

The Difference in Sportswear Marketing in China and the US

-Taking Li Ning and Under Armour as Examples

Yanzi Guo^{1,a,*}

¹Guangzhou Yinghao School, Guangzhou, Guangdong, 510960, China

a. admission@idgf.com.cn

*corresponding author

Abstract: Whether in China or the US, merchants who want to make their enterprises bigger and wider will want to globalize their brands, so as to gain popularity and sales. It finds that foreign brands are very common in the Chinese marketing and popular with China, such as Nike, and Under Armour, but people rarely see the marketing of Chinese brands. Most Chinese sportswear brands are generally used in sports games. For example, Li Ning is awarded as the prizes in most games and casts as merchants. Li Ning's annual revenue reached more than 2.7 billion dollars, while Under Armour's annual revenue reached more than 5 billion dollars. If Chinese brands want to reach the sales volume of foreign brands, they need to learn the relevant marketing strategies. This article claims that the difference of marketing models of sportswear brands in China and the US is due to the difference embedded in the sports industry. The strategies recommended in this article are to pay attention to the exposure of products in games and big events, follow the local customs, and take into account marketing data.

Keywords: sportswear, Li Ning, Under Armour, marketing strategies.

1. Introduction

In terms of the marketing of sportswear brands, there are great differences in sales methods and design in China and the US. Whether in their own sportswear brands or sports stars self-created brands, there are different concepts in design. By the end of 2019, China's per capita sportswear consumption was 29.8 dollars, lower than the global average of 44.7 dollars, while the per capita consumption of the US sportswear in the same period was 357.1 dollar, and China's per capita consumption was only 1/12 of that of the US [1]. Among sportswear brands, Nike in the US has always maintained the first place in the Chinese market, that in 2022 it accounted for 25.2% [2]. In addition, there are a large number of foreign brands popular in the Chinese market, but there are few Chinese brands popular in foreign markets. It is important to understand different design philosophies and marketing models.

Global sportswear market is ever-changing under the background of globalisation and sportswear entering into the fashion industry [3]. Customers display great loyalty to major brands in the market [4]. As the world's largest enterprise engaged in sports equipment, Nike's products are all over the global market and have won the recognition of consumers. Other strategies of Nike sneakers with the highest exposure at this stage from the perspective of marketing, including hunger marketing, experiential marketing, star effect, nostalgic marketing and social media promotion of Yeezy, Jordan

and Zoom Vaporfly Elite [5]. Sportswear in China has a focus on ethnocentric purpose, but it is found that customers care about the product quality and personality associated with the brands [6, 7]. However, the development model of sportswear in China has experienced some challenges since the 2008 Olympic Games [8].

This article introduces the process from the establishment to the development of Li Ning and Under Armour, as well as the difficulties and challenges faced in the process. This paper discusses the differences in terms of sports industry between China and the US, which become the fundamental reasons for the differences in marketing strategies adopted in sportswear brands in the two countries.

2. Development of Chinese Sportswear Brand: Li Ning

Li Ning is a Chinese sportswear brand for all over the world. It not only serves as ordinary sportswear, but also makes basketball, badminton and other sports jerseys. Li Ning was founded in 1989 and cooperates with the French gymnastics team, the Spanish basketball team, NBA stars, etc. Table 1 below summarizes the development of Li Ning [9].

Table 1: Milestones in the development of Li Ning.

Year	Key Events
1989	Preparation of design; Trademark in April
1992	Chinese athletes have used Chinese sporting goods at Olympic Games for the first time
2000	It is the only equipment for the French gymnastics team to compete and receive prizes
2002	Establish a partnership with DuPont
2004	Signed a contract with the Spanish Basketball Federation; Established a limited company in Hong Kong
2006	Teamed up with NBA star Shaquille O'Neal to sign with Sudan's track and field team
2010	The first jersey for a Spanish team; Launch online store
2012	Become CBA's official strategic partner
2021	Launch of the ASEAN Li-Ning Center project
2023	Prepared to purchase property from Henderson Land Development for 2.208 billion

Single brand "Li Ning" drives the promotion through the multicategory product matrix, and optimizes the brand marketing model through multidimensions. Li Ning's current brand marketing strategy is to create a landscape, so as to drive brand growth and realize the brand to the high-end market. Although Li Ning's current branding strategy has achieved certain results, there are some shortcomings. Consumers show that they value the product itself more, and the influence of the brand on consumers' willingness to buy is weak. Therefore, Li Ning needs to be deeply engaged in brand marketing, and the migration to high-end market will be smoother and smoother. It provides a direction for the investigation of Li Ning's brand marketing strategy [10].

