wall Street and Madison Avenue. Research done in the past tends to credit the growth of NIKE, Inc. to its marketing strategies. By placing the achievement of the company in the postmodern context, this study analyzes the cultural factors which contribute to the company's achievement. A brief yet well-documented history of NIKE, Inc. is provided. The nature and function of NIKE, Inc.'s athlete endorsements and contemporary sport are analyzed in a cultural context. The cultural significance of three representative NIKE advertisements, and the globalization of NIKE, Inc. are also scrutinized.

A literature review provides theoretical guidelines to the understanding of the relationship between the business achievement of NIKE, Inc. and the postmodern reality we are living in today. Interviews with 38 key informants and questionnaire surveys show that NIKE, Inc. is a dream factory which uses the American Dream as a selling point to expand its market both within the United

States and overseas. Therefore, the success of NIKE, Inc. should be viewed more as a cultural phenomenon than as a business achievement.

JUST DO IT: AN ANALYSIS OF CULTURAL FACTORS
BEHIND THE GROWTH OF NIKE, INC.

by

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JUST DO IT: AN ANALYSIS OF CULTURAL FACTORS BEHIND THE GROWTH OF NIKE INC.

CHAPTER ONE   INTRODUCTION

How did Phil Knight and his team turn NIKE from a tiny company making sneakers with a waffle iron into the 3.7 billion juggernaut that has given consumers all over the world Michael Jordan and Bugs Bunny, Just Do It and the famous Swoosh logo all within 15 years? This is an unsolved mystery that has even puzzled professionals on Madison Avenue and Wall Street. What is behind this almost fairy-tale-like success story? While articles devoted to the analysis of this so-called economic miracle can easily be found in business journals and fashion magazines alike, one critical problem, in the writer's perspective, remains untackled: Is the rapid growth of this multinational corporation merely an economic phenomenon which can only be approached with theories taught in business schools or is it something more? With this and all the above-mentioned questions in mind, the writer intends to identify and further explore the cultural factors behind the success of NIKE, Inc.

While appropriate business management, aggressive marketing and advertising strategies can be regarded as significant causal factors which have contributed to the achievement of NIKE, Inc., they are by no means the whole picture. When more and more people around the world begin to associate NIKE products with the American spirit, and with a sense of freedom, the success of

Nike has far surpassed the stage of being merely a business miracle. Instead, it has more cultural significance than it does business connotations. As the 1993 NIKE Annual Report declares, the success of NIKE around the world is "driven by two principal forces: the soaring interest in sports, and NIKE's unique emotional ties to customers"(NIKE Inc. 1993:14). If the term "unique emotion tie" is too obscure, other clarifying statements are found in the same document: "As a global brand franchise, we (NIKE) focus on distinct, culturally relevant messages that reflect the mindset of sports and fitness enthusiasts everywhere"(ibid:16). A brief review of NIKE commercials could further exemplify this point. "Just Do It", the famous NIKE campaign slogan has been encouraging many people in authoritarian countries who are not allowed to just do it, and who view NIKE products as a symbol of the so-called American spirit, and American culture in general.

As following chapters will indicate, cultural factors have played significant roles at almost all stages in the development of NIKE, Inc., and therefore have contributed greatly to its rapid growth. Since the word "culture" can be generally defined as "the customary manner in which human groups learn to organize their behavior and thought in relation to their environment"(Howard 1989:4), it consists of three cardinal aspects: behavior, cognition, and material. The term "cultural factor" which the writer uses throughout this thesis, therefore, refers to these three aspects of culture in the post-industrial world, which the writer will elaborate in Chapter 3. Since this study mainly focuses on cultural factors behind the growth

of NIKE, Inc., a brief, yet well documented history of the company will be presented in Chapter 2, and several representative and/or important cases that illustrate the growth of NIKE Inc. will be the focus of analysis.

Objectives

In addition to the above mentioned questions which the writer intends to address in this thesis, one primary objective of this study is to explain the significance of cultural factors that have enabled NIKE Inc. to acquire one of the world's largest sportswear markets. As the noted previously, past research on NIKE Inc. and other business corporations has tended to focus on marketing strategies whereas the cultural property of these strategies and reasons why certain strategies were adopted have been ignored. Although a few recent studies of NIKE, Inc. have shed some light on the cultural factors behind the company's accomplishments (Deford 1993; Katz 1993), the attention given to these factors is far from sufficient. On the contrary, many of them fail to place the subject into a larger, cultural framework. In other words, the subject was viewed more as a product of a specific material culture than as an outcome of the post-industrial era when boundaries between traditionally defined cultures are becoming more and more blurred.

The second major objective of this study is derived from the sense of responsibility which the writer has developed during two years of study as a student of cultural anthropology. Although an increasing number of cultural

anthropologists have shifted their focus from small-scale societies to the modern industrialized world, many of them have still excluded themselves, whether consciously or unconsciously, from the study of mainstream culture. Instead, they devote much effort to research projects centering on marginal, sub-cultural groups within industrialized societies. Studies conducted by anthropologists on cultural factors in advertising, a significant sector of postmodern consumer culture, are rare. By conducting this study therefore, the writer expects to offer a more holistic view of not only the cultural factors behind the success of NIKE, Inc., but the factors that have constructed the postmodern reality of present-day life.

The third major objective of this study is to provide those who are either in international business, or intend to pursue international business, with background information on NIKE, Inc., and with analysis of cultural factors in the development of a multinational corporation which might increase their own chances for success. Although this objective might lead some to question the academic nature of this study, it actually reflects the true essence of applied anthropology, which requires researchers within its domain to solve actual problems using anthropological knowledge. However, no specific prescriptions for success are offered in this thesis, as concrete do's and don'ts would only prohibit readers from making their own judgement, rather than enhancing their ability to overcome potential obstacles.

The fourth major objective of this research project is closely connected with the theoretical guidelines the writer followed in conducting this study. Instead of

clinging to paradigms that are unique to the anthropological domain, the writer intends, by drawing concepts and theories from various schools of social science, to bring forth a more diversified, and thus more vivid picture of contemporary culture. Since the concept of culture crosses disciplinary boundaries, there has been a renewed focus on culture outside of anthropology in recent years. For example, the interdisciplinary field of cultural studies has been profoundly influenced by feminists who have pointed to gender inequities as perpetuated by culture (Allor, 1987). The advent of several subdisciplines within the domain of anthropology exemplify a similar trend in feminist influence. Instead of precipitating chaos and confusion among academicians of cultural studies, as many have predicted, it is the writer's firm belief that the merger of concepts from different schools of social sciences will only benefit our understanding of culture in the postmodern context.

Research Design and Data Collection

Data collection is often deemed as the most crucial part of any research. The ways and/or channels through which one collects data would more often than not affect the outcome of the research. This task can be so resource-consuming that an anthropology professor once described it as being equal to 80% of the total research work. In this particular case, data collection was exploratory rather than hypothesis testing. As noted earlier, studies on similar subjects are so rare that no ready-cut pattern can be duplicated to fit the design of this research. Although a

seemingly concrete image of NIKE appears to be ubiquitous in our daily lives, it becomes vague and abstract once we really start to think about it. Such vagueness has made data collection for this study all the more problematic. Nonetheless, by reading research work done on related subjects (i.e. social psychology of clothing, consumer behavior, corporate culture, etc.), the path toward a more approachable image of NIKE Inc. and toward cultural factors that have either helped or been reflected in NIKE, Inc.'s growth have become less perplexing.

To study the impact of cultural forms[1] on social life, it is necessary to study both public forms, such as those found in the media, and private forms, or people's appearances. Cultural forms may be produced and represented publicly and, therefore, are shared among many individuals, but they are used and interpreted privately, alone or with people with whom one interacts. Thus two directions will be taken in order to conduct this study: First, NIKE products and the so-called NIKE images should be *content analyzed*. In other words, the way images are represented and their implicit messages can be assessed. For example, images of women in NIKE commercials will be analyzed in relation to their role portrayals. Second, individual interpretations of NIKE images will be assessed as people are asked to respond to portrayal of social relations derived from NIKE advertisements. To carry through the example of NIKE commercials, young people will be interviewed on their perceptions of Michael Jordan's role(s)

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[1] Cultural forms are tangible aspects of culture that somehow represent more abstract ideas that are ingrained within the culture. In this sense, NIKE products are cultural forms of the culture in which they are bred, even though their significance may go beyond traditionally defined cultural boundaries.

portrayed by many NIKE TV commercials. Below are the actual methods used during the phase of data collection.

To analyze cultural factors behind the growth of NIKE, Inc., it was necessary first to become familiar with the company itself and the way it is operated. Therefore, the first step was collecting all available information about NIKE, Inc. and its operation, both domestic and overseas. To do so, the first thing was to check under the business index on cd-rom systems at both OSU Kerr Library and Corvallis Public Library for the keyword "NIKE". This index included not only lists of titles and/or abstracts of articles on NIKE, Inc. that have been published in major business journals/magazines, but also all published business articles that have the word "NIKE" in them.

The next procedure was categorizing information. The major task at this level was categorizing previously acquired information based on its content. In addition to learning more about the public side of the subject, a less distinct rationale for using this approach was that it was also a good opportunity to look intensively for implicit cultural factors that need to be identified and analyzed. In this particular case, the writer sorted approximately 300 articles into five major categories based on their respective contents. These categories which often overlapped are racial problems, gender issues, political struggle, overseas operation, and statistics. These articles have provided the primary framework for discrete cultural issues discussed in this study.

Since views expressed in articles (except those dealing with statistics) published in these business journals/magazines were biased to a certain degree for either professional and/or commercial reasons[2], and since the subject studied in this case encompasses virtually every realm of the postmodern society, the writer did not solely rely on information found in these sources. Starting in June 1993, the writer interviewed a total of 38 informants, including six current NIKE employees, eight sportswear store owners at different city locations in the United States, and 24 (12 male, 12 female) others who have at least heard of the name "NIKE" (Table 1). In order to allow for a diversity of possible responses, occupations, areas(or countries) of residence, age and gender, etc. were used as criteria when selecting these key informants[3]. For example, the 24 "others" the writer interviewed include high-school students, college students, blue-collar workers, executives at business corporations, and housewives. These informants were selected from various regions in the United States, ranging from New England to California. Among the eight college students interviewed, four of them were international students currently attending a state university in the Pacific Northwest.

In addition to interviewing selected informants, self-administered questionnaire surveys (Appendix 1) were conducted in January and February

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[2] For example, some of the articles written by former NIKE employees tend to glorify the image of NIKE, Inc., and describe it in a very emotional, if not affectionate way.

[3] The term "key informants" is used here to differentiate the 38 people the writer interviewed from the 200 people the writer surveyed later.

Table 1.   List of Key Informants

Occupation	Male	Female	Interview Location
current NIKE employees	4	2	Beaverton, Oregon
sportswear store owners	7	1	New York City, San Francisco, Seattle
high-school students	4	4	New York City, San Francisco, Seattle
college students (American)	2	2	Corvallis, Portland, Oregon
college students (International)	2	2	Corvallis, Oregon
Housewives (full-time home makers)		3	Seattle, San Francisco
blue-collar workers (bus-drivers, mailmen, etc.)	3		San Francisco, Portland, New York City
company executives (managerial level)	1	1	New York City, San Francisco
Total	23	15	38

of 1994 in several cities in the United States, including New York City, San Francisco, and Seattle, etc. Due to the fact that questionnaire forms were handed out directly to a random selection of people[4] and collected immediately after the forms were completed, the response rate for all 200[5] questionnaire forms was 100%. The information gathered from the surveys was used by the writer to reveal patterns that emerged in the interview phase of the research. Diversity is again, the writer's major concern at this stage. In order to reach people from various social groups, the locations chosen for the survey in New York City

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[4] In this case, random selection means that questionnaire forms were passed out to almost anyone passing by a predetermined location who would spare a few minutes to fill out the forms.

[5] Among the 200 forms sent out, only 184 can be considered 100% "usable", as 16 forms were either "double-circled"(the respondents circled "yes" and "no" simultaneously), or answered with irrelevant information.

varied from subway stations in uptown, the part of the city where many low-income families found their residence, to luxurious shopping malls on the Fifth Avenue. Thus, the information gathered from these surveys is diverse in many respects, and can be used to a certain degree to generalize reactions that people living in different circumstances, and in other parts of the U.S. might have toward NIKE, Inc. and/or NIKE products.

Justification

Although the design for conducting this research project was carefully conceived, the existence of the following factors, be they expected or unexpected, has set limits on the researcher's ability to achieve an otherwise ideal outcome.

First, due to funding and time limitations, only a small number of cities on the two coasts of the United States could be selected as sample settings for the study. While data collected at these locations may represent, to a certain extent, general behavioral/cognitive patterns shared by people living in those regions, or by people from the same social groups, it may not be sufficient to accurately indicate patterns existing in other parts of the U.S., for instance, the South. Likewise, generalization about the respective pattern of reaction toward NIKE products in European and Asian countries which the researcher derived from interviews with informants from these areas might also affect the accuracy of data, however slightly. For instance, the two Asian college students the researcher interviewed were from Japan and Taiwan respectively. While their reactions may

represent views people living in these two areas hold toward the NIKE image, they are insufficient to represent reactions that people living in other parts of Asia (e.g. India, etc.) might have. Similarly, the pattern of reaction derived from interviews with the two European students (one from U.K. and the other from France) may not accurately represent the pattern of reaction in other European countries(for example, Russia).

Second, it would have been helpful if the researcher could have conducted participant observation at NIKE, Inc. headquarters. However, for various reasons[6], the researcher's request to conduct such inquiry was denied by the company. Although the researcher made two trips to NIKE World Campus[7](Figure 1.), and interviewed six NIKE employees, failure to observe business and/or administrative operations at the headquarters of this multinational corporation leaves a gap in the information gathered. Therefore, the researcher had to depend on information provided either by interviewed NIKE employees away from their place of work, or by articles written by other researchers, when analyzing the corporate culture of NIKE Inc. and its relation to the company's success.

[6] The researcher applied for a summer internship at NIKE Inc. in June 1993 and was told that all internship positions had been filled. When asked about the possibility of conducting participant observation at the company, the NIKE Human Resource manager replied that there has been no such case before, and suggested that managers at some individual departments be contacted. When the researcher finally did so as instructed, the replies from the managers at these departments were unanimously negative, and the reasons given varied from protection of company secrets to being unable to provide supervisors to oversee the observation.

[7] NIKE Headquarter. Located in Beaverton, Oregon.

Figure 1. NIKE World Campus, Beaverton, Oregon.

Source: *Sports Illustrated* (Aug. 16, 1993)

Third, the researcher was told on several occasions during the process of interviewing the six NIKE employees that they feared retribution if their real names were to be used. Although the researcher has tried to protect their identities by not mentioning their names in this thesis, the fact that some of the information provided might reveal personal identities forced the researcher to omit many details given by these insiders. This problem, to a certain degree, has also affected the outcome of the analysis.

CHAPTER TWO
NIKE: HISTORY OF THE SPORTSWEAR EMPIRE

"An unremarkable Stanford MBA, a paralyzed former long jumper, a one-time anthropologist-turned welfare worker, a Bunyanesque lawyer, a large and wise accountant: These five men--smart but inexperienced--formed a tight-knit brotherhood, merging their personal and professional lives and making up the rules along the way"(Strasser & Becklund 1991).

The Pre-NIKE Years (1962-1971)

When reviewing the history of NIKE, Inc., one must start with the years when Phil Knight, the chief founder of NIKE, Inc. was only one of 180 MBA students in the class of '62 at Stanford University. It was at Stanford that Knight formulated his idea for the company that would one day become NIKE, Inc.[8] What he had in mind at that time was a company that combined cheap Japanese labor and an American distributorship, and could sell 20,000 pairs of imitation Adidas[9] sneakers per year to high school and college track teams.

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[8] In a class called "Small Business Management", which Philip Knight took at Stanford in 1962, the students were assigned by Dr. Frank W. Shallenberger, the instructor of the class, to write a paper about a small business they would like to run in the future. Knight's topic was a sportswear company to sell shoes targeted at high school and college track team members.

[9] The proper name is "adidas", with a lowercase *a*. Because the style is jarring to readers, however, an upperclass A will be used throughout the thesis.

On Thanksgiving Day of 1962, about 5 months after his graduation from Stanford, Knight quit his job as a salesman at Investors Continental Services in Hawaii, and began a tour of Japan. During his stay in Japan, a country which most Americans then knew nothing about, Knight found out that imitation Adidas shoes brandnamed "Tiger" were already being manufactured by Onitsuka Co., Ltd. Pretending to be an American importer representing a company called "Blue Ribbon[10] Sports", Knight went down to the company headquarters in Kobe and negotiated his first business deal ever. It is important to note here that Knight's timing and choice of companies was crucial for the growth of what would later be known as NIKE, Inc. The Japanese economy was flourishing; successful businessmen were looking for new markets abroad; and Japan was exporting $49 million in footwear to the United States (Strasser & Becklund 1991:18). As a result of good timing, Knight left with a deal to distribute Tiger shoes on the West Coast of United States.

When Phil Knight returned to Portland in early 1963, he took sample shoes he had ordered from Onitsuka Co., Ltd. to Bill Bowerman, then the head coach of Oregon Trackteam at University of Oregon. "Within a hour, they settled on a partnership. Bowerman would test the shoes, put his athletes in them if they were good enough, offer design ideas, and endorse the shoes with coaches he knew.

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[10] Philip Knight would tell friends two versions of how he came up with that name. The public version was that he realized the name sounded like the first place finishes that had usually eluded him on the trackfield of University of Oregon. Another version was that it was named after Pabst Blue Ribbon beer which he had drunk the night before his meeting with his future Japanese partners.

