

Analysis of Li Ning's International Marketing Strategy and Its Development Path

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Abstract: As a leading domestic sporting goods company in China, Li Ning has always occupied a large number of domestic market share. However, with the rapid development of globalization, the targeted penetration of international brands into the Chinese market began to shake Li Ning's position in the local market. This paper focuses on Li Ning's brand itself, repositions its development path and direction, and studies the shortcomings of Li Ning's current marketing strategy. Based on the analysis of Li Ning's brand market strategy model, the researchers put forward a series of suggestions to provide a more comprehensive direction for Li Ning's future expansion plan. During the study, the researchers used the SWOT model, the competitor model, and the stakeholder analysis method to help establish the depth and completeness of the content. In a word, Li Ning's existing cultural diversity and channels for external expansion are relatively lacking. At present, Li Ning can only strengthen technological innovation and improve international image awareness (change of spokespersons or transnational cooperation, etc.) to successfully create an excellent marketing strategy of globalization.

Keywords: Li Ning, branding marketing, overseas marketing strategy, development path

1. Introduction

The strong development of other local sporting goods brands such as Anta, Xtep and 361 has also made Li Ning's domestic market share decline sharply in a short time. However, Li Ning has focused on global expansion, actively launching an international priority development strategy, but the relevant measures to expand into overseas markets have not been fully successful. Specifically, although Chinese clothing brands have entered the United States, Spain, Poland, Greece, France and other foreign markets, its sales revenue from overseas markets is very small, and brand awareness in foreign markets is also very low, which hindered the expansion of Chinese clothing companies to the broader market, and limits their profitability in the global background [1]. In 2017, Nike and Adidas together accounted for 56 percent of the global sportswear market, far ahead of other brands, according to research reports. As the two giants in the sportswear industry, Nike and Adidas have been among the top three in the major global sportswear markets, while other brands such as Puma are trying to gain a partial market share in certain regions. Therefore, a comprehensive analysis of Li Ning's brand strategy and international marketing model can further explore the defects of its development and provide a marketing plan that stands out in the market with many strong and well-known brands to finally build a global brand reputation. This article will be divided into several

parts for the narrative. First of all, it will comprehensively analyze Li Ning's development path and history to determine its brand connotation. Secondly, it will combine the SWOT model to analyze the positioning of Li Ning. Next up, it will critically reflect on Li Ning's international market strategy, which includes stakeholder and competitor analysis, and media marketing strategy analysis. Following that, it will disclose Li Ning's market expansion strategy based on the five-force model. Finally, the article will make relevant suggestions for future market strategies. This paper helps Li Ning Group re-examine the original development obstacles to achieve all-round development by studying the marketing weaknesses existing in the process of globalization expansion.

2. The Development Path and Market Positioning of Li Ning

2.1. A General View of Development History

Li Ning is a sporting goods company founded by Mr. Li Ning, a famous Chinese gymnast. As a leading national sports brand in China, it has achieved rapid brand development since its establishment in 1990. Reviewing its entire development course, it has experienced three important stages of development.

Table 1: Li Ning's three stages of development.

Date	Status	Detail
1990-1995	From the establishment to the rapid development stage	Domestic brand franchise stores are gradually increasing
1996-2001	Operation adjustment stage	Market competition is fierce, from the family private enterprise to the modern enterprise transformation
2002-2022	Brand remodeling stage	Enter the trajectory of professional development

With the rapid development of major sports brands, under the strong market competition, Li Ning's simple sports sponsorship and "sports star + ad notice" marketing strategy gradually cannot meet the brand cognition and inner needs of consumers. Therefore, in 2003, Li Ning began to actively adjust the market operation strategy and reshape the sports marketing plan. Specifically, in terms of sports marketing, Li Ning company has turned to a professional development strategy, that is, mainly to promote basketball categories, especially basketball shoes and other products with high technical content. During this development period, Li Ning actively set up partners, which established a huge stakeholder system.

Table 2: Li Ning's sports marketing process.

Date	Stakeholder	Content
2004.06	Spanish Basketball Association	sign a contract
2004.08	Spanish Basketball Association	Spanish basketball team Yanwei Athens Olympic Games-Free Jumper series, to become the country The — the brand entering the professional basketball market
2004.10	Big Super League	Designated sports equipment sponsors
2005.01	NBA	Li Ning company became NBA Strategic Partner

In the development period of basketball category, it set up the perfect sports marketing system, fully mining and applied the Spanish national basketball team, the Olympic Games, Big super, NBA resources, the traditional sports marketing model and new development sports marketing resources bundled to brand positioning and professional development strategy to realize the organic perfect integration.

