

Business Analysis: A Strategic Analysis of the Success of Nike Marketing Techniques Based on 4P Marketing Theory

Xinhai Yan^{1,a,*}

¹*Department of International Cooperation, Xi'an University of Finance and Economics, Xi'an, China
a. 1811050101@stu.hrbust.edu.cn*

**corresponding author*

Abstract: This paper employs the 4P marketing theory (4P) to analyze the successful strategies used by Nike in its marketing tactics, as well as the challenges and opportunities that Nike may encounter in its future development. By analyzing the various marketing strategies employed by Nike in the four areas of product, promotion, price, and place, it is possible to gain insight into how Nike has been able to enhance brand awareness and recognition, as well as the emotional resonance of consumers towards the brand. Nike has achieved considerable success in these four areas. Moreover, this paper will investigate the future challenges and opportunities that Nike may face. It will address the question of how Nike can most effectively address the challenges it currently faces and capitalize on potential future opportunities. This is the most pressing issue for Nike. This paper presents a comprehensive analysis of Nike's strategies for maintaining its leading position in the global sports brands market. It demonstrates how Nike's meticulous planning and comprehensive operations have enabled it to achieve this position.

Keywords: Nike, 4P marketing theory, Marketing strategies, Air Jordan.

1. Introduction

Nike, Inc. is a leading global manufacturer of sporting goods, established in 1964 and headquartered in Beaverton, Oregon, United States. The company commenced operations under the name Blue Ribbon Sports and was co-founded by Phil Knight and Bill Bowerman. Knight was a runner and business student, while Bowerman was a track coach at the University of Oregon. Their partnership laid the foundation for Nike.

1.1. Early History: Blue Ribbon Sports

Upon its inception, Blue Ribbon Sports was primarily engaged in the distribution of running shoes under the Japanese brand name Onitsuka Tiger (now ASICS). Knight and Bowerman aspired to address a perceived void in the U.S. market by introducing footwear of superior quality at more affordable prices. They disseminated information about these shoes within the running community, gradually establishing a loyal customer base.

In 1965, Blue Ribbon Sports unveiled its inaugural in-house designed running shoes and inaugurated its first retail store in 1966. As the enterprise expanded, the company underwent a

gradual transformation from a distributor to a manufacturer and commenced the development and production of its brand of running shoes.

1.2. The Birth of the Nike Brand

In 1971, Blue Ribbon Sports decided to launch its brand and chose the name "Nike", which is derived from the Greek goddess of victory. The company also commissioned Carolyn Davidson, a student at Portland State University, to design the famous Swoosh logo, which symbolizes movement and speed.

In 1972, Nike released the inaugural running shoe bearing its name, the "Moon Shoe." This shoe incorporated the "waffle" sole, an innovation of Bowerman, which enhanced the shoe's grip and comfort. This pioneering design contributed to Nike's rapid market penetration.

1.3. Rise and Expansion

In the mid-1970s, Nike began to make a name for itself in the United States. In 1978, the company changed its name to Nike, Inc. and began to promote the brand. In 1980, Nike went public, which further accelerated the company's expansion and branding. The company not only made remarkable achievements in the field of running shoes but also began to enter the field of basketball, football, tennis, and other sports. In 1984, Nike signed Michael Jordan, a basketball star who was still a rookie at that time, and launched the Air Jordan series. This partnership not only greatly enhanced Nike's brand awareness, but also changed the landscape of the basketball shoe market.

1.4. Globalization and Innovation

In the 1990s, Nike continued its globalization process, gradually expanding its business in Europe, Asia, and Latin America. Concurrently, the company increased its investment in product development and technological innovation. In 1993, the Air Max series was launched, featuring a new air cushioning technology, which further consolidated Nike's position as a leader in the high-performance sports shoe market.