Knight would handle all the financial operations, and other daily business of the company"(ibid:34). With only $1,000, the two started the real Blue Ribbon Sports, a company that imported cheap imitations of expensive German athletic shoes and sold them in the United States. To them, this meant to compete with companies like Adidas, which had already taken most of the world's athletic shoe market. Although business was slow at the beginning, the number of shoes they ordered from the Japanese company gradually increased. In January 1965, the company hired their first part-time sales representative, Jeffery Johnson, an anthropologist-turned social worker, and started expanding their sales to California. In September 1966, they opened the first Blue Ribbon Sports retail store in Santa Monica, California. On November 19, 1966, Knight signed with Onitsuka an agreement giving BRS[11] a three-year exclusive contract to distribute Tiger track shoes across the United States. In August 1967, they opened the east coast BRS headquarters and retail store in Boston, Massachusetts. In the summer of 1968, they opened a new BRS store in Eugene, and Bob Woodell, a paralyzed former long-jumper and student at University of Oregon, was hired to manage this new symbol of the BRS success. From 1967 on, BRS sales virtually doubled every year to about $400,000 in 1969 (ibid:81).

It is interesting to note here that it was in the fall of 1969 that Knight finally quit his teaching job at Portland State University and became a full-time employee in the company he himself had started. In order to professionalize the operation

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[11] Blue Ribbon Sports. This abbreviation will be used in the rest of this thesis.

of BRS, he decided to expand wholesale efforts nationwide, establish employee policies, reconcile growing inventory problems, and find new sources of capital. To help accomplish these goals, Knight chose an assistant who could function as a dependable operations manager: Bob Woodell. "Principled, meticulous about details, and by instinct and life experience thrifty" (ibid:100), Woodell switched from selling shoes to becoming Knight's right-hand man and guardian of the company bank account. Unfortunately, by the end of 1969, tardy, small-sized delivery from Onitsuka was threatening Blue Ribbon's growth, and many dealers had lost school orders as a result of irregular shipments from Japan. Meanwhile, BRS missed a bank-imposed sales quota, jeopardizing its standing with the bank. It was then that Knight decided to move into wholesale.

This decision, though made under financial pressure[12], was a major turning point in Blue Ribbon's growth. In 1970, Knight made the decision to start phasing out the part-time salesmen and runners who had built the company and brought in professional commissioned salesmen, thus opting for the high volume of wholesale. In 1971, Del Hayes, a CPA and a former colleague of Phil Knight, joined the BRS team and managed to obtain loans from another bank.

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[12] At the end of 1969, BRS was strapped with debts and burdened with payrolls.

The Transition Years (1972-1976)

Although going into wholesale helped BRS to survive its financial problems,
it did not change its often-endangered position as an American distributor under
Onitsuka Co.,Ltd, which had warned it would terminate the distributorship by
the end of 1972. Knight had thought many times about manufacturing his own
products and now he felt it was the time to "just do it".

On June 18, 1971, the first all-leather football/soccer shoes with the now
world-famous checkmark logo[13] went on sale in Portland, Culver City, Eugene,
and Natick. Made in Guadalajara, Mexico, these shoes marked a new era for the
growth of BRS. However, the debut of the new NIKE[14] brand caused
pandemonium, especially when their Japanese provider found out about the
"betrayal". On May 10, 1972, Onitsuka Co., Ltd. formally terminated its contract
with BRS. To Knight and his team, this meant developing their own products and
filing a lawsuit against Onitsuka. As a result of their effort[15], BRS recorded a 60
percent increase in sales by the end of its first NIKE year. In addition, with the
help of Rob Strasser, then a Portland lawyer, and later one of the five key persons

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[13] The logo was designed by an art student named Carolyn Davidson whom Knight had met at Portland State University. The fee she asked for designing the logo was $35. Over time, the checkmark logo became known as the "Swoosh", for reasons even the name's inventor Jeff Johnson couldn't remember. Spelled with an uppercase "S", the name was later trademarked.

[14] "Nike", the name of the Goddess of Victory in Greek mythology, was proposed by Jeff Johnson at a "brandname-choosing" meeting. Although Phil Knight insisted on using the name "Sixth Dimension" as the brandname for the new products, NIKE was favored by most of the people at the meeting.

[15] In order to spread the NIKE name and give it legitimacy, much effort was devoted to improving the quality of products and gaining endorsements from athletes.

who helped build the company, BRS won its first lawsuit. In 1974, the first BRS American production base was established in New Hampshire and Rhode Island. However, the bulk of $4.8 million in sales still came from Japanese-made shoes[16]. Meanwhile, BRS gained the endorsements from more nationally-known athletes[17]. In 1975, total BRS sales soared up to $8 million.

By 1976, BRS needed large, modern factories that could manufacture the volume necessary to keep up with the increasing demand from retailers. In August of 1976, Sam Hwa Co., Ltd., one of Korea's largest factories, was selected to be the major BRS overseas contractor. Thus, BRS was ready for a new era.

The NIKE Years (1977-1993)

By the late 1970s Adidas was still number one at home and around the world, particularly in countries where soccer was the main sport. But NIKE was quickly becoming number one in running shoes. Along with obtaining athletes' endorsements, advertising became a major priority for BRS. After running an eye-catching ad[18] in *Runner's World* in December 1976, BRS started a series of image

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[16] After Onitsuka terminated its contract with BRS, BRS started ordering shoes from Nippon Rubber, another major shoe manufacturer in Japan.

[17] In 1975, a ninety-day BRS promotional campaign put ten top players in the NBA in NIKE shoes.

[18] The ad showed a bare foot sticking straight up in the air with "waffle trainer", one type of NIKE running flat, balanced on top. The headline read: "Made Famous by Word-of-Foot Advertising."

ads that showed "the wit and irreverence that would one day become known as the NIKE 'attitude'"(Strasser & Becklund 1991:271). These ads had, to a great extent, helped the NIKE name to gain legitimacy among consumers.

In January 1978, BRS officially changed its name to NIKE, Inc. Although Adidas still held a larger share of world's sportswear market, NIKE, Inc. had definitely become their rival in the U.S. In 1979, plans were even made at NIKE, Inc. to expand exports[19]. In order to keep up with the fast pace of growth, NIKE, Inc. opened a $6 million East Coast warehouse and sales office in New Hampshire, and a sports research lab in Exeter, Rhode Island in 1980. By June of the same year, the company had 28 independent regional sales firms representing the brand in 50 states. NIKE, Inc. had finally became the No.1 shoe in the retail accounts of America.

As a fast growing corporation, NIKE, Inc. needed to build its corporate image. Never before in NIKE's history had designing meant so much to the company. By 1981, more than a dozen NIKE personality posters featuring the company's athletes' endorsements had been designed and produced by professionals. The result of such image-building was a public company[20] with $458 million in revenues, 8,000 retail accounts, 140 shoe models, 130 sales reps, 2,700 employees, thousands of shareholders, and "a value for everyone to see in the newspaper each day"(Strasser & Becklund 1991:433).

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[19] To NIKE, Inc., export meant mail orders through distributors in a few countries.

[20] NIKE, Inc. had been a private company before 1981.

In October 1981, NIKE, Inc. began production of its first test models in Tianjin and Shanghai, China. This made NIKE, Inc. one of the first American companies to open business in this communist country. Meanwhile, distributorships were being set up all over western and northern Europe. In January 1982, months after the establishment of NIKE France, NIKE U.K. set up its first headquarters in the North of England. Despite efforts to unite it, NIKE Europe remained divided into many small independent operations, "each with its own language, its own ideas, and its own culture"(ibid:462).

By late 1982, however, NIKE, Inc., a supposedly "recession-proof" company, was feeling the effects of a nationwide recession and what appeared to be a consumer cooling to the NIKE brand. On February 18, 1983, the company reported its first quarterly decline in history. As if this wasn't enough, Reebok, a British sport shoe company was emerging to be NIKE's biggest competitor in the U.S. market[21]. While NIKE was suffering from an unprecedented decline in sales, Reebok, with its new aerobic lines aiming at female consumers, was experiencing its primary success. From 1982-83, Reebok sales jumped from $3.5 million to $12.8 million.

In the spring of 1983, as one of the measures to restructure the company, Bob Woodell, Knight's long-time right-hand man took over the presidency of NIKE,

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[21] Originally named J.W. Foster & Sons, the British shoe company changed its name to Reebok, a fast-running gazelle, in 1958, and started distributing products in the U.S. in 1970. In 1979, Paul Fireman founded Reebok International Ltd. for the purpose of obtaining exclusive use of the Reebok name in North America. In exchange, the U.S. corporation paid the U.K. operation 3.5% of net sales as a royalty(Strasser & Becklund 1991:503).

Inc. In September, Woodell was elected to NIKE's board of directors. Unfortunately, these measures did not help the company from further declining. Nevertheless, the approach of the 1984 Olympic Games seemed to be a chance for NIKE, Inc. to fight back. In the fall of 1983, a marketing strategy called the "City Campaigns" was launched by NIKE, Inc. in Los Angeles, the host city of the 1984 Olympics. The campaign proved to be a success for the troubled company and NIKE sales increased by 10-30% in California alone after the Olympics. In the same year, NIKE added Michael Jordan[22], a basketball player who had just graduated from college, to its list of endorsements, and began to market a new product line named "Air Jordan". Although sales of NIKE products had picked up after the Olympics, underlying financial problems still prevented the company from full recovery[23]. In the fall of 1984, Phil Knight took back the presidency. However, the future did not look bright for NIKE, Inc. Despite cutbacks on company budgets, NIKE reported a $2.1 million loss (NIKE 1985:7) for the quarter ending February 28, 1985.

Just when NIKE stockholders were about to lose hope in the company, the performance of Michael Jordan at the NCAA Tournament made NIKE shoes a hot-seller all over the U.S. By March, "NIKE sold in three months what had been projected for the entire year"(Strasser & Becklund 1991:572). By the end of 1985,

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[22] In October 1984, NIKE signed Jordan to a $2.5 million contract at the height of the company's financial woes.

[23] For the quarter ending August 31, 1984, NIKE had a 65% decline in earnings, its worst on record(NIKE 1984:4).

Air Jordan proved to be the most successful athlete endorsement in history, selling over $100 million in a single year(NIKE 1986:7). However, Reebok remained No.1 in the American market with total sales of $307 million in the same year. In early 1986, before the analysts made it official, Knight "admitted to his top men that Reebok was the top athletic footwear company in America"(Strasser & Becklund 1991:591).

To compete against Reebok, what NIKE, Inc. needed was a new product. In early 1986, NIKE gained the endorsement of Bo Jackson, a new star in both football and baseball, for $100,000 a year(ibid:615). In September 1986, the second generation of Air Jordan was launched to retailers in hopes of increasing its share of America's most lucrative athletic shoe market. Unfortunately, the new Air Jordan, apart from the profits it made for NIKE Inc., did nothing less than keep the NIKE name alive. On December 5th, 1986, about 500 employees, nearly 10 percent of the NIKE workforce lost their jobs(ibid:628). This was later called the Black Friday of NIKE's history.

In February 1987, a new product line named NIKE Air hit the spring market, accompanied by a revolutionary TV commercial featuring the Beatles song *Revolution*. It carried one message: NIKE Air was a radical departure from anything that had gone before[24]. In September 1987, NIKE, Inc. reported its best

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[24] This choppy-style, fast-cut commercial featured black-and-white clips of average Americans and NIKE athletes set to the original Beatles song.

quarterly income performance in the company's history, and NIKE finally regained its No.1 spot in the performance athletic footwear market.

In 1988, NIKE witnessed a major transition in the management, as many long-time NIKE executives left the company due to internal conflicts and disagreements with Phil Knight[25]. In March 1989, Michael Jordan accepted a reported $20 million offered by NIKE, Inc. and renewed his contract. In 1990, NIKE, Inc. reported a 29 percent gain in third-quarter earnings(Rottman 1990:1). In October, NIKE's new "World Campus" opened in Beaverton, Oregon(Figure 1). By then, the company's sales had tripled since NIKE Air was introduced in 1987, and NIKE, Inc. had become a $3 billion corporation. Meanwhile, however, NIKE products faced a 14-week boycott organized by People United to Serve Humanity(or PUSH), a Chicago-based group founded by Jesse Jackson, which accused NIKE of not hiring or promoting blacks while targeting blacks in its advertising[26]. To meet PUSH's challenge, NIKE, Inc. hired a minority-run advertising firm in Los Angeles and launched a $5 million message ad[27] featuring Bo Jackson. In 1991, more marketing campaigns were launched, including series of print ads targeting female consumers, who accounted for

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[25] In the 1988 NIKE Annual Report, Knight wrote to the shareholders that "All of the vice presidents listed on the 1981 annual report have left. They have been replaced, for the most part, with people who have risen through the ranks, supplemented by a few recruited from the outside. This mix, in the past year, performed far better than any group we've ever had. I believe that NIKE's people are the envy of the industry."

[26] According to one of the current NIKE employees the researcher interviewed, the boycott was in fact backed by Reebok, NIKE's chief competitor.

[27] Titled "Stay in School", the campaign targeted inner-city black youths.

roughly 42% of all athletic shoes purchased in 1990(Foltz 1991). As a result, the company claimed 29.8% of the U.S. market to Reebok's 22.8% by the end of the fiscal year.

In order to reach more potential customers, marketing campaigns aiming at various age groups were launched in 1992 by NIKE, Inc.[28] In addition, several NIKE concept stores were established in some big cities in the U.S. to teach retailers how NIKE products should be handled and how the NIKE image should be presented. Among these stores were a mini NIKE Town at Macy's in San Francisco and a 68,000-square-foot NIKE Town in Chicago's Magnificent Mile[29] (Figure 2). However, compared with a profit of $755,000 in Fiscal '91, NIKE, Inc. lost $722,000 in Fiscal 1992(Daily News Record June 19, 1992). Nevertheless, NIKE had claimed 30% market share of the $6 billion U.S. athletic shoes market, vs. under 25% for its competitor Reebok(U.S. News & World Report April 19, 1993). Although NIKE warned its shareholders that earnings and sales would fall in 1993, due to poor trading in the U.S. and Europe, Fiscal '93[30] was in fact an exceptional year for NIKE, Inc., as its market share climbed to approximately 33%. In Europe, NIKE, Inc. became the first U.S.-based company in the athletic footwear industry to surpass $1 billion in European revenues, and achieved a 20%

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[28] The most notable two were an TV ad featuring John Lennon's Instant Karma, and a commercial featuring Spike Lee.

[29] The NIKE Town in Chicago, as Chain Store Age(Executive Edition August, 1992 pp.86) declared, "combines the fun and marvels of Disneyland with the energy and excitement of MTV". It "entertains, educates and excites customers".

[30] From May 31, 1992 to May 31, 1993.

Figure 2.a. NIKE Town, Chicago.

Source: *Sports Illustrated* (Aug. 16, 1993)

Figure 2.b. NIKE Town, Chicago
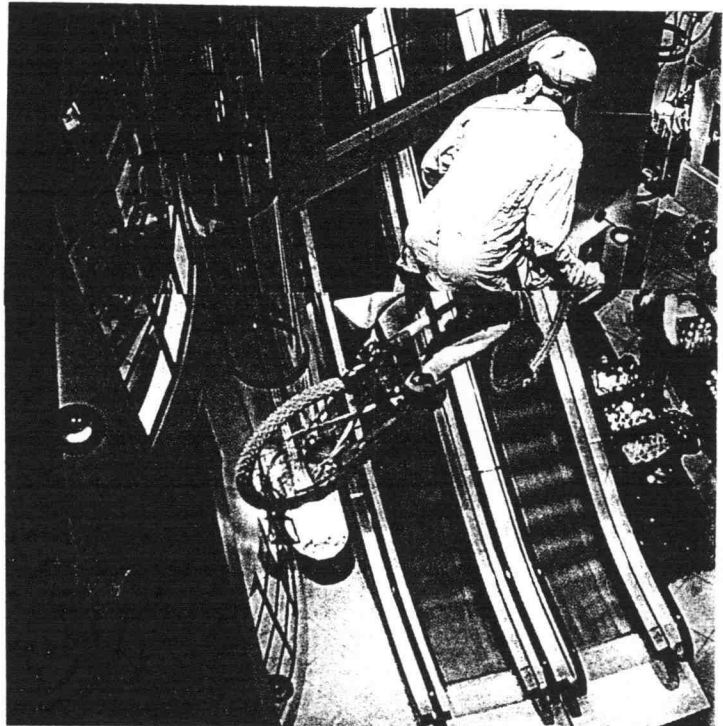
Source: *Sports Illustrated* (Aug. 16, 1993)

market share. In the Asia/Pacific region, total NIKE revenues increased by 135% to $178 million with a market share of 10%(NIKE 1993:19). However, in October 1993, just four months after shareholders celebrated their success, NIKE was reportedly suffering from declining sales as a result of the European recession and the shift in fashion to the grunge look[31]. The retirement of Michael Jordan, a symbol for the company and its high-profile pitchman for nearly a decade, was also a major cause of the problem(USA Today October 7, 1993 pp.1B). In an interview with Forbes, Phil Knight predicted only "single-digit"[32] gains in Fiscal 1994(Meeks 1993:40).

Does this mean the hay-day of NIKE, Inc. is over? It is still far too early to reach any conclusion. NIKE, Inc. is expecting its sales to exceed $200 million in Fiscal '94, a growth closer to 4.5%-5%(NIKE 1993:17). With a consolidated revenues of $3.9 billion in Fiscal '93, NIKE, Inc. still holds to its dream of reaching $6 billion in sales by the end of Fiscal '96(MacAllister and Wilner 1993:2). Moreover, as the history of NIKE, Inc. has shown, the growth of this multinational corporation has not been solely determined by economic factors, nor has it been controlled by NIKE management. In fact, cultural factors that have permeated the history of NIKE, and in a certain sense, our post-modern world, can be regarded as the chief contributors to the success of NIKE, Inc. While this

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[31] The so-called "grunge look" was part of a return of the late 1960s fashion styles in the early 1990s, which featured mix-matching of clothes. Elevator shoes(or military boots), torn jeans, flannel shirts, and chokers were deemed the basic elements of this dress style.