According to statistics, by 2010, Li Ning has accumulated more than 8,000 stores in more than 1,800 cities in China, and had many online sales stores in Southeast Asia, Central Asia, Europe and other regions [2]. Despite its Chinese market share having achieved a huge breakthrough, Li Ning company's international market is not optimistic, and its internationalization strategy is still insufficient.

2.2. Future Development Goals

Li Ning's future development center will be placed in the international market. With the fierce global competition, Li Ning's goal is to defeat the world famous sports brands, such as "Nike" and "Adidas", while resisting the competitive pressure of ANTA, XTEP, 361 and other domestic sports brands [3]. In addition, Li Ning's marketing strategy goals will follow the following four points:

- a. Integrate more Chinese designs and reshape the brand image
- b. Build brand building together with domestic and foreign brands
- c. Expand the scope of products and publicity to attract more consumers
- d. Maintain the penetration power of national pride

3. Li Ning's SWOT Analysis

3.1. Strengths

The Strengths of Li Ning brand are as follows:

- a. As a national brand, Li Ning's founder has a national reputation- -creating a strong mass base
- b. The state and the government value sports
- c. Per capita income level, consumption upgrade
- d. Li Ning is the first Chinese original brand to pursue professional design and outsourcing production [4]
- e. Li Ning has technical advantages (B + C (rebound + buffer), SAS midsole support, Li Ningong, arc, cloud and other black midsole structure technology) [4]
- f. High cost performance and pricing advantage (the price positioning of Li Ning brand products is about 20% lower than that of international famous brands such as Adidas and Nike)

3.2. Weaknesses

- a. Brand internationalization is still in its infancy, and its competitiveness in the international market is weak
- b. The use of resources in overseas markets is relatively limited (compared with the domestic market, developed economies such as Europe and the United States have developed quite mature consumer goods market and people's consumption concept)
- c. The trust and dependence of European and American consumers on local brands are difficult to be surpassed by foreign brands. (Li Ning will inevitably encounter brand discrimination when entering the European and American markets.)
- d. In terms of product positioning, the core competitive products have not been determined for a long time, and both low-end sports products and high-end sports products are produced, which leads

to a too-long product line, and it is difficult to concentrate resources to develop products with core competitiveness.

3.3. Opportunities

- a. Consumers pay more and more attention to sports and leisure, expanding the market demand
- b. There are trends in sports and leisure in the fashion world
- c. In the two years from 2018 to 2019, Li Ning appeared in New York City and Paris Fashion Week four times, with a certain international brand awareness
- d. The rise of a patriotic ideological trend is conducive to Li Ning's national marketing
- e. Improvements in manufacturing technology promote the technological renewal of brands

3.4. Threats

- a. The market competition is fierce, the same type of brand Adidas, Nike and other brands have already established a mature operation model and a strong brand awareness.
- b. Old competitors such as Anta squeeze market share, while emerging sports brands continue to segment the market
- c. Li Ning brand product homogenization phenomenon is serious, technological innovation and breakthrough is still insufficient.
- d. The increase of labor cost and material cost makes the international development of Li Ning brand more challenging.
- e. The emergence of Covid-19 has created a huge obstacle to international trade

4. Li Ning's International Marketing Strategy

4.1. Marketing Strategy Diagnosis

Li Ning implements a differentiated marketing strategy, which relies on its own technical advantages and management advantages to produce performance and through unique promotion activities, flexible marketing means, thoughtful and intimate after-sales service, in the eyes of consumers set up a different general brand image of consumers. Li Ning pays attention to the psychological excitement of consumers in the marketing process to resonate with consumers. For example, in 2010, Li Ning proposed the new slogan of Make The Change, focusing on the word "Change" and updating its brand image in an attempt to further expand the young people market. In addition, Li Ning pays attention to Internet marketing (table 3) in the process of external expansion. It uses social media with low cost, fast speed and a wide audience to break through time and space restrictions and conduct the integrated marketing of product or service explanation, marketing, customer feedback and other links.

Table 3: Social media platform [5].

