



A Relevant Analysis of Nike and its Marketing Strategies

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Abstract. With the development of civilization, people are increasingly aware of the importance of physical activity for individuals. Under the background of governments advocating sports for all, Nike, as the world's most successful business giant, also has a sophisticated business system, has been rapidly occupying the global market since its establishment in the 1970s, expanding its sales scale and business scope with its excellent marketing and brand promotion capabilities. Due to its unique brand culture and excellent product quality, it has taken a leading position in the global fierce market competition. However, problems such as overdependence on the North American market, which have been revealed in the course of the company's development, have also become a potential threat to its future. This paper analyzes Nike's marketing methods in detail, and uses a SWOT analysis to evaluate the company's strengths and weaknesses. It also identifies the key initiatives that make Nike successful, and comprehensively recognizes the opportunities and challenges it faces in its development.

Keywords: Nike, Marketing Strategy, SWOT, Social Media, Sports Brand.

1 Introduction

With the continuous development of modern technology, the level of the textile industry is getting higher and higher day by day. At the same time, with the increase in average income and the enrichment of social life, the demand for sports has also been on the rise. Therefore, the demand for sports equipment is a huge business opportunity. As one of the first sports brands to enter the market, after more than 50 years, Nike has survived the fierce competition in the sporting goods market and become the world's No. 1 sports brand company. There are many reasons for this. For example, Nike has always been able to apply the latest technology to its products and has done its best to enhance the wearing experience of its customers. Nike is good at using marketing techniques to achieve its goal of developing markets and selling products. Through social media, Nike is able to identify consumer pain points and market demand for its products. At the same time, Nike not only publicizes the features of the product itself, but also combines the story behind the product and even the brand culture that is bundled with the product for promotion. The benefits are not only product sales, but also brand image enhancement and product market expansion. In formulating a marketing

strategy, managers make explicit "what" decisions regarding goals and the broad means by which they are to be achieved, including selecting target markets, the value proposition required and the positioning desired, timing, etc. [1]

As a company with more than 70,000 employees worldwide, Nike has been able to promote its products to the public. As a giant corporation with more than 70,000 stores worldwide, Nike's marketing strategy must have considerable merit. Nike is ranked 308th on the 2023 Fortune 500 list. Meanwhile, as a sports brand, Nike owns 34,029 patents, which is much higher than other brands in the industry, which means that Nike is very innovative. With Michael Jordan, LeBron James, Kevin Durant, Cristiano Ronaldo and so on, Nike's spokesperson team is very luxurious. This paper will summarize the reasons for Nike's success by analyzing Nike's development history, current situation and marketing strategy.

2 Company Description

2.1 Nike's Development History

If the development of Nike's brand empire is divided into three phases, it can be mainly divided into the following 3 phases:

1970-1985, with high professionalism and high cost-effectiveness and rapidly occupy the market segment of the public.

1985-2008, selecting brand spokespersons in various sports fields and growing together with them to build brand value, expanding the Asian market and continuously expanding product categories.

2009 to present, through digital technology to improve the frequency of contact with the C-suite and the efficiency of the back-end, to more efficiently take into account the personalization of consumer preferences and the breadth of coverage.

2.2 Brand Image and Brand Value

To build brand image, there are many different ways. But Nike's way is absolutely the most unique and brilliant one.

In 1971, Blue Ribbon Sport needed to redesign its brand name and image, and the classic Nike "Swoosh" logo was born.

Except the brand new logo, the company also needed a new name to express the new corporate image and entrepreneurial spirit. Consumer psychology has identified the mechanisms by which people make connections between brand and the person's identity, such as the anthropomorphic association of brands with the human schema, narrative processing, and self-referencing [2]. Due to this purpose, they chose from more than a dozen names to symbolize the significance of the victory of the name of the Greek goddess of victory, the Latin alphabet transcription: Nike. Since then, the Nike brand was officially born.