[32] NIKE, Inc.'s targeted growth rate is 15% per year.

might create a distorted impression that the NIKE triumph has been predestined by postmodern culture, it does not preclude the fact that the NIKE management team played a critical role in bringing the company from a small distributor of Japanese sneakers to what it is today. However, the roles played by Philip Knight and his team can be viewed to a great extent, as conscious(or subconscious) manipulation of these cultural factors.

CHAPTER THREE
CULTURAL FACTORS IN POSTMODERN CONTEXT:
A LITERATURE REVIEW

The term "postmodern culture" has been mentioned on several occasions in the previous two chapters. What are the real connotations of the term? How are cultural factors under this canopy different from those associated with modern culture? In order to conduct the analysis of cultural factors behind the growth of NIKE, Inc., it is necessary to clarify these often puzzling, and sometimes disputable issues.

Postmodernism and Postmodern Culture

First apparently used in Spanish by Frederico de Onis in the 1930s, the term "post-modernism" has often been used by social scientists, and artists as well, to characterize a series of broadly aesthetic projects evident in the so-called "post-industrial", or "post-capital" era. It is in the literary commentaries of Irving Howe, Harry Levin, Leslie Fiedler and Ihab Hassan that the term gained currency in the 1950s and 1960s, then acquiring both prominence and notoriety in the 1970s and 1980s (Hassan 1985), especially through the architectural criticism of Charles Jencks and the philosophical intervention of Jean-Francois Lyotard's *The Postmodern Condition*(1984). However, for many contemporary theorists the

dominant figure in postmodernism, like that in modernism, is static and abstract(Lash & Friedman 1992:1). To them, postmodernism annuls movement and change only through its disavowal of avant-gardes. It posits a mediascape, an "astral empire of signs", whose powers of social control over individuals and collectives is so strong that no change is possible. It posits an end to history, an end to art and an end to "the subject", whose individual and collective action makes meaningful change possible. Such a Utopian postmodernism is in fact a vision of a neo-tribal paradise[33] in which a set of spatially set forms of life carry on experiments, each in their own culture. In this vision, communication is impossible and unnecessary between cultures. This postmodern picture obviously is far from being accurate when we take into consideration the postmodern reality we are living in today.

Despite the oft-remarked looseness and imprecision of the term postmodernism, it does have, as the above descriptions indicate, the merit of directing our attention towards the nature of mutual cultural borrowing, which is evident throughout the world today. It "sensitizes us to the variability of the culture-society relationship and the metatheoretical status of culture"(Featherstone 1988a,b). We may find, as we examine definitions of postmodernism, an emphasis upon the effacement of the boundary between art and everyday life, the collapse of the distinction between high art and mass/popular culture, and a general

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[33] Early postmodern theorists believed that the world after the modern era would be a paradise in which colonialization would be nonexistent and each culture would develop its own self-sufficiency without interference.

stylistic promiscuity and playful mixing. We may also detect an emphasis upon "the liquefaction of signs and commodities", "the effacement of the boundary between the real and the image", "floating signifiers", "hyperreality", "depthless culture", "bewildering immersion", "sensory overload", and "affect-charged intensities"(Kroker and Cook 1987; Crary 1987).

While many in the realm of social sciences still doubt whether postmodernism can ever be dignified by conceptual coherence, there is a unifying theme in the paradox of a set of cultural projects united by a self-proclaimed commitment to heterogeneity, fragmentation and difference. And there are other commonalities too, at least in part deriving from the reaction against the so-called "high modernism"[34]. On the other hand, as mentioned earlier, the distinctiveness of postmodernism in relation to modernism is inevitably blurred, for it is in part a critique of what it takes as the defining features of modernity. And as with modernity/modernism, we shall insist on a relative distinction between "postmodernism", as a term that characterizes a series of broadly aesthetic projects, and "postmodernity", as a term connoting a social, political and cultural configuration of which "postmodernism" is supposedly a constituent element.

Thus the postmodern culture discussed in this thesis can be viewed as a form of postmodernity. What is postmodern culture? In an interview, Marxian theorist Fredric Jameson described the postmodern culture as a "global multinational

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[34] High modernism, or ideal modernism, refers to Habermas' notion of the achievement of enlightenment projected through speech acts backed by rational discourse(Habermas 1984). It is deemed a highly moral vision, based on a very abstract and general morality.

culture which is decentered and cannot be visualized, a culture in which one cannot position oneself"(Stephanson 1987). Today, one can fly into international airports, shop in malls with multinational retail chain stores(for example, NIKE Town). In the process, one can lose a sense of space and cultural context. At the same time, the eclectic blend of cultural and ethnic elements in fashion, music, and other stylistic forms is staggering. Cultural pluralism seems to thrive within given cultural contexts and within the global context. A juxtaposition of cultural elements, on an international scale, may be compared either to a "grab bag" or a "melting pot"(Gitlin 1989). In the world marketplace, according to Baudrillard, all values--labor, knowledge, social relations, culture, and nature---are transformed into a form of economic exchange value(Baudrillard 1981:113). Such descriptions of postmodern culture obviously fit the reality better than the Utopian version of postmodernity.

Cultural Factors in the Postmodern World

In Chapter One, the writer defined culture, by quoting Howard, as "the customary manner in which human groups learn to organize their behavior and thought in relation to their environment". The innate rationale behind this definition is that culture changes as its environment alters. Thus in the postmodern world, human behavior and thought would inevitably have their distinctive, if not unique features as a result of adaptation and external influences. As boundaries between traditionally defined cultures become less evident, and

as science and technology reach a higher-than-ever level in the postmodern world[35], pluralism, pleasure, and the demotic have become the three distinct characteristics of the postmodern culture(Wilson 1990:210). These features are the keys to understanding the distinctiveness of cultural factors in the postmodern context. Since the term "cultural factors" covers almost every aspect of a culture, it would be unrealistic and impossible to address every one of these in this thesis. Therefore, only those that either epitomize NIKE, Inc.'s growth or have contributed to the company's success will be discussed here. Nevertheless, the three distinctive characteristics of postmodern culture will be exemplified by the cultural factors selected for examination.

Identity as Media-Constructed

According to anthropological theory, in traditional societies, one's identity was ascribed, fixed, and stable. Identity was a function of predefined social roles and a traditional system of myths which provided orientation and religious sanctions to one's place in the world, while rigorously circumscribing the realm of thought and behavior. In other words, identity in pre-modern societies was unproblematical and not subject to reflection or discussion. Individuals did not undergo identity crises, or radically modify their identity. In modern culture, self-consciousness comes into its own; one engages in reflection on available social

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[35] The blurred cultural boundaries may be viewed as a consequence of the development of science and technology. On the other hand, the indistinctness of cultural boundaries has contributed tremendously to the rapid growth of science and technology.

roles and possibilities and gains a distance from tradition(Kolb 1986). One can make and remake one's identity as fashion and life possibilities change and expand. Thus, in modern culture, the problem of identity consists in how we constitute, perceive, interpret, and present our self to ourselves and to others.

From the postmodern perspective, as the extension, and complexity of modern societies accelerate, identity becomes more and more unstable, more and more fragile. In this situation, the postmodern theorists reject the very notion of identity, claiming that it is a myth and an illusion. One reads in the Frankfurt School, in Baudrillard, and in other postmodern theorists that the autonomous, self-constituting individualism that was the achievement of modern culture is fragmenting and disappearing, due to the social processes of levelling individuality in a rationalized, bureaucratized, mediatized, and consumerized mass society(Jameson 1983 and 1984; Kellner 1989a). These postmodern theorists have launched an attack on the very notions of the subject and identity, claiming that subjective identity is itself a myth, a construct of language and society, an overdetermined illusion that one is really a substantial subject, that one really has a fixed identity(Coward and Ellis 1977; Jameson 1983 and 1984). It is thus claimed that in postmodern culture, the subject has disintegrated into a flux of euphoric intensities, fragmented and disconnected, and that the decentered postmodern self no longer experiences anxiety, with hysteria becoming the typical postmodern psychic malady, and the subject no longer possesses the depth, substantiality, and coherence that was the ideal and occasional achievement of the modern

self(Jameson 1983 and 1984). Postmodern theorists claim that subjects have imploded into masses, that a fragmented, disjointed, and discontinuous mode of experience is a fundamental characteristic of postmodern culture, of both its subjective experiences and its texts. They argue that in this postmodern media and information society one is at most a "term in the terminal"(Baudrillard 1983) or a cyberneticized effect of "fantastic systems of control"(Kroker and Cook 1986). Deleuze and Guattari(1977) even celebrate schizoid, nomadic dispersions of desire and subjectivity, valorizing precisely the breaking up and dispersion of modernity. Thus, identity is highly unstable and in some postmodern theories disappeared altogether in the "postmodern scene" where: "The TV self is the electronic individual *par excellence* who gets everything there is to get from the simulacrum of the media: a market-identity as a consumer in the society of the spectacle; a galaxy of hyperfibrillated moods...traumatized serial being"(Kroker and Cook 1986:274).

In a recent research article, however, Kellner points out, after examining several mass-mediated artifacts(advertising, TV programs etc.) that "in a postmodern image culture, the images, scenes, stories, and cultural texts of so-called popular culture offer a wealth of subject positions which in turn help structure individual identity"(Kellner 1992:173-174). As Kellner notes further, these images project role and gender models; appropriate and inappropriate forms of behavior, style, and fashion; and subtle enticements to emulate and identify with certain subject positions while avoiding others. "Rather than identity

disappearing", as he declared, "it is merely subject to new determinations and new forces while offering as well new possibilities, styles, models, and forms. Yet the overwhelming variety of subject positions, of possibilities for identity, in an affluent image culture no doubt create highly unstable identities while constantly providing new openings to restructure one's identity"(ibid:174).

The observation made by Kellner epitomizes one of the three distinct features of the postmodern era, which is pluralism. Since it is hard to say whether on the whole plurality of subject positions, or subject models projected by the media is a good or bad thing, it is probably safer to agree with Kellner that the phenomena associated with postmodernity are highly ambiguous and exhibit both progressive and regressive features. Generally speaking, postmodern theorists agree upon an acceptance of multiple and unstable identities in the contemporary cultural milieux that was not the case previously, and images promoted by various forms of media that help postmodern people to shape, and reshape their oftentimes confused identities. In any case, individual identity continues to be the focus of attention as it was throughout modernity, though it has been problematized anew in the contemporary orgy of commodification, fragmentation, image production, and societal, political, and cultural transformation that is the work of contemporary capitalism.

Advertising as Cultural Texts

Another area where pluralism can be observed is advertising. Advertisements have, throughout the twentieth century, become both the point and the counter point of art in, what Walter Benjamin described as, "the age of mechanical reproduction"(Benjamin 1968). This form of art has brought, among other things, a sense of the mobility of the ad as a sign in a recombinant culture to our understanding of our environment, as well as a sense that the meaning of the ad as sign was always contingent upon its relationship to a style. The term "recombinant culture" was first invented by Gitlin, a pop art stylist. It refers to a culture whose centers of knowledge, of power, and of identity, are reproduced from competing and past discourses, where the center is thus contingent and multiple, and where there is constant struggle among competing discourses over that center(Gitlin 1983). The reason for introducing the term here, (instead of using the term "postmodern culture") is that it entails rethinking traditional notions of both the object of cultural analysis and of the relation between economy and ideology in a consumer society. In *Culture Against Man*, Jules Henry points out that advertising is in fact a "quasi-moral institution" which, like any other basic cultural institution anywhere on this planet, has its own way of thought. According to Henry, advertising is based on a complete system of thought which he terms as "pecuniary philosophy"[36](1965). What this philosophy

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[36] Pecuniary philosophy, as Henry defines it, "is a total system, embracing, like some great classical school, not only a metaphysics and morality, but also a psychology, a biology, a history, a poetics, and so on"(1965:58).

does, as Henry states, "is place the product in its proper perspective in our culture, for the product and its attached claim are considered central, while the inert consumer, or rather his head(box) is placed where it belongs---in secondary or, perhaps, merely adventitious position"(1965:58). By saying so, Henry regards advertising not only as means of selling products, but also as means of selling cultural values. Although the statement was made more than thirty years ago, it still holds true today.

One of the first to analyze advertising as a cultural text, was Barthes(1972,1977), whose essays on the commercial image(in the late 1950s and early 1950s) attempted to use semiotics to demonstrate how meaning was constructed through both formalized and taken-for-granted codes. The terrain gained by Barthes, and those who continued to use semiotics to analyze advertising(Blonsky 1985; Williamson 1978), has been important for two reasons: First, it significantly weakened the traditional assumption of a correspondence between representation and what is real; and second, by focusing on text in the analysis of culture, it helped weaken the underpinnings of an assumed communication model based upon the idea of sender> message> receiver. The rhetoric of the image was complexly implicated in the culture of its audience, and the immediacy of its meanings masked its complex codification. For those who are influenced by Barthes, it became difficult, therefore, to discuss the ad merely as an attempt to persuade and convince an audience to accept its message. Instead the ad worked ideologically to naturalize meanings and public realities.

But in this sense, the ad also became the epitome of what Umberto Eco(1979) would describe as the "closed" text--one that tended to anchor meaning and rigidly delimit the range of interpretations.

There is an important but seldom discussed connection between Barthes's work on the ad, pop art's treatment of ads, and the recent postmodernist theorizations of commodity exchange: all have emerged out of and away from modernist treatments of the relationship of parts to stable wholes[37]. In a way, both pop artists and Barthes shared an interest in the most common icons and practices of everyday life, but they also evinced a need to underscore, work through, and deconstruct the very techniques of recombinant culture---techniques that have made authenticity and the myth of originality into rhetorical strategies.

Postmodernist theory emerges alongside Barthes and the pop art movement as a more deadpan appraisal than one finds in early modernist art and thought about a mass-mediated environment, the magnification of surfaces, and the commodification of art and culture. Here too postmodernist theories call attention to a relationship between signification, as an exchange of symbolic meaning and value, and economic systems of commodity exchange. Thus, to comprehend the nature of ads in the postmodern context, it is necessary to consider their involvement in cultural formation, that is, under what conditions they become a context for articulating consensus and how this consensus is predicated upon the

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[37] This is the so-called hermeneutic circle that informs early European structuralism and the early collage and montage theories of modernist artists.

assembling and reassembling of discourses and the recombinant nature of its audiences' culture.

Advertisements, according to Barthes, are an institutionalized textual form that operate through a variety of signifying techniques projected through the media(Barthes 1972 and 1977). Advertisements intervene in or insinuate signs into a field of signification, that is, the magazine as montage, television's "flow" qualities, the billboard or urban poster in Japan, or the decorated freight trucks along American streets and highways. But advertisements, according to Barthes, are also interventions in a chain of signification linked or borne through continual encoding and decoding. There is admittedly a great deal of market research done to target audiences, just as there are a variety of strategies through which advertisements may attempt to discourage "aberrant decodings"[38].

While advertising, as a textual form, may encourage or enable groups[39] to construct relationships among signs, these signs must first be understood as already processed objects in a popular culture. Meaning is thus constructed around texts through a variety of discourses, and in this sense an ad in the postmodern context can be said to have a variety of "power centers"---a point that Barthes seems to make when he notes:

> a text is made of multiple writings, drawn from many cultures and entering into mutual relations of dialogue, parody, contestation, but

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[38] See Barthes's 1972 and 1977, observations about the relationship between photographic images and the linguistic messages of advertising copy.

[39] This will be discussed in detail in the following chapters.

there is one place where this multiplicity is focused and that place is the reader... the space on which all the quotations that make up writing are inscribed without any of them being lost(1977:168).

Barthes is obviously not the only one who thinks in this fashion. As Eco notes in *The Role of Reader*, "A given expression can be interpreted as many times, and in as many ways, as it has actually been interpreted in a given culture framework; it is infinite because every discourse about the encyclopedia[40] casts in doubt the previous structure of the encyclopedia itself"(1984:83). Eco further distinguishes the idea of "encyclopedic competence" by emphasizing that to understand or analyze encyclopedic competence, one must look along its network of interpretation.

Thus, advertising in postmodern context should not be regarded merely as a promotional tool which enables manufacturers to sell certain products. Instead, it ought be viewed as a medium that carries a variety of cultural texts. These texts can be perceived in various ways by readers, depending on their encyclopedic competence.

Sport as Symbolic Refuge

From the life of childhood to the highest achievements of civilization, one of the strongest incentives to perfection, both individual and social, is the desire to be praised and honored for one's excellence... We want to be honored for our virtues. We want the satisfaction of having done something well. Doing something

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[40] Here encyclopedia refers to the encyclopedic competence the public, or the readers have.

well means doing it better than others... competition serves to give proof of superiority(Huizinga 1964:63).

Although the statement made by Johan Huizinga in *Homo Ludens* can be viewed as an partial explanation of the basic motives behind sport, it cannot fully explain the stimulus behind mass participation in sport activities in modern societies. In the later years of the 20th century, there has been a revival[41] of interest in the anthropology of play. However, much of the focus has been placed on the functions of games and sport in indigenous cultures(Ager 1976; Farrer 1976; Rosensteil 1976). Only recently have researchers from various schools of social science begun to conduct analytical research on the expanded connotations of sport in the modern, as well as the postmodern world. In fact, never before in the human history has sport gained so much popularity that it has become not only an important form of leisure activity, but a significant sector of the modern economy. As Calhoun pointed out in *Sport, Culture and Personality*, sport is at the same time an escape from modern industrialism and an expression of it: "The fan who crowds into the stadium or sits glued to his TV set is experiencing a release from the stress of his daily job and is at the same time the consumer of a commodity mass-produced for profit"(1987:111). In a sense, sport not only satisfies one's desire for fun and pleasure, but also serves as a channel through which one can either fantasize about being a winner, or discharge some of the hostility built

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[41] The anthropological study of games can be traced back to 1829 when William Ellis carried out research in the Society and Sandwich Islands of Polynesia on the national importance of games. In 1879 the British anthropologist Edward B. Tylor wrote for the *Fortnightly Review* an article on "The History of Games"(Tylor 1879).

up by social frustration. Furthermore, in a mobile urban world where most people

have few close, long-standing ties, sport gives a sense of roots:

> The sports pages provide some confirmation that there is a continuity in the events and affairs of the larger society...reassurance that is not possible from following current events, the continuity of which is not readily discernible for many readers...Team loyalties formed in adolescence and maintained through adulthood may serve to remind one, in a nostalgic way, that there are areas of comfortable stability in life---that some things are permanent amid the harassing interruptions and transitions of daily experience(Stone 1992:73).