In the 2000s, Nike continued its efforts in product innovation and brand promotion. For example, Nike collaborated with Apple to launch Nike+, a system that helps runners record and analyze their running data by connecting to iPods and iPhones through sensors embedded in the soles of shoes. This technology not only enhances the user experience but also strengthens the brand's sense of technology [1].

1.5. Future Prospects

Currently, Nike is not only a leader in the sporting goods industry, but also one of the most valuable brands in the world. The company continues to explore and innovate in product development, brand promotion, and social responsibility. With the popularity of sports and healthy lifestyles, Nike is expected to continue its industry leadership in the future and provide more high-quality sports products and services to consumers around the world.

In conclusion, Nike's success can be attributed to a combination of factors, including the quality of its products and technological innovations, as well as its ability to gain insights into the market and build a strong brand. From its origins as a small agent to its current position as a global leader in the sporting goods industry, Nike's history is characterized by a trajectory of innovation, challenges, and a commitment to continuous improvement.

2. Strategies

2.1. P Marketing Theory

The 4P marketing theory is one of the most influential models of marketing, originally proposed by American marketing scholar Jerome McCarthy in 1960. The acronym 4P stands for the four key elements of marketing: product, price, place, and promotion. This model enables companies to conduct a comprehensive analysis of their marketing strategies and to develop them in a way that meets market demand and achieves corporate goals.

2.2. Products

2.2.1. Innovative Materials and Technologies

The Nike Air air cushion technology represents a revolutionary Nike innovation in sports footwear, having been one of the core technologies of the Nike brand since its initial introduction in 1979. The technology provides superior cushioning and comfort by embedding a membrane air cushion filled with compressed air within the sole of the shoe, thereby reducing the impact of movement on the joints. This technology has become an iconic innovation in the field of sports shoes due to its combination of comfort, durability, and functionality. It has laid the foundation for Nike's dominance in the global market. Towards the end of the 20th century, Nike launched two new technologies: Dri-Fit and Zoom Air. Dri-Fit is a high-performance polyester fabric with perspiration and quick-drying functions, which is widely used in running, basketball, football, and other sports, enhancing athletes' comfort and performance. Nike Zoom Air technology is a highly efficient cushioning technology, first introduced in 1995, designed to provide quick and easy access to the air. Introduced in 1995, Nike Zoom Air technology is a highly effective cushioning technology that was first introduced in 1995 to provide fast-response cushioning to help athletes perform better in high-intensity sports. The technology creates a low-profile air cushioning unit by embedding pockets of compressed air in the membrane and combining it with a fiber structure to provide rapid rebound and excellent energy return. The technology not only assists athletes in enhancing their performance in a multitude of sports but also provides a more comfortable and efficient sporting experience for the average consumer. These advantages have established Zoom Air technology as a new standard in the field of sports shoes and as a key innovation in Nike products. In recent years, Nike has continued to launch numerous innovative technologies. The React and Zoom X technologies represent two such innovations. These technologies were launched by Nike in 2017 and represent new foam cushioning materials. Their material structure and cushioning principle differ from those of traditional air cushions. Furthermore, they offer superior cushioning and comfort effects compared to air. The cushioning technology is lighter and thinner than previous models, which allows athletes to improve their performance on the field. Additionally, the technology provides consumers with a safer guarantee when they are playing sports.

Concurrently, Nike's technological research and development have remained aligned with contemporary developments. In 2020, the company introduced Space Hippie material, a sustainable shoe crafted from recycled materials. This aligns with the prevailing environmentally conscious and eco-friendly concepts. Additionally, Hyper Adapt technology represents a convergence of conventional shoemaking materials and advanced technology. This technology is capable of automatically tying the laces, allowing the buyer to adjust them to the optimal degree for their feet. Furthermore, it incorporates a charging system. This technology represents a significant innovation in the history of sneakers, offering boundless potential for future developments in the field [2].