In 1988, Nike launched a widely known marketing advertisement slogan which had been proved to be one of the most classical ones: "Just do it", soon made it a hit in the United States. Since then, Nike is not only a sport products brand, but also gradually

become a symbol of the spirit of risk-taking, breaking the rules, innovation, surpassing and struggling in the United States and even in the world.

3 Analysis and Results

3.1 Nike's Main Marketing Strategies

By analyzing Nike's various marketing initiatives, although it may be incomplete, we can still attribute its marketing success to the following three areas.

Cooperating with Other Brands. It's clear that Nike it is powerful enough to capture the attention of consumers. But in a competitive marketplace, different brands are positioned differently and, as a result, their influence in their area of specialization and their appeal to specific audiences are also different. In addition, and in the spirit of stewardship thinking, we recognize that the strength of the existing body of marketing scholarship lies in its sharing and co-creation of knowledge [3]. Therefore, for Nike, collaborating with other brands (or celebrities), whether to market a specific product or to increase brand awareness in a particular area, has the potential to be a win-win situation. Such collaboration usually takes the form of co-branding and these products are referred to as co-branded products. As far as Nike's initiatives are concerned, its co-branded collaborations with trend brand Supreme, luxury brand Christian Dior, rapper Travis Scott, etc. Have undoubtedly achieved sensational success in their respective fields.

At the same time, Nike has adopted a little-known but highly effective sales method to market these products: hunger marketing. A significant number of products are planned to be sold in limited quantities and only in certain stores or through online lotteries. There is no doubt that these initiatives have successfully enhanced Nike's brand image in the high-end market, and in many cases wearing limited edition Nike trainers has a similar effect on luxury goods. Compared to similar sports brands such as Puma, Adidas, New Balance, etc., Nike is inferior in this respect.

Through a series of measures, Nike has been more successful in improving its brand image and expanding its business.

Using Social Media. Social media have caused three fundamental changes in the marketplace with their distinctive nature as "dynamic, interconnected, egalitarian, and interactive organisms" (Peters et al. 2013, p. 281): Firstly, social media allows companies and customers like athletes and sports enthusiasts to communicate in ways they never could before. Second, social media have transformed how companies and customers interact and impact one another. Third, it has become increasingly possible for companies to better manage their relationships with customers and improve their business decision-making processes through the proliferation of data from social media [4]. Americans spend more than 6 hours a day with digital media (apps and websites accessed on phones, tablets, computers, and other connected devices like game consoles) [5].

With the rapid development of mobile devices, Nike is increasingly concerned about the important role of social media in marketing. Nike goes beyond selling gear to helping people get fit, reaching people who might not normally think of buying fitness gear. They understand how their brand, image and reputation can be leveraged in a non-intrusive way. It also knows how to appeal to the younger generation while still maintaining a relationship with the older millennial generation - a delicate balance, but one that Nike has done well.

On social media, Nike is willing to experiment with different forms of content, including using video, images, Through the use of video and other forms of multimedia to showcase its products and stories, and through the use of a variety of content formats, Nike is able to keep its audience engaged with its content. Mobile is fundamentally changing the way companies connect with business buyers from a business channel perspective [6]. Nike also uses social listening to monitor conversations and trends in social media, which allows the brand to stay on top of what its audience is interested in and respond quickly to any questions or concerns that may arise. Nike stays relevant and engages consumers by closely monitoring and integrating social trends. For example, Nike has been at the forefront of the sustainability trend and is committed to the use of environmentally friendly materials in its products. Nike regularly shares product updates on its social media channels to inform and engage customers by sharing the latest product releases, highlighting new product features and benefits, and launching products that athletes and consumers use in the real world. By launching these new products, Nike increases the excitement and anticipation of its target audience. This creates ongoing engagement with the brand. Through these initiatives, Nike has been successful in using social media to promote its brand and products and has built a significant following on social media.