But there are those who see sports as a misleading escape. Writing of the

relationship of Japanese sport to business enterprise, Takaaki Niwa says that for

two reasons the typical modern worker feels alienated from work. First, in

advanced capitalism one works for a large business enterprise whose profits go

to someone else. Second, mass technology and industrial organization are so vast

that one feels overwhelmed. Sport partially relieves this feeling, and at the same

time intensifies it:

> We can discover many worthy and significant aspects in sport today, as a leisure activity connected with the healthy body and mind, etc., but sport is in fact performing the role of channeling a person's attention away from the solution to these alienation problems. When the masses become enthusiastic about sport and its basic appeal, they gradually forget their uneasiness and dissatisfaction which is based on the condition of society. This means that the greater the effect of sport on the unhappy psychological condition of the individuals, the more the individuals are divorced from the solution of problems of social reality(Niwa 1993:55).

Such views on sport in postmodern culture seem to be shared by researchers all over the world. In *Sport and the American Dream*, Howard Nixon pushes this renewed understanding of sport to a higher level, as he declares that when sport becomes the ballet and opera--and more--in the lives of people living in the postmodern environment, it may clarify basic values and affect personal identity issues while providing a feeling or illusion of success, fulfillment, or relief not found elsewhere in life:

> Leisure participation in sport is most likely to be perceived by fans and players as having special significance in their lives when sport is seen as a fantasyland or refuge, free from the harsh realities of everyday life. When sport is seen in the romanticized or idealized terms conveyed by the dominant American sports creed, it becomes a world of traditional values and ideals untainted by the complexities, confusion, and corruption of "real life". These values and ideals are likely to become most meaningful and compelling when they are insulated from reality. Thus, fans and players caught up in lives with ambiguity, uncertainty, and contradictions may resist the intrusion of the "real world" into their leisure sanctuary of sport because they need this part of their lives to serve as a "symbolic refuge" or escape from their everyday problems, pressures, or concerns(Nixon 1984:208).

To summarize views expressed in the above-quoted statements, the functions of sport in the postmodern context where social frustrations, ambiguity, and pressure are ubiquitous, are quite different from those found in pre-modern, and even modern societies. As a form of symbolic refuge, sport today serves not only as an escape from the harsh realities, but as a haven where people feel that they can find values and ideals which seemingly have not been "polluted" by the process of industrialization.

Consumption as Duty

For centuries, the discourse on consumption, whether learned or lay, is articulated on the mythological sequence of a fable: a person, endowed with needs which direct him/her towards objects that give him/her satisfaction. Since a person is really never satisfied, the same history is repeated indefinitely, since the time of the ancient fable. For economists, there is the notion of "utility". Utility is the desire to consume a specific commodity, that is to say, to nullify its utility. And preferences are manipulated by the arrangement of products already offered on the market: this is what they call an "elastic demand".

For the psychologist there is the notion of "motivation" which is a bit more complex, less object oriented and more instinct oriented, derived from a sort of ill-defined, preexisting necessity. For the sociologist and psychosociologist, there is the notion of "socialcultural". The anthropological postulate, of the individual endowed with needs and moved by nature to satisfy them, or of a consumer who is free, conscious and aware of his/her needs, is not questioned by sociologists. Rather, on the basis of this postulate, sociologists allow for a social-dynamics of needs. They activate models of conformity and competition derived from the pressure of peer group, or they elaborate grand cultural models which are related to society and history. Thus, the economist's consumer behavior is regarded as a social, and cultural phenomenon. The need to shop, according to the sociological postulate, is not so much directed at objects, but at values, and the satisfaction of needs primarily expresses an adherence to these values.

Baudrillard rejects the sociological notion of needs and satisfaction by calling

it a "rationalist mythology" that is "as naive and disabled as is traditional

(Western) medicine when confronted with psychosomatic or hysterical

symptoms"(Baudrillard 1988:44). According to Baudrillard, consumer behavior in

the postmodern era, which appears to be focused and directed at the object and

at pleasure, in fact responds to quite different objectives: the metaphoric or

displaced expression of desire, and the production of a code of social and cultural

values through the use of differentiating signs:

> Consumption is a system which assures the regulation of signs and
> the integration of the group: it is simultaneously a morality(a system
> of ideological values) and a system of communication, a structure
> of exchange. On this basis, and on the fact that this social function
> and this structural organization by far transcend individuals and are
> imposed on them according to an unconscious social constraint, we
> can formulate a theoretical hypothesis which is neither a recital of
> statistics nor descriptive metaphysics(ibid:46).

According to this seemingly paradoxical hypothesis, consumption is defined

as *exclusive of pleasure*. In other words, although we experience pleasure for

ourselves, when we consume we never do it on our own(the isolated consumer

is the carefully maintained illusion of the ideological discourse on consumption).

Consumers are thus mutually implicated, despite themselves, in a general system

of exchange and in the production of coded values. In this sense, consumption in

postmodern culture is a system of meaning, like language, or like the kinship

system in traditional societies. "The best evidence that pleasure is not the basis or

the objective of consumption is", according to Baudrillard, "that nowadays

pleasure is constrained and institutionalized, not as a right or enjoyment, but as the citizen's duty"(ibid:48).

In this sense, the pleasure in consumption for consumers in postmodern culture is equivalent to the traditional moral emphasis on the value of labor and production, and cannot be ignored. Since people are spending less and less of their life in production, and more and more time on their well-being, they must constantly be ready to prove their worth through their capacity for consumption. "Just Do It", the renowned NIKE slogan which can be interpreted as "just try it", clearly denotes such a mentality. Similar messages are being conveyed through various forms of media nowadays that consumption as duty has virtually become the core-value of the postmodern time. For example, behind the considerate mask of campaign slogans like "you deserve it", and "this is not the way to treat yourself", etc. lies a distinct message that it is the consumers' duty to consume. Everything must be tried. Since postmodern consumers are constantly haunted by the fear of missing something, pleasure that is, it is no longer desire, nor even taste which are at issue, but a generalized curiosity driven by a diffuse obsession, a morality of fun, whose imperative is enjoyment and the complete exploitation of all the possibilities of experiencing thrills, pleasure, and gratification.

After reviewing theories from various schools of social science on postmodern culture, we notice that individual identity in postmodern culture is more often than not, media-constructed; advertisements, as a significant form of mass media, have helped to shape and reshape individual identities by sending

out various relevant cultural texts(images) to their audiences; sports has also been integrated into the mainstream, or the demotic culture as a way to alleviate tensions and anxieties that plague many people living in the post-industrial era; as a result of highly developed economy in the postmodern world, consumption has become, through the propaganda of mass media, an institutionalized pleasure, and duty for postmodern people. The four phenomena discussed in this chapter epitomize the three main features of the postmodern culture, which is pluralism, pleasure, and the demotic. Combined, these four cultural factors have contributed, whether directly or indirectly, to the growth of NIKE, Inc. in the past twenty years.

CHAPTER FOUR
BEHIND ENDORSEMENTS: THE NIKE IDENTITIES

As early as 1973[42], when NIKE, Inc. was still known as the Blue Ribbon

Sports, athletes endorsements became a top priority for the management of the

company. From Steve Prefontaine, one of the company's first "flagship" athletes,

to John McEnroe[43]; from Mary Decker, one of NIKE's first female endorsements,

to Michael Jordan, and Sergei Bubka[44], NIKE has been spending millions of

dollars on athletes' endorsements not only from the United States, but from other

countries as well. As Strasser and Becklund noted in *Swoosh*, "The thrill of seeing

athletes actually wearing NIKE shoes---knowing that thousands of other potential

customers saw them too---convinced Knight that promotions would be a far more

persuasive way of spreading the NIKE word than advertising..."(1991:150)

Why are endorsements so important to NIKE, Inc.(and perhaps all other

business enterprises)? Are there any cultural implications behind this seemingly

economic behavior? How should we analyze these hidden connotations in the

postmodern context if there are any? In order to find answers to these questions,

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[42] In the spring of 1973, Blue Ribbon Sports signed Steven Roland Prefontaine, a *Sports Illustrated*(June 1970) cover boy, and one of the best distance runners in the United States in the 1970s. In the same year, BRS endorsed tennis player Ilie Nastase.

[43] Tennis player who endorsed NIKE products in the late 1970s.

[44] An Ukrainian pole-vaulter who endorsed NIKE products in Europe in the early 1990s.

the writer will select a few representative cases from the history of NIKE and shed analytical light on them.

The Michael Jordan Phenomenon

Nobody can deny the fact that Michael Jordan has contributed considerably to the market success of NIKE, Inc. As the discussion of NIKE history has indicated, the sales of NIKE shoes have increased rapidly since the company first introduced its Air Jordan[45] line to the consumers. Although there is still some argument over whether it was Jordan who saved NIKE, Inc. or NIKE, Inc. that helped Jordan to acquire his fame, it is obvious that these two names have been closely related with each other. An anecdote recorded by Strasser and Becklund might provide some interesting notes on this issue:

> Before Jordan had played his first regular season game[46], Moore[47] had a location set in the Chicago projects for Jordan's first poster shoot. ... As Seattle photographer Chuck Kuhn's camera flashed, Jordan soared through the air, his legs and fingers spread in the style that later became his "jump man" trademark... Many people passed by and didn't stop. They didn't know who Michael Jordan was, and didn't seem particularly interested in what he was doing(1991:566).

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[45] It is important to note here that the Air Jordan line was not considered a success by the management of NIKE. Despite the profits Michael Jordan had created on the bottom line, Air Jordan "had done nothing less", as one current NIKE employee phrased it, "than keep the NIKE name alive". The reason for the primary failure of the Air Jordan line was because "no one at NIKE was using Jordan to push the product that's named after him."

[46] October 1984 was the first regular season game for Michael Jordan.

[47] Peter Moore, NIKE's art(ad) director at that time.

Once Jordan had appeared in a few NBA games, Moore got together another film crew to shoot Jordan for the NIKE catalogue. He chose another location in the projects. Moore expected much the same routine as what had gone on a month earlier. Instead, there were two hundred spectators, many of them kids, yelling Jordan's name and coaxing him for autographs. When Jordan left the playground, the kids mobbed him and begged for one of his Air Jordan T-shirts. A little girl standing in the middle was Jordan's favorite. He bent down, handed her the shirt, much to her delight, and walked away. The mini-mob followed him to the car, wanting to touch and be touched by him(ibid:566).

While we may view the second incident as a result of NIKE, Inc.'s promotional campaign, we cannot ignore the power Jordan's athletic performance had on the spectators of NBA games. In fact, athletes in the postmodern era have been regarded, to a great extent, as cultural heroes. As noted previously, one of the central problems in the secular realm of postmodern life is the problem of self-construction and the related issues of personal and collective identity. Several authors have argued in recent years that sport has become a particularly effective social mechanism for raising our collective cultural consciousness and reaffirming our sense of personal and collective identity(Guttmann 1978; Loy 1981; MacAloon 1982). Loy, for example, has argued that extraordinary athletic performances provide spectators with "identity voyages" through which individuals achieve vicarious identification with culturally relevant role models and that in the course of their vicarious sport involvement spectators address fundamental existential questions of self-construction, including questions about personal and cultural moral superiority, moral mobility, and moral character(1981).

Similarly, MacAloon(1982) has contended that core cultural themes and anxieties of the postmodern world are reflected and refracted in the performance of athletes and that as spectators we appropriate living persons and turn them into abstract members and ideal representatives of social groups of which we wish ourselves to be members. Olympic sport in particular, MacAloon maintains, operates as an "international Rorschach test" whereby spectators engage in a sort of cross-cultural, semiotic dialogue which enhances the process of self-construction in mass society.

Sport may then be constructed as a particularly powerful form of contemporary ritual(Birrell 1981; Hargreaves 1986; Korsgaad 1990). Fromm(1965:132) argues that in postmodern cultural life "the only phenomenon approaching the meaning of a ritual is the participation of the spectator in competitive sports". It is one of great ironies of postmodern life, as Loy(1982:273) points out, that "a large number of individuals attempt to fulfill their highest needs of self-esteem and immortality through the rites of sport rather than the rites of religion".

The theoretical notions presented here coincide with preliminary findings the researcher derived during data-collection. Among the six high school students interviewed in New York, Seattle, and San Francisco respectively, five brought up the issue of Michael Jordan and his role-model position for youth:

> Why do I buy NIKE shoes? Well, they(NIKE, Inc.) make funky basketball shoes, you know. I like to play basketball. And I want to play like Jordan. He's so cool, man ("D-man", high-school student

in New York).

Well, NIKE shoes are...cool, I think. I don't know. I just buy them(laugh). A lot of guys in school wear NIKE. They think they can slam and jam like Jordan if they wear them. That's silly (Joe, high-school student in San Francisco).

I think Michael Jordan has a lot to do with kids buying NIKE stuff. He is a...role model for them, you know. Have you ever seen him play? Boy can he jump! Too bad he retired (Kelvin, high-school student in New York).

In a sense, consumers, especially those who are facing the challenge of identity construction, tend to attach the identity of their heroes(idols), and to the products they represent, even though the so-called heroic identities are mostly media-constructed, or merely reflect a few highlighted skills(or *character*) of the heroes. By buying these products, many believe, though often on a subconscious level, that the identity of their heroes will be transferred to them[48]. Therefore, certain sports products, sneakers for instance, with their attribute of being competition-related and most importantly, everyday-life-related (you can wear them every day), are therefore chosen by millions of people around the world to fulfill such psychological and cultural needs.

From the business perspective, athlete endorsements mean nothing more than an effective marketing strategy. If we bring this seemingly economic behavior into a larger, cultural context, however, we instantly notice that the reason why athlete endorsements are considered an effective means of business promotion is because

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[48] This can be viewed as both a form of sympathetic magic and a form of contagious magic, commonly found in association with shamanism in premodern cultures.

there is a phenomenon called "idol worship" or "imitation of heroes" in the first place. In this sense, such endorsements are in fact manipulations of the psychological need for identification which many of us share, and which has been observed throughout human existence. Therefore, the rapid growth of NIKE, Inc. can be partially credited to the athletes whom NIKE signed during the past twenty years, for they have given NIKE, the abstract, and often misunderstood[49] brandname, the concrete, and heroic identity that millions of consumers can relate to. What the public media termed as the "NIKE image" can be thus interpreted as a combination of identities(or mentalities) that different NIKE athletes exhibit through their competitive performances, and/or through their media presence.

In speaking of the NIKE image, or NIKE identity, it is necessary to draw attention to another important strategy adopted by NIKE, Inc. to boost its image among consumers, although this strategy falls more under the category of advertising than under athletes endorsements. In the late 1970s, NIKE, Inc. started a personality ad campaign designed to familiarize consumers with the company, and thus make them feel more at home wearing its products. Carried with humorous headlines[50], the personality posters presented during the campaign featured various images of NIKE employees, from Bill Bowerman, one of the

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[49] When Blue Ribbon Sports first used Nike as the brandname for their own products, many thought it was Mike.

[50] The poster that features a group of NIKE sales managers sitting in an airport waiting room reads: "THE LESS WE SEE OF THEM THE BETTER". The one that portrays Jeff Johnson says "OUR FIRST EMPLOYEE IS STILL WITH US. WE THINK."

company's co-founders, to little-known sales managers[51]. Later, NIKE, Inc. carried on this tradition and presented more personality posters featuring different athletes who had endorsed NIKE products. As the posters gained popularity, athletes started requesting poster clauses in their contracts. By 1981, NIKE had designed and produced over a dozen NIKE personality posters. As requests poured in from consumers---and retailers---"what started as in-store promotional items became a business. NIKE stopped giving away posters and started selling 30,000 of them a month at $3 apiece"(Strasser and Becklund 1991:374).

The popularity of NIKE personality posters is by no means a coincidence. Like NIKE shoes, these posters serve as visible channels through which the invisible personalities of the heroes can be touched by, and eventually transferred to their owners. In this sense, athletes endorsements in the postmodern context can be compared with religious practices in indigenous cultures where people believe power and magic can be transferred to them if they are touched by their gods, and/or by anyone who is powerful(e.g. a shaman), and where people treasure and worship things which are related to supreme beings. The difference between the two practices, however, is that people today worship their heroes[52] and things that are associated with them on a fairly subconscious level. One

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[51] Similar strategies have been widely adopted by many business enterprises, from Ford, to Fred Meyer.

[52] The word "heroes" is used here only to refer to living role-models(e.g. athletes, Hollywood stars, etc.).

interesting response pattern the researcher noticed when talking with different informants is that almost 95% of them would not admit that admiration for certain athletes was the reason why they purchased NIKE products. It is always others who would "fall for such naive things." However, as the statements made by the three high school students indicate, most people do recognize the close connection between sports products and athletes who endorse them.

Another issue that must be addressed when analyzing the Michael Jordan phenomenon is its racial connotation. As we go through the list of NIKE athletes, we find more white players than black players; yet those on whom NIKE, Inc. spent most of its money to are all black athletes: Michael Jordan, Bo Jackson, Charles Barkley, just to name a few. While some might argue that such media-created superstars are themselves top players from the so-called "major sports" (e.g. basketball, baseball, football etc.), where NIKE, Inc. sells most of its shoes, and therefore it is natural(and understandable) for NIKE, Inc. to use these athletes as chief spokespersons, we should not ignore the fact that African-American youth are also the chief buyers of NIKE products, especially basketball shoes. Although NIKE, Inc. says only 14% of its sales are to non-white consumers, PUSH(People United to Serve Humanity) statistics show that "basketball shoe sales to blacks amount to $200 million a year---30 percent of such sales"(*The Christian Science Monitor* Nov.23, 1990), and NIKE, Inc., according to a more recent statistic, holds more than 50% market share in the basketball-shoe category(*Footwear News* July 26, 1993 p.30). Another statistic indicates that 30%,

or $669 million of the $2.23 billion per year sales at NIKE are minority

purchases(Jackson 1993:27). The result of the researcher's customer-count[53]

studies at three sportswear stores on both coasts of the United States further

proves the credibility of these statistics(Table 2.):

Table 2.   Customer-Count Study at Three Cities in the U.S.