2.2.2. Case: "Breaking 2"

The "Breaking 2" project, initiated by Nike in 2017, aimed to assist marathon runners in completing a 42.195-kilometre marathon in less than two hours. This goal represents a significant achievement in the history of marathon running, as no individual had previously been able to complete a marathon in less than two hours. The project not only demonstrated Nike's innovation in sports science and equipment technology but also attracted significant attention from runners and the media worldwide.

The project process involved the selection of three of the world's top marathoners to participate in the program. The selected athletes were Eliud Kipchoge of Kenya, Lelisa Desisa of Ethiopia, and Zersenay Tadese of Eritrea. The three athletes demonstrated satisfactory performance in their respective races and have the potential to break the two-hour marathon record. Meanwhile, Nike has developed a scientific training and diet plan for them, as well as a running shoe specifically designed for the project – the Nike Zoom Vaporfly Elite. The running shoe features the new ZoomX foam and carbon fiber panels, which provide better energy return and shock absorption, thus improving athletes' running efficiency.

On 6 May 2017, three athletes commenced the challenge. Although the final result did not break the two-hour barrier, it did establish a new marathon world record, which was more than two minutes faster than the previous official record. This achievement was made possible by the professional products provided by Nike for athletes. In conclusion, Breaking2 represents a successful brand marketing initiative for Nike, as well as an important promotion for marathon sports. The project demonstrated the potential of human beings in extreme sports through the combination of science and technology and provided valuable experience and inspiration for future running techniques and training.

2.3. Promotion

2.3.1. Spokesman

Nike's marketing strategy for spokespersons has been a classic and has profoundly influenced the way sports brands are promoted. By carefully selecting and cultivating spokespersons, Nike has successfully integrated its personal brand and corporate brand closely, creating a powerful brand effect. Firstly, when choosing spokespersons, Nike usually selects athletes who have outstanding performance and wide influence in their respective fields. For example, world-class athletes such as Michael Jordan, Kobe Bryant, LeBron James, Serena Williams, etc [3]. These figures have not only made outstanding achievements in their respective sports but also possess unique personal charisma and a wide fan base. By cooperating with these top athletes, Nike not only enhances brand awareness but also strengthens the authority and credibility of the brand. Secondly, Nike places significant emphasis on establishing long-term partnerships with endorsers, rather than merely signing short-term contracts. This long-term collaboration not only facilitates the development of a profound and trusting relationship between the brand and athletes but also reinforces the brand image through continuous marketing activities. For instance, Michael Jordan's collaboration with Nike not only initiated the iconic Air Jordan series of footwear but also became one of the brand's most enduring symbols through years of partnership. This long-term and in-depth cooperation enables Nike to continue to utilize the influence of spokespersons to promote brand development. Furthermore, Nike is adept at leveraging the narrative of the spokesperson for emotional marketing. Each athlete possesses a compelling story, and Nike integrates these narratives with the brand ethos through meticulously crafted advertisements and campaigns, thereby evoking emotional resonance among consumers. To illustrate, the "Just Do It" advertising campaign employs the portrayal of athletes overcoming adversity and pursuing their aspirations to convey Nike's brand ethos of optimism and

resilience. This approach not only fosters affinity for the brand but also reinforces consumer loyalty. Additionally, Nike leverages social media platforms to amplify the reach of its spokespersons. The use of social media allows Nike to interact with consumers more directly and expediently. At the same time, it provides a platform for spokespersons to display their charm and interact with fans. For instance, LeBron James' extensive social media following not only enhances his brand but also serves as a conduit for Nike's brand communication.

In conclusion, Nike's marketing strategy for spokespersons is not merely about selecting the most suitable athletes; it also encompasses the objective of optimizing the brand value through the comprehensive implementation of long-term partnerships, emotional marketing, and social media promotion. This comprehensive and well-considered marketing strategy has enabled Nike to maintain a leading position among global sports brands.