By Telling the Story. Brand stories are networked narratives [7]. Several studies have shown that advertisements that combine emotion, images and attention are more persuasive than those that rely on the argument [8]. In Nike's various advertisements, it is not just the product itself that is promoted, but the story behind the product, or the story of the athletes associated with it, and sometimes even the story of certain cultures that is combined to realize the promotion of the product. Nike is much more than just a good seller of sports products, but an excellent storyteller.

For example, the Forrest Gump running shoe became a hit because of the movie Forrest Gump, and Nike will mention that its appearance brought jogging further into the world, exposing more people to the sport, which has a positive meaning. Or the star endorsed sneakers, Nike will describe the role the stars played in the design process of these shoes, the suggestions made, the elements included and the corresponding back story. Or the famous CNY series or the Black Moon series, which also promote the clash and exchange between different cultures.

Nike spreads its brand image and culture to consumers around the world through a variety of stories, so that every Nike product has its own meaning. Through storytelling, Nike has realized the perfection of its brand culture.

3.2 Using SWOT Analysis of Nike's Landscape

Nike is a top-selling athletic brand worldwide. It sells its various sports products to professional athletes and sports enthusiasts through more than 1,000 stores in over 120 countries around the world.

While Nike may have many potential opportunities to grow, it faces significant challenges in a highly competitive marketplace. To overcome this, Nike has been making great efforts to innovate its development strategy and maintain its leading position on the competitive market. Therefore, the SWOT tool will be used for evaluating the Nike landscape.

Strength Internal

Capacity to Provide Sports Equipment for Various Requirements. Here is an example of shoes. Nike continually improves the performance of its footwear by using the best materials and latest technologies to meet customer needs (see Table 1). And Nike products are fashion-forward and accessible.

Table 1. Different individual requirements for shoes

Basic requirements	Expected requirements	High-order requirements
Shoes for different occasions	Shoes that provide good protection when training	Shoes equipped with a self-lacing feature
Different sizes and colors	Recognizable design	Personalization (Nike By You)
Comfort	Lightweight and portable	Shoes worth collecting
Quality-price ratio	Durability	Materials which are environmentally friendly and recyclable

Strong Brand Awareness and Brand Value. Undoubtedly, Nike is one of the world's most recognizable brands, with its "swoosh" symbol and "Just do it" slogan easily recognized by everyone. High quality products are a solid foundation for its success. But having a strong and effective marketing strategy is essential to making it happen.

Applying New Technologies. Nike's success is inextricably linked to its ability to innovate. One of Nike's most famous and successful innovations was the use of air cushioning material in athletic shoes. This material was originally used to cushion spacecraft. The material's superior cushioning and fast rebound made Nike's innovation a success. On the basis of this innovation, Nike has derived the Zoom series, the Air-max series and other famous series of sports shoes. Compared with rival Adidas' Boost material, Air Cushion has obvious performance advantages, helping Nike gradually stand out in brand competition. Another example is the Flyknit technology used in the

upper, which has the characteristics of being light, flexible, durable, but also increases the breathability of the upper through the eyelets formed by the natural interweaving of threads [9]. Using these technologies, Nike has established a leading position in the sporting goods market.

Weakness Internal

Less Appealing to Certain Specific Groups. Nike has many types of sports equipment, but that's what makes it less appealing to certain specific groups. For example, basketball players will first choose basketballs from Spalding and Wilson, and distance runners will tend to choose more specialized brands such as Asics and Mizuno.

Overdependence on the North American Market. Nike is overly dependent on the North American market. According to Nike's recently released quarterly report for fiscal year 2024 (June 2023-August 2023), Nike's revenue for the period was \$12.94 billion, and North American market revenue was \$5.423 billion, accounting for 41.90% of the total. This will negatively impact Nike's future global growth [10].