Location of Study	Time (hour)	White	Non-White	Total	Percentage
Foot Locker, Downtown San Francisco	1	14	23	37	W=37% N=63%
Sneaker City Downtown Seattle	2	17	21	38	W=44% N=56%
Foot Locker, Uptown New York	1	3	19	22	W=13% N=86%
Total	4	34	63	97	W=35% N=65%

W=White; N=Non-White.

With such a high percentage of sales coming from minority customers, the

motives behind NIKE, Inc.'s black athletes endorsements turn lucid. By portraying

minority super stars in their commercials, NIKE, Inc. is hoping to generate more

profits from minority customers, especially African-American youth, who can

easily relate to such heroic images, and therefore are more likely to purchase

NIKE products.

Several recent incidents may further indicate that the NIKE marketing

strategy has been a success: During the Los Angeles riot in March 1992,

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[53] The original purpose of this study is to find out the total number of customers coming into
a store within a given period of time, and the percentage of those who purchase NIKE products.

sportswear stores were reportedly the favorite targets for young looters[54], and NIKE sneakers were the hottest items. In October 1992, one Foot Locker store in L.A. was ransacked by a group of inner city kids and $6,000 worth of NIKE shoes were stolen (*Los Angeles Times* October 17, 1992). A *Vanity Fair* feature story on NIKE, Inc. declares that "NIKE had come to mean so much to the children of the inner cities that violence, even murder, had been committed in order to obtain the high-priced Air Jordans"(Deford 1993:56); Columnist John Leo, writing in *U.S. News & World Report*, asserted that "the NIKE slogan 'Just Do It', was a nihilist battle cry for 'people mired in the ghetto' to do almost anything"(ibid:56).

Michael Jordan, the so-called NIKE "pitchman supreme", acknowledged in an interview with *Dissent*, his anxiety over the above "NIKE-related" crimes and his regret over being a "slave":

> The trouble is, it turned out kids with not so much money were killing other kids to strip their shoes. Were we teaching them that material stuff is more important than thou shall not kill? All the charity stuff NIKE started doing don't quite erase this in my mind... Sure, having a black star shows we're the best at this particular gig, we define what the top is and how it looks... But then we find ourselves co-opted to stand behind some killing. Just getting up there we're saying shoes are worth killing for. And the NIKE slogan, dig it, is "Just Do It!"... So it occurs to me all the stars doing TV ads are slaves...you got to load up the people with all kinds of falseness that degrades them and keeps them from ease or beauty or real learning, and that can even set them killing. But you can't help it, you a slave(Larner 1992:527).

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[54] It is not the intention to make a necessary association between African-American youth and looters. A discussion of the Los Angeles riot in broader terms is beyond the scope of this paper.

Today, more and more super stars like Jordan have come to realize their responsibilities as role models for millions of consumers. Not long ago, Michael Jordan proposed to NIKE that he would reduce his commercial fee to $1 million if the company will let him speak his own words, without cuts or changes. The result of the proposal is a recent TV ad which aired on several major networks in March 1994. "If there's no sport," as Jordan asked his admirers in the ad, "will I still be a hero?"

To conclude the discussion in this section, the following quote shows that Phil Knight himself thinks athlete endorsements are the key to his success:

> It saves us a lot of time. Sports is at the heart of American culture, so a lot of emotion already exists around it. Emotions are always hard to explain, but there's something inspirational about watching athletes push the limits of performance. You can't explain much in 60 seconds, but when you show Michael Jordan, you don't have to. People already know about him. It's that simple(Willigan 1992:100).

Is NIKE Male?

If what is discussed in the previous section is one side of the NIKE identity, the other side is the gender image which the company has established among consumers. During the data collection phase of this research project, the researcher asked informants[55] about the gender image of NIKE (see Appendix

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[55] These informants include those whom the researcher randomly selected in different cities to fill out the questionnaire forms.

1 for question asked). Their response is summarized by the following statistics(Table 3):

Table 3. Result of Survey on the Gender Image of NIKE

Survey Location	Total Number Surveyed	M	F	N
New York City	96	43	22	31
San Francisco	58	20	14	24
Seattle	36	18	11	7
Portland	40	18	7	15
Total	230	99	54	77
Percentage	100%	44%	23%	33%

M= Number of people who think NIKE is male. F=Number of people think NIKE is female. N=Number of people who are not sure.

The statistics derived from the survey indicate that the image of NIKE to a plurality of informants, is in fact male[56]. It is interesting that, the word "NIKE" is actually the name of the Greek Goddess of Victory. What makes these informants relate this feminine name[57] to a masculine image?

The answer to this question can be found once again in the list of NIKE athletes. Although NIKE introduced "Senorita Cortez", the first nylon running shoe for women in 1976, and even ran an ad in *Runner's World* in the following

[56] A "brand power survey" that NIKE, Inc. commissions each year indicates that in a perfect world, the shoes that 77% of the teenage BOYS in America want---as opposed to ones they actually have or can afford---are NIKEs.

[57] In fact, only a few people the researcher interviewed knew that NIKE is the name of a goddess in Greek mythology.

year to promote another type of female running shoe called "Lady Waffle Trainer"[58], it was not until 1979 that NIKE obtained an endorsement from a female athlete. Today, female athletes still constitute a fairly small percentage on the list of NIKE endorsements. Since the NIKE identity, as discussed previously, is a combination of personalities which various NIKE athletes have demonstrated either through their athletic performances, or through the media, and especially through advertising, the obvious imbalance in the frequency of portraying male and female athletes would inevitably lead consumers to depict the NIKE image as being masculine.

Such an imbalance, as a matter of fact, can be analyzed from an historical and cultural perspective. Many goddesses in Ancient Greece(including the one whom NIKE is named after) exhibited physical prowess in epic stories(e.g. Atlantis, the Amazons) which stressed the superiority of women. However, for centuries females have virtually been excluded from the arena of athletic competition. In general, women in Western cultures did not publicly participate in physical activities to any great extent until the late 19th century. Even then, only "functional" activities such as riding horses(side-saddle only), skating(on the arm of a gentleman at first), and cycling(at first as passengers only) were considered appropriate activities for "ladies"(Gerber et al. 1974; Lucas and Smith 1978; Spears 1978; Boutiler and SanGiovanni 1983). Participation and competition remained restricted, and debate continued through the 1950s as to whether women should

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[58] The shoes was little more than a scaled-down version of the men's Waffle Trainer.

compete at all. To some extent, this debate continues with regard to distance, strength, and endurance events, although current record times of women in some swimming and track events exceed those of men who competed in the same events before World War II(ibid), and the differential between male and female records in the same events has decreased considerably in the past 50 years.

Contemporary arguments suggest that the female who competes ultimately must decide whether to fulfill her socially sanctioned, ascribed role as female or ignore these norms and achieve her full potential in sport. Although social(cultural) sanctions against women's involvement in sport have been relaxed in the past 20 years in the context of the women's movement(Birrell 1984; Blinde 1989; Hall 1984; Theberge 1985), biases still exist. Today, women receive far less media coverage from the press, radio, or television for their sport involvement. In North America women's sport represents about 15% of all newspaper sport articles, 3% to 7% of the content of sport magazines, and 1% to 3% of the articles in women's magazines(Boutilier and SanGiovanni 1983; Hilliard 1984; Rintala and Birrell 1984). This marginal coverage occurs at all levels of sports competition, from local youth sport to Olympic events. Even where women are featured, much of the coverage is allocated to sports that confirm a feminine image of sport(e.g.figure skating) or trivialize women's sport. There is little coverage of women's team sports, and the women featured are often cast in negative light---as flawed heroines, emotionally troubled, lonely, torn by conflict, and as unusual people(Messner 1988).

As a result of the differential treatment of women's sports in the mass media, female athletes are seldom considered as viable role models for youth. Compared with their male counterparts, female athletes are also less likely to be signed for endorsements by major corporations. In this sense, the sex-imbalance of NIKE endorsements reflects the general cultural bias towards women's involvement in sports. The business rationale behind such imbalance is simple, and explicit: Since female athletes are less likely to become role models, there is no point using them to attract potential customers. What this seemingly sound logic will lead to, however, is gender-imbalance on the part of customers. Although there is no accurate statistics indicating that most of the NIKE customers are male, the researcher's questionnaire survey shows, though to a limited degree, that male respondents have better scores than female respondents when asked "Which company uses Michael Jordan as its spokesperson?" (Table 4.):

Table 4.   Gender Difference in Recognizing Connections between Michael Jordan and NIKE, Inc.

Gender	N1	N2	Percentage
Female	71	49	69%
Male	113	110	97%

N1= Total Number Surveyed; N2=Number of respondents who picked the right answer.

In fact, NIKE, Inc. has been suffering from the consequences of its gender imbalance in athletes endorsements, as Reebok, NIKE, Inc.'s chief competitor in the U.S. has taken over the profitable female athletic footwear market. In 1981, when NIKE was still busy endorsing male athletes, Reebok chose as its primary

marketing target working woman and housewives who were starting to do a new exercise called aerobics. By incorporating fashion ideas, Reebok aerobic shoes became instant hot-sellers. In 1982, Reebok sales jumped from $3.5 million to $12.8 million(Strasser & Becklund 1991:506). In 1990, when NIKE, Inc. finally realized the potential of the female market, female customers had already accounted for 42% of all athletic shoes purchased in the U.S., and Reebok had the largest share in this section of the market(Foltz 1991). Despite the fact that NIKE has spent millions of dollars during the past several years in an effort to win female customers, Reebok is still considered the leading seller in the female athletic footwear market---not only in the U.S., but around the world.

While the management at NIKE, Inc. may regret the course it set more than a decade ago, there's a lesson to be learned: The image a company presents to the public determines the type of customers the company will attract. As the analysis of the Michael Jordan phenomenon indicates, business corporations today, unlike their predecessors half a century ago, no longer rely on the quality of their products to establish long-term relationships with their potential customers. Rather, by adopting, and promoting media images with which their targeted customers can identify, modern corporations intend to develop a more *reliable* connection with the consumers. Termed as "emotional ties", this connection will be valued more by people living in a world where almost everything has been commercialized and affect in primary social relationships has waned. As Phil Knight, chairman of NIKE, Inc. recently remarked:

...from the beginning, we've tried to create an emotional tie with the customer. Why do people get married--or do anything? Because of emotional ties. That's what builds long-term relationships with the customer, and that's what our campaigns are about(Willigan 1992:92).

CHAPTER FIVE
JUST BUY IT: THE CULTURAL SIGNIFICANCE OF NIKE COMMERCIALS

Most informants raised the issue of NIKE advertisements, be they TV commercials, or print ads. In fact, many first learned about the company through its often impressive and powerful commercials. In a sense, the success of NIKE, Inc. can be accredited to its successful advertising campaigns. What makes NIKE commercials successful? How should advertising be examined in cultural context? What kind of cultural significance do NIKE commercials entail?

The concept of advertising as a form of cultural text was discussed earlier(see Chapter 3). To place this concept into a broader cultural context, it is necessary to examine how messages carried by different advertisements are transmitted to consumers. To do so, attention must be given to specific examples of discourse found in the texts themselves. As Barthes suggests, the text is an intricately woven fabric of meanings--text here referring to the complex structuring of signs whose meanings emerge through a variety of codes, or sign-systems. Understanding or reading texts is, therefore, a process of deciphering within one's relative discursive competence or of unravelling meaning by stretching or testing one's competence. The text, likewise, may be viewed as a site intersected by many discourses, where discursive and cultural literacy is actively engaged within concrete, historical situations and where meanings are constructed, negotiated, and contested. The texts analyzed here are NIKE television commercials and print

ads that are considered successful in promoting the image of both the company and its products among consumers. And since texts are produced, gain definition, and acquire "monetary value"[59] and even status within social formations, they do so not only through aesthetic, representational, and cultural codes and practices, but are largely determined by these formations, as the following examples indicate.

"Air Jordan" and the American Dream

During the Final Four NCAA Tournament on April 1, 1985, when Air Jordan was first offered for sale in sportswear stores all over the United States, a powerful NIKE commercial appeared on the television screens of America. The commercial done by Chiat/Day showed Michael Jordan soaring through the air, reminiscent of a 747 airplane taking off. His slow-motion leap ended in his now-famous poster dunk and a question:"Who says man was not meant to fly?" The direct market effect of this commercial was observed by Strasser and Becklund: "Little kids and big ones lined up in stores to get the shoes worn by America's latest hero"(1991:572). In a recent article, Katz noted that:

> The thirty seconds of film(Air Jordan commercial) moved people all over the country up close to Michael Jordan's genius and his grace, and because of a brilliant alchemy that has since made NIKE such a profound force in the culture, the shoes on his feet became as magic carpets. So often since then have Jordan's singular physical gifts been decorated with a superhero's mythos that it is now

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[59] Texts in postmodern society have been commodified by the powerful mass media.

difficult to locate a three-year-old--or, for that matter, a Trobriand Islander or an Inuit hunter--who can't tell you that Jordan is a NIKE man(1993:56).

As we analyze the basic content of this successful commercial, we find that it represents a modern mythology: *A man who can fly*. Apparently, nobody would believe in the superficial message the commercial sends. However, it is the mythified portrayal of a living person that has touched millions of consumers, especially youngsters who desperately need a hero whom they can see, and touch in a certain way. In other words, what the commercial sends to its targeted consumers is exactly what they want to see. There are several signs involved in this particular commercial: a) an athlete; b) the sky; c) a pair of shoes; d) a question. Combined together, these signs deliver the hidden, yet distinct message that the company intends to send to its customers: *A man can fly when he wears Air Jordan shoes*. From the consumers' perspective, however, this hidden message can also be interpreted in other ways, as each receiver processes the intended message through an individual decoding system. For example, the message can be interpreted as "I can fly like Jordan if I wear Jordan shoes." Or, "I can do whatever I want if I wear Jordan shoes." No matter what message each individual receiver will eventually draw from the commercial, it will most likely arouse the desire to own a pair of Air Jordan shoes. This is because all the signs involved in the commercial are considered positive, and in a sense sacred in the cultural context where the message transmission occurs, and thus confer a positive value on the shoes. Moreover, as mentioned in Chapter 3, relationships among these

signs may be constructed because they are understood as already processed objects in a popular culture. In this particular case, the image of Michael Jordan, the sky, and the shoes are all familiar and comprehensible signs to the receivers. To illustrate this point, it is necessary to examine these signs individually. First, as noted previously, athletes are often considered cultural heroes in Western cultures, and therefore are positive images to most Western people; second, the sky is often connected with the idea of heaven, holiness, and sometimes the concept of freedom in the West(and also in some other cultures); third, basketball shoes, with their relation to sports, a major part of Western, and especially American culture, also generate positive reaction from viewers; fourth, the question asked towards the end of the commercial is in fact a verbal summary of the meaning conveyed by the previous three signs: Man is meant to fly.

After analyzing the content of the Air Jordan commercial, the next step is to explore its cultural significance. In fact, almost every NIKE commercial shown in the past eight years conveys a common message, or what NIKE employees during interviews called, a "central theme". The same theme is not only reflected in each NIKE ad campaign, but also is exemplified in the well-known NIKE slogans such as "There Is No Finishing Line", and "Just Do It". The theme may be considered as a symbol of the American spirit, a belief that drives millions of people to fulfill their American Dreams(Larner 1992:528). By sending out a mythology-like message to the viewers, the advertisement is actually telling them that they can

accomplish anything they desire. This illusory, and in a sense, misleading message epitomizes the American values.

Studies of American values over the past few decades have shown that Americans tend to care a great deal about achievement, success, material comfort, and "getting ahead"(Mizruchi 1964; Williams Jr. 1970; Lehman 1979; Rokeach 1973). The combination of these values with others concerning equality of opportunity, ambitiousness, and hard work forms a complex of values regarding success and the means of attaining it that can be referred to as the "American Dream". This concept of the American Dream implies that the United States is a land of boundless opportunity in which upward social and economic mobility and success are regularly achieved by the ambitious and hard working, regardless of their social origins. Although the pursuit of the American Dream through hard work has become a less discussed topic in the past few decades, as consumerism has swept over the United States, it can still be found on sports fields, where hard work, achievement and success are so openly and explicitly emphasized, and where the rags to riches stories are so often told by the mass media with athletes as the main characters. As Howard Nixon points out, " it now seems part of the popular imagination that young men from humble social origins are regularly propelled into lives of instant celebrity and permanent financial security through the use of their physical gifts and hard work in professional athletic careers"(1984:10). The reason why Michael Jordan is considered a role model(or

hero) by many inner-city youngsters can thus be found in the belief of such

Horatio Alger stories:

> I think this has a lot to do with the thing called the "American Dream". People in this country believe they can do whatever they want if they put their minds and hearts into it. That's what the American culture is all about. Now NIKE(commercial) is telling people they still have their chances to win, to succeed. People would definitely buy it(the ideology). That's exactly what people want to hear. They... we need such kind of encouragement(Jason, a male college student at a northwestern university).

> With the recession, many people have lost their faith in the so-called American Dream. Many companies have moved their manufacturing bases to the Far East, or where they could find cheaper labor. Even NIKE. But the NIKE commercials seem to tell people that they can still make it. Illusion or not, they sort of push people to do what they can do. Why is Michael Jordan so hot in the last couple of years? He is a symbol of the American Dream(Daniel, Executive Manager of a California-based company).