2.3.2. Advertisement

The success of Nike's advertising can be attributed to the strategic layout and execution of several factors that have combined to make the Nike advertisements not only popular but also deeply rooted in the hearts and minds of consumers around the world. Firstly, the slogan "Just Do It" has been the defining characteristic of the Nike brand since its inception in 1988. The slogan "Just Do It" is both simple and powerful, conveying a positive brand spirit and inspiring millions of people around the world to pursue their goals. Secondly, Nike selects high-profile athletes and cultural icons as spokespersons, including Michael Jordan, Cristiano Ronaldo, Serena Williams, and Liu Xiang, among others. The exemplary accomplishments of these ambassadors in their respective fields serve to enhance the credibility and attractiveness of the Nike brand. Additionally, Nike advertisements are adept at narrative storytelling, evoking emotional resonance in the audience through the athletes' authentic experiences and challenges. This narrative ability allows the advertisements to not only demonstrate the athletic achievements of the athletes but also to convey the spirit of perseverance, endeavor, and self-transcendence. Additionally, the visual impact of Nike's advertisements is noteworthy. The use of high-quality filming and production techniques, accompanied by dynamic music and fascinating images, serves to enhance the audience's viewing experience. Furthermore, Nike has demonstrated a willingness to address social issues and support Colin Kaepernick's social justice initiative through its advertising campaign, "Believe in something." The phrase "Even if it means sacrificing everything" has been the subject of considerable debate and concern. Despite this controversy, the advertisement has won over a significant number of young consumers. Furthermore, Nike is an active participant in and supporter of a multitude of public welfare activities. These activities promote healthy lifestyles and social responsibility through advertisements, thereby establishing a brand image of caring for society and supporting public welfare. In terms of digitization and social media, Nike employs digital platforms and social media for advertising purposes, thereby maintaining interaction with consumers and enhancing the brand's connection with young consumers. By analyzing consumer behavior and market trends through the use of big data, Nike is able to accurately place advertisements to enhance the effectiveness of advertising and to improve the return on investment. The success of Nike advertising is also contingent upon the company's commitment to continuous innovation and long-term planning. Nike maintains a consistent strategy of launching new advertisements and marketing activities to ensure the brand remains current and appealing. Additionally, the company introduces localized advertisement content tailored to the cultural nuances of different countries and regions, thereby enhancing the brand's global influence [4]. In conclusion, the success of Nike's advertisements can be attributed to a multitude of factors, including the brand slogan, the selection of a spokesperson, creativity and innovation, social responsibility, the utilization of digital applications, and a commitment to continuous innovation. These factors not only assist Nike in maintaining its leading position in the

market but also facilitate the deep-seated integration of its brand spirit within the psyches of global consumers, thereby conferring upon it a position as one of the most influential brands in the world.

2.3.3. Public Relations

By sponsoring sporting events and participating in public welfare activities, Nike not only enhances its brand image but also actively promotes the development of global sports culture. For instance, Nike has been a long-term sponsor of the Olympic Games, which is one of the most significant sporting events globally. By sponsoring the Olympic Games, Nike not only demonstrates its high-performance sports equipment but also reinforces the brand's connection with elite competitive sports. Furthermore, Nike has a multitude of sponsor ships in the football sector, including those of top clubs such as English Premier League teams Manchester City and Barcelona. Additionally, it sponsors major tournaments such as the FIFA World Cup, which serves to reinforce its dominant position in the global football market.

In terms of public welfare, Nike actively promotes community sports and health programs. The "Designed to Move" initiative, spearheaded by Nike, is a global initiative aimed at addressing the issue of children's physical inactivity and encouraging the younger generation to adopt healthy lifestyles. Another noteworthy example is Nike's 'Nike Community Impact Fund', which provides financial support for community sports and educational programs to facilitate access to sports opportunities and resources for disadvantaged groups.

These sponsor ships and public welfare activities not only enhance Nike's brand reputation but also demonstrate the company's commitment to social responsibility, thereby further consolidating Nike's position in the hearts of consumers.