Opportunity External

Emerging Markets in Developing Nations. Most consumers in emerging markets are in their 20s and 30s, have rising incomes, and use the Internet [11]. Although Nike has already occupied a large market in North America, there are still many market openings in the vast developing countries for the long-term perspective of the company's future development. If Nike can take advantage of its products and prices to occupy these markets, it will undoubtedly stabilize its leading position in the sports brand market.

Wearable Technology Combined with Athletic Wear. As the popularity of sports continues to grow, more and more athletes and sports enthusiasts need professional-grade equipment to record their training process for easy analysis and self-improvement. As one of the world's largest sports brands, Nike has a clear advantage in terms of capital, technology, and model in this opportunity market.

Threat External

Increasing Competitive Pressure. Over the past few years, competition in the global market for athletic footwear and apparel has become increasingly intense, and Nike has been facing growing competitive pressures. This competitive pressure comes not only from traditional competitors such as Adidas and Puma, but also from up-and-coming competitors - small, innovative companies. Several factors are driving this competitive pressure, including:

Globalized markets: The markets for athletic footwear and apparel are global, and the competitors are from different countries and regions, which makes the competition

more intense. Nike must compete in different markets and adapt to consumer needs and cultures around the world.

Technological advances: Ongoing technological advances, such as 3D printing, sustainable materials, and smart wearable technology, provide new opportunities for competitors. To gain a competitive advantage in the marketplace, competitors may be faster to adopt these innovations.

Price competition: Price competition is intensifying as price-sensitive consumers become more prevalent. Discounts, promotions, and online sales channels have all impacted the price-sensitive market.

Social media and marketing: Competitors are able to better engage with their audiences and create brand awareness with the rise of social media and digital marketing. In order to remain competitive, Nike must continue to innovate its marketing strategies.

Consumer Downgrade. As a result of the Covid-19 epidemic, many people have lost their jobs and many more have seen their incomes reduced. The resulting deterioration in the economic environment has led to a reduction in people's desire and ability to consume, which has also been referred to as a downgrading of consumption. Economic recession and political unrest occurred in many places. The unstable social environment also had a negative impact on Nike's development.

4 Conclusion

By analyzing Nike's history, current situation, and marketing strategy, we can draw some conclusions. First of all, Nike cannot be separated from the improvement of its product quality in its development from a small sporting goods retailer to a large international company. Nike is committed to improving the wearer experience and actively embraces new technology like Zoom Air Cushioning and Flywire. In the fierce market competition, this makes Nike's products competitive. Second, it should be mentioned that Nike is also very good at marketing and selling. With its excellent marketing strategy, Nike has a large market share in the sports equipment market, which is full of different brands. This cannot be separated from the efforts it makes to advertise and operate social media. In terms of product sales, Nike is an excellent storyteller, and through the use of a variety of brand stories, invisibly completes the promotion of the product and effectively deepens people's impression of the Nike brand. In selling goods, Nike is an excellent storyteller, using a variety of brand stories to invisibly complete the promotion of the product and effectively deepen people's impression of the Nike brand. In social media, Nike focuses on communicating with customers and always pays attention to market demand. The famous slogan "just do it" has long been known and recognized. In addition, deeply rooted in people's hearts is the Nike brand image of daring to break the rules, challenging oneself and constantly surpassing oneself. In order to expand the business field, Nike spends a lot of money to cooperate with various brands, so that people with different needs and aesthetic tastes can accept and buy Nike's products.

Through the analysis of Nike's current situation with SWOT, we find that Nike's strengths are its huge size, wide audience, advanced technology, and hot products. Difficulties in attracting certain groups of people and overdependence on the local market are the internal weaknesses it faces. External opportunities include the large underdeveloped market and the portable sports equipment market gap. External threats are increasing competitive pressure and objective problems such as the decline in consumption and income due to the covid-19 epidemic. To maintain its sales volume and increase revenue in the post-epidemic area, Nike should leverage its strengths to occupy more market segments, expand its sales area, and continue its marketing efforts.

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