Thus, the cultural significance of the Air Jordan commercial, and perhaps

all NIKE commercials, becomes explicit. The commercial, with its mythical

portrayal of a sports star, reassures, and confirms the traditional ideology that has

all but vanished in postmodern culture. For people who still hold the American

Dream, such reassurance and confirmation creates a bond between a NIKE

product, or the identity of a NIKE product to be more exact, and their personal

beliefs. This might also explain in part the reason why minority customers

account for a comparatively large percentage of NIKE sales[60]. Furthermore, the

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[60] Reasons for this can also be found in the social-economic status of minorities in the U.S., especially that of African-Americans. However, due to the nature of this particular study, it will not be elaborated here.

economic recession that plagued America in the early 1990s made encouragement like this all the more treasured by countless demoralized Americans. In this sense, NIKE commercials have gone far beyond being an emotional tie between the company and its customers; they are vehicles by which millions of people regain their hopes, their morality, and their long-lost belief in the American Dream.

"Revolution" and Lifestyle

In 1987, the release of a new NIKE commercial aroused much debate among professionals on Madison Avenue, and thousands of Beatles fans. The choppy-style, fast-cut commercial featured black-and-white clips of average Americans and NIKE athletes, with *Revolution*, the original Beatles song as the background music. To many, the commercial merely meant a radical departure of the NIKE image from mainstream to marginal. For those who still fondly remembered the revolutionary 1960s, the use of the Beatles was in fact an insult to a holy era. The "Revolution" campaign led to a press conference in which Philip Knight had to launch a vigorous defense against an outraged army of Beatles fans protesting commercialization of a song that had inspired many to join the fight for peace and love(Lockwood 1992:12). The original intention of the commercial, as Knight later explained, was "to communicate not just a radical departure in shoes but a revolution in the way Americans felt about fitness, exercise, and wellness"(Willigan 1992:99).

However controversial the campaign appeared to be, it achieved its purpose. The direct effect of the advertisement was that NIKE products "became the standard for the industry immediately thereafter"(ibid:99). What makes this plain(and insulting to some) black-and-white commercial so successful? The answer is, once again, the cultural significance the commercial entails. By showing pictures of ordinary Americans together with images of NIKE athletes, the ad conveys a distinct message which in a sense, demythologizes the image of sport the company has been trying so hard to build. While the "Air Jordan" commercial constructs a modern mythology, the "Revolution" campaign tells viewers that this mythology no longer exists. While we may view the switch from myth constructing to myth demolishing as mere marketing strategy which aims at a larger market, where the targeted customers are not only idol-seeking youngsters, but people at different age levels, and from all walks of life, we may also study such departure from a broader, cultural perspective.

What is behind the black-and-white pictures and the typical '60s style lyrics of *Revolution*? The revolution is that sport is no longer merely a type of physical competition, but rather a complete life style. This bears relationship to the notion of sport as a symbolic refuge in the postmodern world(see Chapter 3), where frustrations and anxieties are evident in all parts of social life. This particular function of sport in postmodern culture can also be exemplified by the use of leisure for mass participation in sports activities in most industrialized societies. As Guttmann(1978) noted in his study of sport, the attachment of sport to the

realm of the transcendent no longer exists. In other words, sport today has gone far beyond being ritualized physical competitions for professional athletes(e.g.Olympic Games). It has become a "secular" activity that the public can enjoy. What Guttmann didn't foresee, however, is that the secular motivation behind modern sports is no longer confined to the mass-spectator phenomenon. Rather, it denotes the fact that millions of people have already incorporated sports into their lifestyles as a way to achieve health, and in a certain sense, self-confidence.

We can analyze this altered perception of sport in the light of the American Dream. Although the American Dream ideology encourages a syndrome of competitive striving and a sense of individual responsibility for success and failure, it also emphasizes a sense of equality. This sense of equality in sport can be epitomized by a democratized understanding of sport and fitness which more and more people have come to share:

> Well, sport is more like a life style today. Fifteen years ago, people were really serious about sport. I don't mean we aren't now. But in those days, sport was more like a competition. Well, it still is. You know what I mean... Today you can go to some gym, pump some iron, and feel really good about yourself. It's not just about competition. It's more about... self-esteem. Yeah, that's the word. I tell you, you can look like those pros if you workout hard(Jim, 39, a California bus driver).

> To me, sport means fitness. I go to the gym three times a week to do aerobics. I don't want to look like those models in fashion magazines. I just want to feel good about myself. I want to look healthy(Kathy, 22, a female college student at a northwestern university).

I would go out in the morning after the kids have gone to school, and take a walk in the neighborhood, in my NIKE shoes, of course. I need some exercise, you know. Even though I'm a full-time homemaker, I still feel that I should exercise more. I'm thinking about taking some aerobic lessons(Leslie, 43, a Seattle housewife).

In fact, similar understanding of sports, health, and fitness is shared by most of the informants the researcher interviewed. While they might be confusing the term "sports" with "exercise", such confusion in terminology reflects to some degree, the merger of professional sports with the democratized perception of exercise and fitness. By mixing images of common Americans with images of superstars, and by using a song which is politically suggestive, NIKE's "Revolution" campaign can be viewed as an affirmation of the new belief.

Such affirmation can also be exemplified by the 1992 NIKE campaign which featured John Lennon's 1970 song *Instant Karma*. Interestingly enough, there was no ripple of protest from the Beatles fans this time. The two-and-half-month campaign featured shots of Michael Jordan and runner Joan Benoit Samuelson, among others, in NIKE's Air Huarache athletic shoes. In the background are Lennon's lyrics:"You'd better get yourself together... Who in the world do you think you are? A superstar? Well, right. You are"(Lockwood 1992). The message conveyed in this TV commercial is similar to the hidden note delivered by the "Revolution" campaign, as it affirmed to thousands of viewers that they themselves are superstars.

"Dialogue" and Feminism

Another NIKE campaign which generated positive responses from both the customer and the market was called by many NIKE employees the "Dialogue" campaign. What is interesting about this shoe commercial is that it does not contain the image of shoes. In fact, as *ADWEEK*'s Barbara Lippert commented, "NIKE's new message is so compelling that the shoes are almost beside the point"(Lippert 1991:33).

Compared with the 1988 NIKE TV spot which shows triathlete Joanne Ernst saying, "And it wouldn't hurt if you stopped eating like a pig, either", the "Dialogue" campaign depicts women in a totally different way. No muscles, no sweat. Presented to readers in 1991[61], this print campaign comprised three separate print advertisements. The first one, featuring a girl in physical education class, reads: "You wouldn't wear a bra. You couldn't wait to wear a bra. You couldn't fit into a bra..." The most important lines are, "You became a significant other", and then, "You became significant to yourself." The second ad uses a photo from the early 1950s of a dressed-up mother and daughter on a sofa (Figure 3.). With lines that read, "You don't have to be your mother", and, "If you want to inherit something, inherit their strength", the ad explores a woman's relationship with her mother. The third ad (Figure 4.) features a rarely seen photo of Marilyn

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[61] "Dialogue" won the 1991 Stephen E. Kelly Award for the best magazine advertising campaign.

Figure 3. "Dialogue" Campaign 1

Figure 4. "Dialogue" Campaign 2

Monroe gazing calmly out of a window, along with the text: "A woman is often measured by the things she cannot control", "And statistics lie". The campaign was widely applauded by feminist groups all over the United States. In fact, within eight weeks, NIKE received more than 50,000 calls on its 800 line from people who praised what they saw, and asked for reprints(Willigan 1992:100). Like the two commercials analyzed in the previous two sections, the positive reaction generated by the "Dialogue" campaign can be seen as a reflection of the so-called postmodern condition. In this particular case, it is a sign which indicates the current ideological formulation of the feminist movement.

The essence of feminism is a demand for sexual equality, and a demand for a more "feminist perspective" on the world(Baehr and Spinder-Brown 1987; Brunt 1982; Coward 1987; Spender 1983). However, the early stage of the women's movement was characterized as extremist, and actions of its advocates were seen as naive, as the idea of equality was misinterpreted to be equivalent to mere duplication of the male mentalities, and even male behaviors. This circumstance led to many stereotypes of feminism, and the women's movement.

One of the areas where the stereotypes appeared was in regard to women's involvement in sports. As mentioned in Chapter 4, women have been excluded from the arena of physical competition for most of Western history. Women athletes, for a long period of time, had to contend with the fact that for many people sport did not fit their idea of a woman's role. Polish sociologist Barbara Krawczyk quotes an outdated statement made in 1913 by a Harvard professor:

Sport, in the form that it exists at present, nothing but a loss of time and often in pretext for flirtations. The only sports... which could and best serve to develop the female body are simple household chores, which put all the muscles into motion. There is nothing more useful for the strengthening of the leg muscles and to avoid obesity, than often to run up and down stairs. The best means to develop the muscles of the chest and the small of the back is washing floors with both hands and in a kneeling position. Sweeping floors strengthens the muscles of the shoulder blades, carrying buckets is an excellent athletic exercise. A woman who is baking bread and kneading the dough achieves magnificent development of her upper limbs. An exercise worth recommendation, too, is laundering--an hour at the wash tub means more than an afternoon of playing tennis(Krawczyk 1973:48-49).

This statement, however absurd it may seem as we read it today, reflects the mentality of a male-dominant society that severely restricts women's involvement in sports. To fight against such prejudice, many female athletes have been trying their utmost to prove to the public that they can be as fast, as strong, and even as macho as their male counterparts. In fact, today, efforts to achieve sexual equality can be observed in almost every section of the social, economic, and political life. As a result, more and more people have come to the acknowledgement that women are in fact physically, and mentally equal to men. What follows this concession, however, are disputes among advocates of the women's movement themselves, as questions have been prompted by a sense of the historical connection between rationalist ideals of equality and the belief in personal choice and taste. The most important trend of women's movement, as a result of the debate(or self-examination of the feminist movement), has been a loss of confidence in the idea of *false consciousness*: in other words, in the thought

that spontaneous aesthetic and emotional responses should be criticized in the light of a feminist analysis of sexual relationships. To reject false consciousness, as many feminists now hold, is to take a large step towards abandoning the politics of enlightened modernism, for it means rejecting the view that personal autonomy is to be reached by way of a progressive transcendence of earlier, less adequate levels of insight into the operation of male power. Influential in this respect has been Elizabeth Wilson's book *Adorned in Dreams: Fashion and Modernity*, which deplores the rational dress tendency[62] within feminism and affirms "fashion" as a (potentially) oppositional medium of expression:

> Socially determined we might be, but we consistently search for crevices in culture that open to us moments of freedom. Precisely because fashion is at one level a game... it can be played for pleasure(1985:244).

The same theme has been taken up by journalist Suzzanne Moore, who has written in defense of women's glossy magazines:

> We are waking up to the importance of fantasy, pleasure and style, and to awareness that a politics that excludes them will never be truly popular... We cannot just pull pleasure into the correct ideological space through political intention alone. The idea that we ever could results from an air of moral elitism prevalent on the left and unwittingly absorbed by feminism(*Women's Review*, August 1986).

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[62] The idea of rational dress was proposed by early advocates of feminist movement, who believe that traditional female dress behavior is a result of male exploitation, and that fashion should be "sexless".

And more recently, Brenda Polan of *The Guardian* has mounted the following

attack on feminists who reject standard notions of how women ought to look:

> The puritans whose criticism disturbs me most are women who are
> self-righteous in their espousal of the belief that lack of artifice
> equals virtue. Aggressive lack of artifice...declares a refusal to
> please, to charm, to be easy on the eye. It is an awesome arrogance;
> a declaration that no improvement is necessary, that the aesthetic
> consensus is mistaken and those subscribing to it fools(August 25,
> 1988).

In all these texts the idea of *pleasure* is prominent. While it can be interpreted

as either the pleasure of women themselves, or as the pleasure they give to

others, it does not refer in the least sense, to the narcissistic satisfaction

traditionally allowed to women. Rather, the new insight into pleasure can be

viewed primarily as the *true consciousness* of women, and as a reflection of the

maturity of the feminist movement in postmodern culture. It indicates that more

and more women have realized that femininity is no longer a synonym for

powerlessness.

The cultural significance of the "Dialogue" campaign, therefore, is that it

speaks to the wakened women with a productive, encouraging, and emotional

voice. The messages it delivers are unambivalent and proud. While the danger of

talking to women in such a manner is that it could reek of the preachy, it is

necessary to do so, for women are not given lines like that very often, not in

magazines that run cover lines such as, "Why I sleep with your husband", and not

in ads that shows moms and daughters comparing "freshness". As Jules Henry

sadly acknowledged thirty years ago, "Industry spends billions exploiting the

capacity of American women to lend themselves to unreality"; and since American culture "gives women no firm role except an erotic one, but rather surrounds them with ambiguities, they fit readily into tree-houses or any other kind of commercial fantasy"(1965:61). However, there are no such fantasies in the "Dialogue" campaign. Although commercials that portray erotic female roles still exist thirty years after Henry made this observation, it is evident that things are changing. The advertising campaign, like the women's movement today, display more female confidence and consciousness. The ad with the photo of Marilyn Monroe can be seen as a perfect example. Although the late Hollywood star is known as a seductive subject, she embodies all the contradictory cultural impulses about women. In this ad we do not see the mask, or the trademark sex kitten wink or full-lipped pouty whispery kiss. What we see is a Marilyn who confronts all of us directly. She is not the elusive object, but instead a woman with an open, soulful face and a strong, graceful hand on her cheek.

If the "Dialogue" campaign is an indicator of the current development of feminism, the way it was received by the general public may be a sign of the true consciousness of femininity, which millions of women have gained through their fight for sexual equality. In this sense, the success of the "Dialogue" campaign can be attributed to its affirmation of the new ideology of the women's movement.

In early 1994, NIKE, Inc. launched another print campaign which targeted the female market. Run in several major female fashion magazines(e.g.*Vogue*, *Harper's Bazaar*,etc.), the campaign featured different questionnaires that NIKE sends out

to some of its celebrity female customers. The answers given in one of the ads

could serve as a perfect summary of the three issues discussed above, and thus

worth quoting here in part:

> When did you start your involvement with sports?--------------------
>
> "It used to be an involvement... now it's a <u>lifestyle</u>..."
>
> What have you accomplished through sports?-----------------------

> "Sports has helped me <u>UNLOAD</u> a lot of stuff...taught me how to,
> go for it! When I was younger, it could have gone either way for
> me, but it went the <u>positive</u> way! Playing volleyball gave me self-
> confidence. In sports, you have to work... to win! It's great... it's up
> to you!!"

Dan Wieden, creative director and co-owner of Wieden & Kennedy[63], noted

recently that the effort to make honest contact with the customer is what makes

NIKE, Inc.'s advertising so successful:

> This approach to advertising seems to be in synch with the times,
> and I think that's why people respond to NIKE ads. Products and
> services today have to have value and live up to their promise, but
> a spec sheet approach to marketing won't sell anything. As the
> world gets more dehumanizing, people want the trust and
> familiarity of a long-standing relationship. Building that relationship
> requires a brand with personality and advertising... The process of
> creating brands and relationships is also the process by which you
> create the values our culture operates on, so it has huge ethical
> component(1992:97).

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[63] The Portland-based advertising firm started working for NIKE in 1981. During the past 13 years, the firm has created many successful NIKE campaigns, including "Revolution", "Just Do It", and "Dialogue", etc. Today, Wieden & Kennedy is heralded as one of the hottest ad agencies in the U.S.

Although the above discussions have brought into light the cultural significance of some NIKE commercials, it is still necessary to draw the readers' attention to the business nature of advertising. No matter how emotional a commercial appears to be, it is still a commercial. It is still, as Henry would put it, a form of commercial exploitation of the consumers' capacity to consume. For "in pecuniary philosophy 'educate' means to inspire to buy, 'dream' means to dream about products..."(Henry 1965:69). In other words, what is underneath those touching words, and beautiful, dreamy images is one clear message: Just buy it! However, compared with those ads that boldly rely on manipulation and cunning, "which were effective in the 1980s when greed and self-interest prevailed"(Wieden 1992:97), the ethical awareness epitomized by the NIKE commercials may be seen as a new trend for advertising in the 1990s. In this sense, the popularity of NIKE commercials may be seen as a symbol for the advent of a more mature, and ethically-aware consumer.

CHAPTER SIX
SWOOSH THE WORLD: GLOBALIZATION OF NIKE

Thirty two years ago, when Phil Knight and Bill Bowerman created Blue Ribbon Sports, it was merely a small regional distributor of Japanese athletic shoes. Today, NIKE, Inc. has become the champion brand builder. Its campaign slogans--"Bo Knows," "Just Do It", "There Is No Finishing Line"-- have moved beyond advertising into popular expression. Its athletic footwear and clothing have become a piece of Americana. Its brand name is as well-known around the world as IBM, Levi's, and Coke. To those who know little of NIKE, Inc.'s past, globalization is the ultimate developmental stage of the company. Such speculation itself is not totally groundless, as that is exactly the path many other multinational corporations have taken--- from regional management to global operation. However, NIKE, Inc.'s going global does not seem to be a result of its domestic success; rather it is more like something that has helped the company to win the title of champion brand builder. As we consider the history of NIKE, we realize that one of the major contributing factors to the company's success is the global-mindedness of its management. In fact, almost all NIKE products are manufactured overseas[64]. While there is irony in the symbol of Americana being created abroad, there are more significant issues beyond the irony that should be

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[64] Although Dusty Kidd, NIKE spokesperson, declared in late 1992 that NIKE shoes are assembled in Asia and the shoe's components are made in the USA, the creditability of the declaration remains questionable.

analyzed. For instance, how should globalization of major business enterprises like NIKE be regarded by social scientists? How does such a global trend fit into the notion of cultural imperialism and media imperialism? And finally, what is the cultural impact of global operation? To deal with these issues, we must discuss the concept of global operation and the nature of transnational business practices.