2.4. Price

As a global leader in the sporting goods industry, Nike's pricing strategy occupies a pivotal position within its marketing arsenal. By employing a range of pricing strategies, Nike has been able to attract consumers at various levels, thereby enhancing the brand's market competitiveness and profitability. The following section presents an analysis of Nike's marketing tactics with regard to product pricing.

2.4.1. The High-end Pricing Strategy

The high-end pricing strategy is employed by Nike for its high-end product line. This strategy is employed primarily for high-performance and limited-edition products, such as the Air Jordan series and the Nike Air Max series [5]. The application of premium pricing not only reflects the high quality and advanced technology of the products but also serves to enhance the brand's luxury image by creating a sense of scarcity and brand uniqueness. It can be observed that consumers are willing to pay a premium for products with high brand recognition and technological innovation. This pricing strategy has been instrumental in maintaining Nike's competitive advantage in the high-end market.

2.4.2. Differentiated Pricing Strategy

Nike employs a differentiated pricing strategy to meet the diverse needs of its consumer base. For professional athletes and sports enthusiasts, Nike has introduced high-end performance products that are more expensive but offer advanced technology and superior performance. Concurrently, Nike has also introduced moderately priced product lines, such as the Nike Revolution series, for general consumers and entry-level sports enthusiasts. This strategy enabled Nike to address a broad spectrum of market needs and to expand its market share.

2.4.3. Dynamic Pricing and Discount Strategy

Nike employs a flexible dynamic pricing and discount strategy to attract consumers and increase sales. By analyzing market demand and the competitive environment, Nike modifies product prices in different sales channels and periods. For instance, during periods of heightened consumer demand, such as promotional seasons, holidays, or major sporting events, Nike will implement promotional discounts and limited-time offers to attract a greater number of consumers to purchase its products. This not only increases short-term sales but also improves the brand's market penetration.

2.4.4. Member Pricing and Exclusive Offers

The Nike Plus membership program offers exclusive offers and customized services to its loyal customers. Members are entitled to a number of exclusive benefits, including discounts, early access to new products, and a personalized shopping experience. This strategy not only strengthens customer brand loyalty but also provides Nike with valuable market insights, which can be used to optimize its pricing strategy through the collection and analysis of member data.

2.4.5. Global Market Pricing Strategy

Nike employs a localized pricing strategy in different regions, adjusting prices according to the economic level, spending power, and market competition in each region [6]. This approach enables Nike to adapt to the needs of each market more effectively and maximize its profits in the global market. For instance, in developing countries, Nike may reduce the prices of certain products to attract a larger consumer base.

2.5. Place

As a market-leading global sports brand, Nike has successfully expanded its market coverage and sales through the implementation of diversified and innovative sales channel strategies [7]. The following analysis presents an examination of Nike's principal marketing tactics employed on sales channels.

2.5.1. Online Sales Channels

Nike is engaged in the expansion of its e-commerce platform and the provision of direct sales services through its official website and mobile application. The official website of Nike not only sells the latest sports products but also offers a personalized customization service (Nike By You), which allows consumers to design shoes according to their own preferences. Through its mobile application, Nike provides a seamless shopping experience and a unique membership service (Nike Plus), which enhances user stickiness and brand loyalty. Furthermore, Nike collaborates with major global e-commerce platforms, including Amazon, T mall, and Jingdong, intending to expand online sales channels and reach a broader consumer base.

2.5.2. Offline Retail Network

Nike has an extensive offline retail network, comprising flagship stores, boutiques, and authorized dealers. Nike brand shops not only sell products but also provide an interactive experience and brand story display. For instance, Nike's flagship stores in New York and Shanghai are not only shopping destinations but also experience centers of the brand's culture, attracting a large number of consumers' attention and participation. By regularly organizing offline events and product launches, Nike has increased brand awareness and influence.