3. Development of Overseas Sportswear Brand: Under Armour

Under Armour was founded in 1996 and is headquartered in Baltimore, Maryland, USA. It produces sports equipment and has become the world's leading manufacturer of high-performance clothing and sports shoes. Under Armour has a wide range of products, including men's and women's sportswear, sports shoes, accessories and sports equipment.

When it was first founded, Under Armour was just a small company established by only Kevin Plank and a few of his friends. They wanted to create a kind of sports equipment that was both light and had good support for athletes. Therefore, they produced the first batch of cold T-shirt made of polyester fiber, which quickly became popular in the market. Entering the 21st century, Under Armour

began to develop rapidly. They began to cooperate with more and more athletes and sports teams, which made their brand more and more influential in professional sports fields such as basketball and American football. They also began to produce sneakers and accessories, and turned their sights on the women's market. In 2009, Under Armour was listed on the Nasdaq Exchange, which gave them more funds to support their expansion plans. They began to expand the international market and entered Canada, Europe and Asia.

At the same time, they have also expanded into more sports fields by increasing their product lines. In recent years, Under Armour has continued to increase investment in research and development to promote product innovation. They have developed Under Armour RUSH (UA RUSH) technology, which can provide long-lasting breathability and fast recovery performance. Although Under Armour is facing competitive pressure from giants such as Nike and Adidas, they have maintained steady growth. After years of development, Under Armour has become one of the most influential sports brands in the world. Their products are popular in North America, Europe and Asia, and their global market share has increased year by year. At the same time, their operating income has also achieved steady growth. They promote product innovation and pay attention to social responsibility and sustainable development, which makes them have a high reputation in the industry.

4. Differences in the Sports Industry

4.1. China

The funds of China's sports industry mainly come from the state financial allocation, social donations and sponsorships, the use of foreign capital, and the management of sports products to generate income.

The first is to make money from sports. Beijing is the most mature sports market in China, and it also plans to cultivate three to five sports leading enterprises with independent brands and international popularity. LeTV, with Beijing as an important development base, also has the confidence and ambition. However, in terms of sports development, only Internet companies have already become white-hot in sports copyright competition rights of golf and tennis one after another. In the crazy struggle for exclusive broadcasting rights, hundreds of millions to billions of yuan of real money were smashed out. Up to now, the sports section of most enterprises has not yet achieved profitability. In addition, the operation and maintenance of the event is not mature enough, and many defects will even affect the brand marketing effect. Most domestic sports events are eager for quick success and lack the spirit of craftsmanship. Taking the well-known cross-country game as an example, its performance mainly has two aspects. First, athletes need to pay the registration fee to participate in the competition. After the organizer collects the registration fee, he will first take out a certain amount of money into his pocket as a profit, and the rest of the money will be held in the event. They often just want to make money, regardless of the quality of the event. Secondly, in order to attract sponsorship and to create a "ten-thousand-people" for the brand, the organizer even pulls "old people and students" to make up the number, and does not pay attention to the quality of operation at all, which is actually a kind of deception for the brand.

The second is the movement onto social platforms. There are countless sports apps in the market. These apps basically contain basic information such as mileage, time and calories consumed each time, and provide data support for you to establish a personalized training program. However, facing these boring data every day will also make people bored. Many apps start to think about social functions, that is to share training results and sports routes, and help users find like-minded sports partners. These new functions make sports life more interesting. The most important thing is that the mass movement can fall to the ground and achieve real meaning.

4.2. The US

There are six major components of this industry chain are: sports assets with events as the core, sports media sponsors, stadiums, sports licensed commodity companies, sport marketing and brokerage companies. Sports assets are the common term in the United States as properties. In the United States, the most representative sports assets are professional sports and college sports leagues, teams and athletes. They can sell their media rights, endorsements and franchises to the media, sponsors, sports franchise companies, etc. Rights and interests, etc. Their core business activity is to organize and participate in the event, so as to obtain income and profits from the event.