Global Operation and Consumerism

The term "global operation" is often used by economists to refer to business practices that transcend national boundaries[65]. A business may be entirely contained within the borders of a single country even though its effects are transnational. For example, there may be within one country a demand for a product which is unavailable from domestic suppliers. The retailer places an order with a supplier who fills the order from a foreign source. Neither the retailer nor the consumer needs to know or cares where the product comes from, though some countries now have country of origin rules making the display of this information mandatory. There may be a parallel situation in the supplier country. Local producers may simply sell their products to a domestic marketing board or wholesaler and neither know nor care who the final consumers will be.

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[65] Although the term "global operation" can also used in political and military contexts, it is more often regarded as business terminology.

The multinational corporation enters the scene when sellers, intermediaries and buyers are parts of the same global organization.

One important, tangible consequence of the expansion of the global economy has been that manufacturers around the world are becoming interdependent. In the meantime, however, transnational business practices have been vested with great political and cultural-ideological significance. A good example can be found in one of the economic policies adopted by the Clinton Administration which uses human rights conditions as a criterion for conferring MFN(Most Favored Nation) status on some foreign countries. Another less visible consequence has been that boundaries between traditionally defined cultures have become blurred. Today, one may drink Diet-Coke, drive Japanese cars, wear French perfume, and watch Hollywood movies all in one day. Thus in this postmodern condition, the world has become a "global village". The lord of this emerging village, as Bagdikian points out, are those who control the media(1989). According to Bagdikian, these media controllers purvey their product (a relatively undifferentiated mass of news, information, ideas, entertainment, and popular culture) to a rapidly expanding public, and eventually the whole world. He argues that national boundaries are growing increasingly meaningless as the new lords strive for total control in the production, delivery, and marketing of the cultural-ideological goods of the global capitalist system. Their goal is to create a buying mood for the benefit of the global troika of media, advertising, and consumer goods manufacturers:

Nothing in human experience has prepared men, women and children for the modern television techniques of fixing human attention and creating the uncritical mood required to sell goods, many of which are marginal at best to human needs"(1989:819).

As a matter of fact, the mass media perform many functions for global capitalism. They speed up the circulation of material goods through advertising, which reduces the time between production and consumption. They begin to inculcate the dominant ideology starting from an early age, and in the words of Esteinou Madrid, they are "creating the political/cultural demand for the survival of capitalism"(1986:119). The systematic blurring of the lines between information, entertainment, and promotion of products lies at the heart of this practice. This has not in itself created a culture and ideology of consumerism, for these have been in place for at least the last century and perhaps longer in the industrialized countries and among comprador classes elsewhere. What it has created, however, is a reformulation of consumerism that transforms all the public mass media and their contents into opportunities to sell ideas, values, products, in short, a consumerist worldview. In this sense, the medium *is* the message, because the message, or the culture and ideology of consumerism has engulfed the medium. Thus the main issue here should be how to understand global capitalism, the system that produces and reproduces both the message and the media that incessantly transmit it.

Consumption in postmodern context(see Chapter 3) can be interpreted as a duty, or institutionalized pleasure for the individual consumer. Such duty, as we

place it in the global capitalist system, can be viewed as a media-enforced consumer belief. In an attempt to demonstrate the connection between global capitalism and the culture-ideology of consumerism, Featherstone develops a useful composite picture of contemporary consumer culture, which is worth quoting here in full:

> 1. Goods are framed and displayed to entice the customer, and shopping becomes an overtly symbolic event.
>
> 2. Images play a central part, constantly created and circulated by the mass media.
>
> 3. Acquisition of goods leads to a "greater aestheticisation of reality"(1987:21)

The end result of these processes is a new concept of lifestyle, enhanced by self-image. This concept "glosses over the real distinctions in the capacity to consume and ignores the low paid, the unemployed, the old"(ibid:22), though the ubiquity of the culture-ideology of consumerism actually does include everyone, or perhaps at least all urban dwellers, however poor, because no one can escape its images. It must be added, too, that very few people on their own would choose to escape the culture-ideology of consumerism and what it represents in terms of what is the good, or better, life. Therefore, the potential of global exposure to global communication, the dream of every merchant in history, has arrived. The socialization process by which people learn what to want, which formerly occurred mainly within their families, and/or schools, is increasingly taking place through the media of the global communications industries.

Thus a picture of the global village, or global system can be drawn graphically as follows: The system is basically an artifact of global operations, and the behaviors of multinational corporations. While political practices(e.g. the MFN issue, economic sanctions, etc.) serve as the principles of the organization of the system, the cultural-ideological practices are the nuts, bolts, and the glue that hold the system together. Without them, parts of the system would drift off into space. Furthermore, it is important to note here that the control of ideas in the interests of consumerism is also crucial to the stability of the system. Without consumerism, the rationale for continuous capitalist accumulation would dissolve.

NIKE and Global Operation

One interesting aspect of NIKE, Inc. is that the company started as an importer of foreign-made athletic shoes and ended up as one of the world's biggest brand-builders of foreign-made athletic shoes. While this statement may sound like a word-game, it accurately reflects one important feature of NIKE, Inc., that is, global operation. Twenty-three years ago, the first NIKE shoes were manufactured in Mexico. Today, NIKE products are manufactured by contractors all over Asia and South America. Meanwhile, NIKE, Inc.'s overseas distributors are selling their products to consumers around the world. However, in order to understand global operation in the case of NIKE, two important issues need to be addressed. First, where are NIKE products manufactured? Second, how does the company promote its products abroad? To those who know NIKE, Inc. merely

through its domestic image, as discussed in previous chapters, the answers to these questions may seem surprising.

Asian Labor and American Success

As Mark Clifford, a writer for *Far Eastern Economic Review* declares:

> NIKE is as American as Coca-Cola. Part of its appeal to the millions of people around the world who buy its athletic shoes is that NIKE is selling a sense of freedom. "Just Do It!" exult NIKE's advertisement(1992:5).

However, there is a rough side to this picture: "the ruthlessness with which NIKE pares its costs"(ibid). Behind this glamorous all-American success are hundreds of thousands of cheap Asian laborers. Today, all but 1% of the 90 million shoes NIKE, Inc. makes each year are manufactured in Asia, where the average cost of labor is among the world's lowest. Ever since the company found its first contractor in South Korea in 1976, it has been on the lookout for cheap production sites. If costs in a particular country or factory move too far out of line, either productivity will have to rise to compensate, or NIKE will take its business elsewhere. Today the company uses about 40 factories in Asia; 20 have closed in the past five years and another 35 have opened(Figure 5.):

> Asia excels at this unforgiving game of economic Darwinism, a fact that NIKE's founder and chairman, Phil Knight, understands perhaps better than any other American businessman. NIKE may look like an all-American enterprise, but its success relies on its ability to harness Asia's spectacular manufacturing expertise(Clifford 1992:56).

Figure 5. A NIKE Factory in Indonesia.
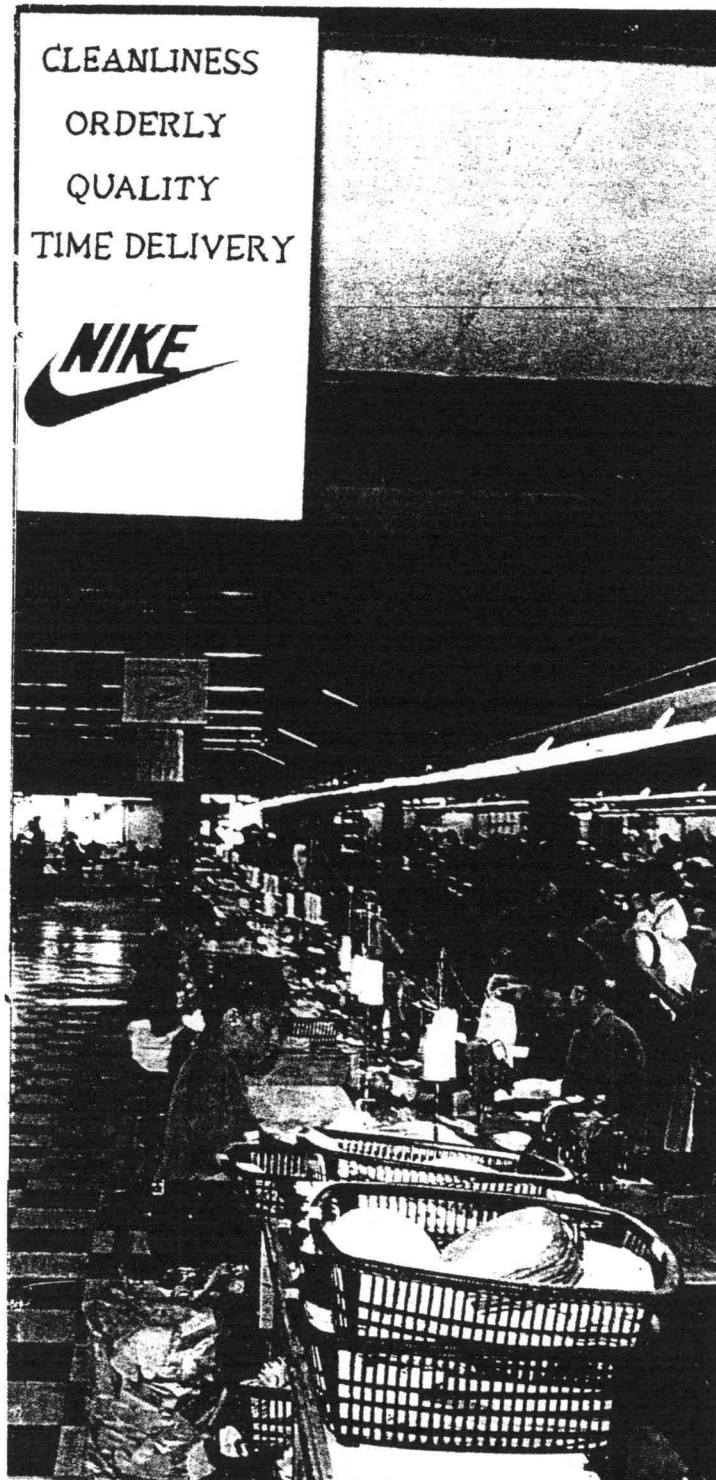
How does NIKE, Inc. harness its Asian work forces? At the company's headquarters in Beaverton, Oregon, designers collaborate with marketing specialists to conceptualize the shape and feel of next season's stylish athletic shoes. There are 1,000 models of shoes in NIKE, Inc.'s product range, and over 100 new types are produced each year. The blue prints are relayed by satellite to their contractors' CAD/CAM (computer-aided design/ computer-aided manufacturing) systems in Taiwan, where the plans are turned into prototype shoes that can be manufactured on a production line. In South Korea, the two contracting companies receive the plans by fax. Engineers at both locations then work out detailed plans of how to manufacture shoes designed in the U.S. The shoes can then be produced at the contractors' factories around the region. Of NIKE, Inc.'s 7,800 employees, only 610 work at the contractors' sites in Asia. They are primarily involved in ensuring that factories produce shoes of the right quality and meet their delivery schedules. Approximately 75,000 Asian contract workers are making NIKE products, fourth-fifths of them producing shoes, the rest apparel(Table 5).

In fact, the way NIKE, Inc. operates its overseas production is similar to other multinational corporations in the way they control their sub-companies abroad. The only difference is that NIKE, Inc. relies entirely on its foreign contractors in terms of product manufacturing. While this may reduce the total cost of production, and thus make NIKE products more competitive in the market, it also increases the risk of production being affected by the social,

Table 5. NIKE's Major Contractors in Asia

Name of Company	Output (as of 1992)*	Production Sites
Feng Tay	13.0	Taiwan, Mainland China
Bao Cheng	9.0	Taiwan, Mainland China
Bu Yeung Chemical	7.8	South Korea, Indonesia
Taekwang	7.5	South Korea, Indonesia
ADI	7.2	Taiwan, Mainland China, Thailand
Saha Pathana	7.0	Thailand
Samyang Tongsang	4.0	South Korea

* in millions of pairs of shoes   Source: *Far Eastern Economic Review*(Nov.5,1992)

political, and sometimes cultural changes in countries where the contractors are located. For instance, the MFN issue has been a time-bomb for NIKE, Inc.'s manufacturing sites in mainland China[66], where about 10% of NIKE shoes are manufactured each year:

> If China loses its most favored nation status, NIKE's costs of doing business through China will mount, primarily because of increased tariffs... tariffs would jump from 8 or 9 percent to 35 percent, and as high as 90 percent for some items(Delvers 1991:1).

High tariffs are something neither NIKE, Inc. nor its Chinese partners would want to see. To avoid such a catastrophe, NIKE, Inc. often has to act politically, expressing major concern not for profit, but for political, and even human rights conditions of people living in host countries. For example, NIKE, Inc. officially lobbied for MFN status for China in 1991, saying that "It requires something a

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[66] Up till now, NIKE, Inc. has four manufacturing sites in mainland China. They are located in Tianjin, Fujian, Guangzhou(Canton), and Shanghai.

little more skillful than a sledgehammer to approach them with"(Delver 1991:16).

Grant Hanson, NIKE's east coast counsel stated during the lobbying that

American companies' "continued presence will provide the positive change

everybody is seeking in China. But it's not going to happen overnight"(Delver

1991:16).

While the underlying motives of NIKE, Inc.'s lobbying are transparent, the

statements made by Donahue and Hanson are not entirely profit-oriented. The

hit-two-birds-with-one-stone approach in this particular case is consistent with a

belief that has been guiding some policy-makers on the Capitol Hill. As Richard

Donahue, president and chief operating officer of NIKE, Inc. declared during the

1991 lobbying, "Capitalism is the ultimate corruption of communism"(ibid:16). If

this statement was made only to refer to the China case, the rationale behind it

can be generalized as a common ideology shared by many American

businessmen, and politicians alike, that is, to capitalize the world. While the

ideology itself is business-oriented, it can be viewed also as a political belief that

grows out of the intention to Americanize the world.

Being labeled as "cultural imperialism", or "cultural hegemony", this

intention has been widely criticized by researchers from various schools of social

sciences(Kivikuru 1988; Lee 1980; Sinclair 1987; Tunstall 1977). The cultural

imperialism thesis argues that the values and beliefs of "powerful" societies are

imposed on "weak" societies in an exploitative fashion. In its neo-Marxist version,

this usually means that First World capitalist societies impose their values and

beliefs on developing Third World countries. Similar arguments have also been used to try to explain the consequences of the deleterious influence of the U.S. media on other countries.

Although the phrasing of the term "cultural imperialism" would make many believe that it means nothing more than a conspiracy, the business side of it, to a limited degree, has helped the invaded countries solve some of their internal problems (e.g. employment, foreign currency exchange, etc.). One of the NIKE employees the researcher interviewed made the following observation:

> Although the wages we pay those workers are kind of low by the American standard, they are still relatively higher, in some cases much higher than the average local rate. For example, in China, well, you know how much they earn over there... we pay our workers there $80-100 per month, which is higher than the monthly wage of some of the Chinese lawyers. And in Indonesia, we pay our workers 14 cents a hour, which is four times the average local wage...

Even Phil Knight himself denied the allegation that NIKE Inc. is a cultural imperialist that profits from cheap labor in Third World countries(Katz 1993:64):

> We're not gouging anybody. Our gross profits are around 39 percent, right on the industry standard. We make our profit on the volume. A country like Indonesia is converting from farm labor to semiskilled---an industrial transition that has occurred throughout history. There's no question in my mind that we're giving these people hope.

It is not the writer's intention to ignore the ugly side of cultural imperialism. Nevertheless, we should be aware of the fact that cultural imperialism is a product of the global capitalist system. Although the current situation indicates

that capital and ideas flow only one-way, meaning from highly developed nations to less developed countries, this does not necessarily mean that the more advanced countries will take over the less advanced ones, as the latter are also getting stronger each day economically and politically through the development of their own industry, and through accumulation of capital. Although the less advanced countries will not become strong overnight, the change will take place eventually. Since capitalism seems to be the only game to play, let everyone have a piece of it!

Selling the American Dream

In previous chapters we examined the content as well as the cultural significance of some of NIKE, Inc.'s influential commercials shown in the United States. However, the campaign strategies that NIKE, Inc. adopts for its overseas market still remain a mystery. Today, international revenues now represent 36% of the company's consolidated revenues(NIKE 1993:26). If building up emotional ties with the customer is the main feature of NIKE's domestic commercials, what theme does the company adopt to promote its product overseas? To answer this question, we must scrutinize some of NIKE, Inc.'s overseas commercials[67], and their impact on consumers around the world. We will begin with Europe, the

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[67] The commercials analyzed here are the ones shown in Europe and Asia, two of NIKE's biggest international market.

continent where modern sports originated, and also the place where international brand names like Adidas and Puma were created.

Although Europeans know what sneakers do, getting them to "just do it" is no easy task, as many of them have already laced up Adidas and other domestic brands for decades. Besides, athletic shoes have yet to become major part of consumer life styles. In order to match what the company has achieved in the U.S. market, NIKE, Inc.'s goal was to transform the sneaker from a well-cushioned foot covering into a lifestyle badge, and to turn the company's signature Swoosh logo into a trademark of the lifestyle NIKE, Inc. has been promoting. To do so, NIKE adopted its old "four-fold marketing strategy--- advertising, advertising, advertising and being damn creative about it"(Grimm 1993:13). As O'Kennedy, director of marketing for NIKE Europe, noted in a recent interview:

> If you walk into someplace predisposed to looking for differences, you 'll find plenty. The problem is, it's so damn hard to do one good ad, any ad, anywhere, that the logistics of doing 16 of them in one targeted culture are impossible. If you walk in looking for similarities, you'll find those as well. The only truly unifying culture in Europe, among its youth, is American culture. American sports are a big part of that. Following that into your advertising, a certain spot might be 10 degrees off in one country, but that's acceptable weighed against a greater impact across the Continent"(1993:13).