2.5.3. Omni-channel Retailing

Nike employs an omni-channel retailing strategy that integrates online and offline channels to provide a consistent shopping experience. Consumers have the option of purchasing products online and subsequently collecting them in-store, or alternatively, they can try them in-store and then place an order via a mobile app. This omni-channel model not only improves shopping convenience but also enhances inventory management efficiency and reduces inventory backlog and wastage.

2.5.4. Exclusive Cooperation and Limited Release

Nike has attracted a great deal of consumer attention and demand by launching limited edition and exclusive products through cooperation with famous designers, brands, and athletes. To illustrate, the Air Jordan series, which is a collaboration with basketball star Michael Jordan, has generated a sense of scarcity and heightened brand awareness through limited releases and exclusive channel sales, thereby significantly enhancing the market value of the product and brand reputation.

3. Challenges and opportunities

3.1. Challenges

Nike, as a leading global sports brand, has achieved remarkable success in the market but also faces a series of challenges. Firstly, the issue of cultural adaptation brought about by globalization is a major challenge [8]. With the continuous expansion of its business to different countries and regions, Nike needs to fully consider the diversity of cultures and specific needs of consumers in product design and marketing strategies. In addition, the fierce competition in the market is also a challenge that cannot be ignored. With the rise of competitors such as Adidas and Puma, as well as the emergence of new brands, Nike needs to continue to innovate and improve in order to maintain its market leadership. Further, sustainability and environmental responsibility is another major challenge for Nike. With the increased global attention to sustainable production and consumption, Nike must increase its investment in environmentally friendly materials and production processes to reduce environmental impact and meet consumer demand for environmentally friendly products.

3.2. Opportunities

Despite the challenges, Nike also has many opportunities for development. Technological innovation is a major opportunity that Nike can take advantage of. By investing in research and development, Nike can continue to lead in sports technology and product innovation, such as the development of smart sports equipment and high-performance sports apparel, which can enhance the performance of athletes and the sports experience of consumers. In addition, digital transformation presents significant growth opportunities for Nike. By enhancing its e-commerce platform, using data analysis to optimize the customer experience, and increasing interaction with consumers through social media and mobile applications, Nike can expand its online sales and enhance the brand's digital presence. Finally, the rise in global health awareness also provides Nike with opportunities to expand its market. With increased attention to health and fitness, Nike can attract more consumers by promoting healthy lifestyles and developing products and services that are in line with health trends.

3.3. Comprehensive Analysis

Overall, Nike faces both challenges and opportunities in its future development. Challenges mainly come from intensified market competition, cultural adaptation issues, and continued pressure on environmental responsibility, which requires Nike to strengthen its commitment to sustainable

development and understanding cultural diversity while maintaining its core of innovation and market acumen. Opportunities, on the other hand, lie in technological innovation, digital transformation, and global health trends that will help Nike further solidify its position as an industry leader. By effectively addressing the challenges and seizing the opportunities, Nike is expected to continue its leadership position among global sports brands, driving the industry's expansion to higher standards and a broader range of markets.

4. Conclusion

In conclusion, the success of Nike can be attributed to its effective marketing strategies. This paper analyses Nike's 4P marketing theory in the four aspects of product, promotion, price, and place. It reveals how the company enhances brand awareness and consumers' emotional resonance through continuous product innovation, fine brand promotion, flexible pricing strategy, and diversified sales channels. In addition, Nike's strategies in the selection of spokespersons, the establishment of long-term partnerships, and emotional marketing have also exerted a significant influence on the brand. Despite the challenges of cultural adaptation brought about by globalization, intensified market competition, and the pressure of environmental responsibility, Nike has still managed to seize new development opportunities through technological innovation, digital transformation, and healthy living trends. It is anticipated that Nike will continue to spearhead the global sports brand market, retain its industry-leading position through the ongoing refinement of its marketing strategy, and propel the sporting goods industry towards enhanced standards and broader markets.

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