The next is sponsors. Brand sponsors sports assets, stadiums and sports media to achieve effective marketing to specific consumer groups through sports. The most famous ones are Coca-Cola, Nike, FedEx, Budweiser and so on. Then, it is stadium. The core commercial activity of the venue is to cooperate with the sports league to hold sports events. Unlike China, most well-known American professional teams and the main stadiums of some college teams have a lot of sponsorship and other sponsorship income, and the amount of sponsorship can often reach millions of dollars per year. The most famous are the Dallas Cowboy's home AT&T Stadium (\$4 million/20-year sponsorship contract) and the Brooklyn Nets' Barclays Stadium.

Media is an important element. As mentioned above, the US sports industry chain has been responsible for a considerable amount of event copyright and other sports copyright fees. Unlike China, sports copyrights in the US are usually bought out by TV stations at the same time, while large sports TV stations in the United States have their own powerful digital network broadcast platforms.

The last is fans. Fans pay for event tickets, sports licensed goods and about half of the media rights. Because after purchasing copyrights by TV stations and Internet companies, nearly half of them need to rely on fans to buy sports channels or online paid user packages to recover their investment, which can show that fans are one of the final takeovers of media copyright.

4.3. Difference in Sports Industry Leads to Difference in Sportswear Marketing

Due to the differences in terms of development and promotions in sports, the marketing of sportswear brands experience different pathways. In China, sportswear brands usually market their product in competition and games, as well as social media platform or sports related apps. In the US, sportswear brands can do a lot more. Apart from sponsoring games and using social media, they have strong customer loyalty and base of fans from national-wide sports games such as the National Football League (NFL) and the National Basketball Association (NBA), where sports events and sponsoring sports stadiums become the major places for marketing. Taking into account the global influences of NFL and NBA, it is not hard to see how American sportswear brands take top places in the industry worldwide and in China. If China's sportswear brands wish to achieve a similar goal, they do need to think about how to increase the exposure of their products in games and big events.

5. Conclusion

This article shows that China and the US have different view on sports and thus different strategies in promoting sportswear brands. The reason why foreign brands can be so popular in the domestic market is mainly because of the brand image from sponsoring major sports events and stadiums. Chinese brands need to pay attention to some factors and strategies if they want to become popular abroad, that sponsoring cross-country games could be a good choice. It is also necessary to promote the brand culture. In addition, firms need to be careful and attract some practitioners who are closely related to the local sports industry, and it is better to work for the top sports brands, rather than directly hiring high-paying business executive to operate. Domestic sports brands may need to make some adjustments to follow the local customs, so that the brands can be promoted locally.

This article pinpoints the key that leads to the difference in popularity of sportswear brands in China and the US, which is fundamentally the difference in the sports industry between the two countries. However, the paper still suffers some limitations. The article mainly takes Li Ning and Under Armour as examples, while there are other brands can be used as case studies. Also, this article is limited in data analysis. In the future, it can be improved through field investigation and the integration of statistical modelling.

References

- [1] Su, L. (2021). *Research on sport clothing competition strategy*. Shanghai Normal University.
- [2] China Market Intelligence Centre. (2023). *Analysis of global and Chinese apparel retail industry development from 2023 to 2028*. CCIDReport. Retrieved from <https://www.ccidreport.com/report/content/3033/202311/1037815.html>
- [3] Dhanapala, S. (2015). *An overview of the sportswear market*. *Materials and technology for sportswear and performance apparel*, 1-22.
- [4] Dawes, J. (2009). *Brand loyalty in the UK sportswear market*. *International Journal of Market Research*, 51(4).
- [5] Bai Y. (2020). *Case introduction and marketing strategy analysis of sports brands - Take the Nike brand as an example*. *Contemporary Sports Technology*, 10(10):199-200+202.
- [6] Tong, X., and Li, C. (2013). *Impact of brand personality and consumer ethnocentrism in China's sportswear market*. *Asia Pacific Journal of Marketing and Logistics*, 25(3), 491-509.
- [7] Tong, X., and Hawley, J. M. (2009). *Measuring customer-based brand equity: Empirical evidence from the sportswear market in China*. *Journal of product & brand management*, 18(4), 262-271.
- [8] Dong, L., and Cong, Q. (2017). *Research on the Competitive Power of Famous Sports Brands in China*. In *2017 2nd International Conference on Politics, Economics and Law (ICPEL 2017)*, Atlantis Press: 167-170.
- [9] Li Ning Group. (2024). *Milestones*. Retrieved from <https://ir.lining.com/en/company/milestones.php>
- [10] Zhou, L. (2023). *Research on Li Ning's brand marketing optimization strategy*. Northern University of Technology.