The above statement can be viewed not only as the central theme that NIKE uses to promote its product in Europe, but as a general description of an interesting phenomenon in Europe. Two European students the researcher interviewed shared their opinions on the issue:

A lot of European youngsters are crazy about America, and the American culture. Because that's something we grew up with. We watch American movies, listen to American music, even read American magazines. So that's the culture we are familiar with. We think that's great. But my parents, and many older people don't think that way. They think Americans are too arrogant, and too... much(Renee, 26, an international student from France).

NIKE shoes are very expensive in England. But many young people still like to buy them. They think that's American. NIKE shows a lot of American culture in their advertisements, and that's where many people got that impression(Devon, 26, an international student from the U.K.)

In February 1993, NIKE unveiled its pan-European campaign that features NBA star Charles Barkley, 400-meter world record-holder Quincy Watts and Ukrainian pole-vaulter Sergei Bubka in three lavishly produced operettas, entitled, respectively, *Barkley of Seville, Don Quincy* and *The Magic Shoe.* In one spot, Barkley whistled for a foul, goes on a melodramatic tirade and kills the referee, at which point a dark figure appears and penalizes him by taking away his sneakers. The campaign was welcomed by audiences all over Europe, and NIKE sales at many European countries increased after the airing of the commercial. It was considered to be so successful that NIKE even used the commercial for its domestic promotional campaign.

The cultural significance of the above commercial is obvious: By showing an American basketball star, it gives a European audience, especially those who grew up with American soap-operas, Hollywood movies, and pop music, a sense of American culture. Meanwhile, the European athletes appearing in the commercial serve practically the same role as Michael Jordan assumes for kids in America.

Moreover, to the general European audience, these two European athletes are their own heroes and thus are more likely to be accepted by a large number of people who reject the American influence in Europe. Using opera, an art form which originated in Europe, and thus is often seen as a symbol of European culture, is another factor that contributed directly to the success of this particular campaign. Generally speaking, the commercial blends its trademark sports iconoclasm and humor with a definite European flare. It shows the European audience the best part of both the Old and the New World. In this sense, the American Dream has become, once again the selling point of NIKE products in the European market.

NIKE, Inc. treats its Asian market in a similar fashion. Until recently, NIKE, Inc. would make advertisements for a US audience and let its overseas operations dub the soundtrack. "You'd have a black basketball player mouthing Mandarin," a Taiwanese student recalled. "It was very funny." While NIKE used to make its shoes and sportswear in Asia, it now sells them in the region as well. In fact, the Asian market contributes about $500 million of the company's total revenues of $4 billion in Fiscal 1993. This figure represents a 66% jump from 1992(NIKE 1993:26). Rapidly rising sales in Asia are especially important as NIKE struggles to overcome slowing growth in the U.S.

In China, for instance, NIKE, Inc. is concentrating on trying to get its shoes into stores and to ensure that those stores know how to display products that are extremely expensive by Chinese standards. At present, the company has 250

retailers in various parts of the country. According to Neal Lauridsen, NIKE, Inc.'s Asia/Pacific vice-president, "the 1990s will be the decade of China as a consumer base."

To promote its products in Asia, advertising has become a major challenge for NIKE, as Asian buyers are quite different from their European counterparts. In Asia, selling a product requires a more direct approach. The fuzzy, soft-selling image advertising which makes NIKE shoes popular in the West does not work in Asia, where consumers often regard direct advertising as an indicator of the honesty, and thus trustworthiness of manufacturers. As a Chinese saying goes, "you have to let people know what kind of medicine you are selling in your gourd[68]".

Despite the difficulties of doing "traditional" NIKE commercials in Asia, the solution has once again been found in American culture. In early 1993, NIKE, Inc. launched a television campaign made exclusively for an Asian audience. The commercial features Charles Barkley dribbling a basketball through the streets of a stage-set Tokyo. Squaring off against him is Asia's most famous monster, Godzilla. The cartoon-like presentation of a match between a basketball star and a science-fictional monster can also be analyzed at a symbolic level. While Barkley serves again as the symbol of American culture, the Godzilla, a character from a Japanese movie, and in a sense a symbol of Japan's economic revival after World War II, represents the emerging economic power of Asia. While this may be

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[68] Gourds were often used by doctors in ancient China as medicine containers.

interpreted as a kind of cultural clash, it also reflects a common mentality in many Asian countries, which can be interpreted as a mixture of Western ideologies and traditional Confucian values. As in Europe, NIKE's Asian campaign also combines elements that both cultures are proud of, and thus can be appreciated by Asian consumers without any difficulty.

In China, one of NIKE, Inc.'s major markets in Asia, where advertisements reappeared in the media only 14 years ago, direct-selling becomes all the more important. In 1993, NIKE, Inc. opened its retail store on the fashionable Huai Hai Road in Shanghai, the largest city in China. Although the company did not win permission from the city government for a run through Shanghai's streets, which are among the world's busiest, as a way to celebrate (or advertise) the grand opening of the store, it did arrange something just as eye-catching, and just as American. At a grand-opening dinner party, six scantily clad women—the few clothes they were wearing came from NIKE's aerobic line—did aerobics to the tune *New York, New York*, and Madonna's *Material Girl*. Meanwhile, NIKE commercials that feature Michael Jordan wearing NIKE products were also doing well in China's booming consumer market. School children recently surveyed in Beijing and Shanghai agreed that the two greatest men in history were Zhou Enlai, the late Chinese Premier, and Michael Jordan, a hero from Chicago, Illinois(Xie 1994:11).

By analyzing the promotional strategies which NIKE, Inc. adopts to expand its international market, we notice that bond-building is again a major

characteristic of NIKE, Inc.'s overseas commercials. By combining symbols of American culture, which have global influence, with symbols familiar to consumers specific to other cultures, NIKE, Inc.'s overseas commercials serve as a medium through which consumers all over the world may get to know NIKE products and the associated NIKE identity. Therefore, the global projection of a unified, yet culturally relevant NIKE image is an important factor in NIKE, Inc.'s global success. In a recent interview, Phil Knight pointed out that sport "is the culture of the United States", and that before long it will define the culture of the entire world(Katz 1993:56). Whether or not this statement proves true, the sense of Americana and freedom promoted in NIKE commercials does encourage consumers in various parts of the world, especially those who are economically and/or politically oppressed, to fulfill the American Dream, or at least to own a symbolic piece of it, that is, the NIKE product.

In this sense, NIKE, Inc., like Hollywood, is a dream factory for the postmodern world. If Hollywood movies have *shown* the world the American Dream, NIKE, Inc., together with other multinational corporations in America, are *selling* the dream to people around the world through advertising. As Baudrillard observes, "we consume the product as product, we consume its meaning through advertising"(Baudrillard 1988:10). It is the meaning that gives a product identity, and it is the identity that makes us love or hate. In this sense, it is the meaning of NIKE, and not its physical product that makes it NIKE!

CHAPTER SEVEN CONCLUSION

The analysis of cultural factors behind the growth of NIKE,Inc., however limited and subjective it appears to be, has indicated explicitly that NIKE's success is not merely a business phenomenon, as many believe. Although the cultural factors analyzed in the previous chapters are only part of what has enabled NIKE, Inc. to achieve its status as a giant in the athletic footwear industry, they appear all the more important as we view them from a critical perspective; they can be regarded as the chief contributors to the company's success. These factors are instrumental in timing, location, and access to the right customers.

First, the post-industrial era provided NIKE with an unprecedented opportunity to expand its market not only across America, but to the whole world. As the researcher noted in the previous few chapters, the ubiquitous mass media has become so pervasive in the postmodern image culture that it offers a wealth of subject models which in turn help structure individual identity. Commercial images project role and gender models, appropriate and inappropriate forms of behavior, style, and fashion, and subtle enticements to emulate and identify with certain media-constructed identities while avoiding others. In fact, this media-dependent age is what every businessman on this planet has been dreaming of, as it has created a reformulation of consumerism

that transforms all the public mass media and their contents into opportunities to sell ideas, values, products, and in sum, a consumerist worldview. In other words, it allows manufacturers/sellers like NIKE, Inc. to send out to their media-dependent customers messages which make them believe that consuming their products is the only chance, or a spiritual channel, through which they can get in touch with, and eventually become various role/gender models projected by these messages.

Second, advertising as one powerful form of mass media in postmodern culture has led many to regard consumption as their god-given right, and even more so, their duty. As noted previously, advertising as a pecuniary philosophy, and a textual practice often attach images/texts of pleasure, happiness, and fulfillment, with the commodity it tries to sell. NIKE commercials, with their mythified depiction of sports heroes, underlying traditional values, and political-correctness, are perfect examples. The result of the attachment, therefore, is that it helps create a buying mood for consumers by making them believe that consumption is itself an enjoyment which cannot be extricated from their lives. This buying mood is crucial for manufacturers/sellers like NIKE, as it guarantees them large numbers of consumers who are less likely to be critical about their products, and who will be searching for pleasure and fulfillment, which are the meanings sold along with the products. Everything consumers need to know about the product has already been told in the commercials. Sometimes what they

are told even includes possible reactions they can expect from others. Thus what is left for consumers to do is, "just buy it!"

Third, the popularity of sports in postmodern culture has helped turn NIKE, Inc. from a small company selling sneakers to professional track-and-field athletes, to a multinational corporation with millions of customers around the world. As noted previously, sport today not only satisfies one's desire for fun and pleasure, but also serves as a channel through which one can either fantasize about being a winner, or discharge the hostility built up by social frustrations. In other words, it performs the role of a symbolic refuge where millions of people can escape from the harsh realities posed by society. In addition, it may serve as a haven where long-lost values and ideals can be resurrected. Furthermore, as people become more conscientious about the real meaning of health, sports has been incorporated into postmodern lifestyles as a way to achieve a healthy body and self-confidence. These factors have all contributed, though to various degrees, to the popularity of sport in postmodern culture, which in turn provides NIKE, Inc. with a vast consumer market.

Fourth, using American values, or the American Dream as a selling point has helped NIKE, Inc. to gain popularity worldwide. American values, as defined in Chapter 5, consist of beliefs in freedom, equality of opportunity, ambitiousness, and hard work, etc. The pursuit of these values, though obstructed by the pursuit of wealth and fame in the 1980s when consumerism swept the country, can still be exemplified by sports. Therefore, by projecting sports-related images/messages

that either imply or advocate American values in its promotional campaigns, NIKE, Inc. has made many Americans turn their passion for the American Dream[69] into a passion for NIKE products. Globally, manipulation of the American Dream enabled NIKE, Inc. to reach an increasing number of consumers all over the world who have learned to admire the American way of life as a result of the global projection of American lifestyles through the powerful mass media[70]. As mentioned previously, NIKE, Inc., like Coca Cola and IBM, has already become a piece of Americana. Furthermore, NIKE products are often seen by consumers in various parts of the world, who may feel constrained politically or socially, as a symbol for freedom, and thus have become popular in the overseas markets.

Generally speaking, the above-mentioned cultural factors are what the researcher terms as contributing elements in the process of NIKE, Inc.'s rapid growth. However, they can also be viewed as the epitome of NIKE's success. No matter what else is said, buyers and sellers are intertwined through cultural symbols. The awareness and manipulation of these cultural factors, whether conscious or subconscious, are what make NIKE, Inc. a juggernaut in the athletic footwear industry. However, recent statistics show that recent NIKE sales have gone flat at both the domestic and the overseas market, as other athletic shoe

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[69] This also includes the passion many Americans have developed towards sports, which is often viewed by common Americans and cultural anthropologists alike as one important aspect of American culture.

[70] The leading role America plays in world's economic/political life is another causal factor for such admiration.

companies join in the shoe war. New Balance, a new competitor in the athletic footwear industry launched a television campaign on major networks recently, claiming that "We don't pay celebrities to wear our shoes", and "that leaves us money to do other things... like building better shoes".

Does this mean the quality-issue has become, once again the major concern of consumers, or does New Balance misread its customers? Some informants the researcher interviewed predicted a rise in the popularity of New Balance among young consumers, as both NIKE and Reebok became so "mainstream" that they have lost some of their "coolness". Fashion change, as some NIKE employees stated, also affects NIKE, Inc.'s future development, and will force the company to come up with new ideas. While it is not the researcher's intention to discuss this issue here, cultural factors will continue to play a role in the success or failure of the advertising strategies of multinational corporations such as NIKE, Inc. and its competitors.

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APPENDICES

Appendix 1. Sample Questionnaire Form

1. Do you have any preference in brand-names when buying sneakers?

    A) No.   B) Yes.   C) Sometimes.   D) Don't Know.

2. If your answer is B) or C), which brand-name(s) do you prefer?

    A) Reebok.   B) Nike.   C) Avia.   D) Adidas.   E) Others(Please specify)_____

3. Did you buy any sportswear within the last 12 months?

    A) Yes.   B) No.

4. If yes, what's(are) the brand-name(s) of it?

    A) Reebok.   B) Nike.   C) Avia.   D) Adidas.   E) Others(Please specify)_____

5. "Just Do it" is the campaign slogan of which of the following companies?

    A) Reebok.   B) Nike.   C) Avia.   D) Adidas.   E) Don't know.

6. What does "it" in the above mentioned slogan refer to in your opinion?

    A) Any kind of sports activities.   B) Anything you want to do.   C) Don't know.

7. Which one of the following sportswear companies uses " ✔ " as its logo?

    A) Reebok.   B) Nike.   C) Avia.   D) Adidas.   E) Don't know.

8. Which one of the following companies uses Michael Jordan as its spokesperson?

    A) Reebok.   B) Nike.   C) Avia.   D) Adidas.   E) Don't Know.

9. If comparing NIKE to a person, how do you describe its gender?
    A) Female.   B) Male.   C) Don't know.

10. Please mark the age group you are in.

    A) 10-14. B) 15-19. C) 20-30. D) 31-40. E) 41-50. F) 51-60. G) 60 and above.

11. You are: A) female. B) male.

Appendix 2. Results of the Questionnaire Survey (Total usable forms=184)

1. Do you have any preference in brand-names when buying sneakers?

   A) No=54 (29%).   B) Yes=101 (55%).   C) Sometimes=26 (15%).
   D) Don't know=3 (2%).

2. If your answer is B) or C), which brand-name(s) do you prefer?

   A) Reebok=44 (34%). B) NIKE=51 (40%). C) Avia=2 (2%). D) Adidas=27 (21%).
   E) Others=4 (3%).

3) Did you buy any sportswear within last 12 months?

   A) Yes=178 (97%).   B) No=6 (3%).

4) If yes, what's(are) the brand-names of it?

   A)Reebok=58 (32%). B) NIKE=52 (28%). C) Avia=9 (5%). D) Adidas=48 (26%).
   E) Others=17 (9%).

5) "Just Do It" is the campaign slogan of which of the following companies?

   A) Reebok=13 (7%). B) NIKE=161 (88%). C) Avia=2 (1%). D) Adidas=7 (4%).
   E) Don't know=1 (1%).

6) What does "It" in the above mentioned slogan refer to in your opinion?

   A) Any kind of sports activities= 53 (29%). B) Anything you want to do=120
   (65%).
   C) Don't know=11 (6%).

7) Which one of following sportswear companies uses " ✔ " as its logo?

   A) Reebok=28 (15%). B)NIKE=151 (82%). C) Avia=0. D)Adidas=3 (2%).
   D) Don't know=2 (1%).

8) Which one of the following companies uses Michael Jordan as its
spokesperson?

   A) Reebok=17 (9%). B) NIKE=159 (86%). C) Avia=2 (1%). D) Adidas=1 (1%).
   E) Don't know=5 (3%).

9) If comparing NIKE to a person, how do you describe its gender image?

A) Female=42 (23%). B)Male=84 (46%). C) Don't know=58 (32%).

10) Please mark the age group you are in.

A) 10-14=21 (11%). B)15-19=26 (14%). C) 20-30=34 (18%). D) 31-40=61 (33%).
E) 41-50=17 (9%). F) 51-60=21 (11%). G) 60 and above=4 (2%).

11) You are:

A) female=71 (39%). B) male=113 (61%).

Appendix 3.   Financial History of NIKE, Inc.(1988-1993)

a.   *(in thousands)*

Year	1988	1989	1990	1991	1992	1993
Revenues	$1,203,440	$1,710,803	$2,235,224	$3,003,610	$3,405,211	$3,930,984
Gross Profit	400,060	635,972	851,072	1,153,080	1,316,122	1,543,991
Profit %	33.2%	37.2%	38.1%	38.4%	38.7%	39.3%
Net Income	101,695	167,047	242,958	287,046	329,218	365,016

source: NIKE, Inc.

b. Geographic Revenue*(in thousands)*.

Areas	1988	1989	1990	1991	1992	1993
U.S.	$900,417	$1,362,148	$1,755,496	$2,141,461	$2,270,880	$2,528,849
Europe	233,402	241,380	334,275	664,747	919,763	1,085,685
Asia/Pacific	21,058	32,027	29,332	56,238	75,732	178,193
Other*	48,563	75,248	116,141	141,164	138,836	138,257
Total Revenue	1,203,440	1,710,803	2,235,244	3,003,610	3,405,211	3,930,984

* *includes Canada, Latin America, and etc.*

source: NIKE, Inc.

c. Breakdown of Revenues by Products*(in thousands)*: 1991-1993

Category	1991	Growth	1992	Growth	1993	Growth
Footwear(U.S.)	$1,679,500	23%	$1,744,200	4%	$1,968,500	13%
Apparel(U.S.)	326,700	23%	368,500	13%	360,500	2%
Other Brands*	135,300	12%	158,200	17%	199,800	26%
Total U.S.	2,141,500	22%	2,270,900	6%	2,528,800	11%
Footwear(Foreign)	651,700	76%	867,500	33%	1,049,100	21%
Apparel(Foreign)	210,400	91%	266,800	27%	353,100	32%
Total International	862,100	80%	1,134,300	32%	1,402,200	24%
Total NIKE	3,003,600	34%	3,405,200	13%	3,931,000	15%

Other brands include Cole Haan, i.e., Terra Plastics, and Sports Specialties.

source: NIKE, Inc.