Li Ning	
Official website	√
Shopping website (Taobao, etc.)	√
Instagram	√
Twitter	√
Tik Tok	√
Watermelon video	√
Weibo	√
Youtube	√

4.2. The International Stakeholder and Competitor Analysis

Li Ning focuses on active cooperation with overseas brands and tries to build a strong stakeholder route. For example, in 2001, Li Ning signed up with top Italian and French designers to improve the specialization and internationalization of product design and development [6]. However, Li Ning's competitors still bring it huge competitive pressure. Nike uses its resources to invite top NBA stars to visit China. Faced with the threat and impact of domestic sports goods industry as well as the challenge of foreign sports brands, Li Ning company has to seek a broader development and integrate itself into the furnace of the global economic competitive environment, so as to continuously improve its competitive strength [6].

4.3. Supporting Media Marketing Strategy

The confusion of Li Ning's media marketing strategy mainly focuses on the channel and content of media publicity and propaganda mode.

4.3.1. Propaganda Channels are not Updated in Time

Over the years, Li Ning has been using mass media TV advertising as a major channel of communication with the Chinese public. With the increasing audience of CCTV, It can really serve as a powerful bridge between Li Ning and customers. However, according to the survey, in recent years, social media platform is the largest source of influence for consumers to purchase goods (84%) [7]. In addition, according to the global consumer insight survey conducted by Price water house Coopers, 32% of respondents said that the positive evaluation of goods on social media will affect their purchase desire [8]. Li Ning has long focused on CCTV publicity, but neglected that street clothing has subverted the top-down model of fashion industry, that is, consumers, like the insiders, have the ability to decide what is the coolest [7]. Therefore, consumers gather together through social media, and use the new media platform to build a network community of brand products [9].

In addition, the close relationship between generation Z consumers and new media helps to establish a close and almost cult like the relationship between street clothing brands and their consumers [7]. Thus, social media should become the mainstream way of Li Ning's choice and communication, including online channels for sharing and participating in various activities, representing an increasingly important way for brands to communicate with attractive audiences [10]. Especially behind the rise of the Gen Z, the words "bullet screen culture", "ACG (animation, comics and games)" and "E-sports". The rapid development of E-sports provides a new way for brand communication. At the same time, "China has hip-hop", "this is hip-hop", "China's new rap" and other large-scale Chinese variety shows have opened a new platform for the fashion trend. As a traditional media communication platform, TV also is an indispensable marketing link of street-wear brand.

4.3.2. Media Content Marketing out of Date

At present, although Li Ning is actively transforming and upgrading to attract the younger generation, its brand still maintains the original concept of national pride as the core. It is undeniable that Li Ning effectively expressed the themes of national pride, patriotism and made in China in TV advertisements, which to a large extent stimulated the national pride of consumers [11]. However, it is worth mentioning that as a sports brand transforming into a fashion brand, Li Ning should pay more attention to the inner spiritual resonance of generation Z, especially in this process, Li Ning seems to ignore a key factor: the growing sense of autonomy of generation Z in

China. Although Li Ning has shifted his focus to highlighting individualism and cool personality sponsorship sports, such as basketball. But it should have a comprehensive review for brand communication strategy [11]. In addition, young, well-educated, high-income consumers do not seem to have that strong sense of national superiority, and the attractiveness of foreign goods and services, as well as foreign cultures, seems to be more effective [12].

4.3.3. Single Way of Brand Promotion

The reasonable application of star effect is another important way of communication. It is very important to set up the international brand image by correctly positioning the brand image and increasing the sponsorship to the domestic and foreign stars with strong international influence and in line with the brand image. Li Ning has been attracting customers through "founder and Sports Star Charm" for many years, but considering the current number of sports stars, the proposal seems to be losing momentum [13]. According to the current situation, in the trend of sportswear, celebrities in other fields, such as music or movies, can also have a similar impact. Sports celebrities have the goal of youth, so the use of music celebrity endorsement can revive the brand image and expand the potential purchasing groups, not just sports fans. It is worth mentioning that to grasp the heart of generation Z, it is particularly important to choose the spokesperson reasonably. Among consumers, musicians are the most trusted (65%), and to some extent, they are ahead of social media influencers (32%).

Joint brand strategy is the most commonly used means of communication for street clothing brands, which is concerned by Transnational Joint brand and brand cooperation. Because brand names are valuable assets, they can be combined with other brand names to form a collaborative alliance with more than part of the total [14].

However, CO branding brings a variety of risks. The most noteworthy is the risk of pairing with a partner, which could damage the strong brand equity of existing products. "Product trial" is defined as consumers' first use experience of the brand, which is the key factor to determine brand belief, attitude and purchase intention [15]. How to choose other brands suitable for their own brand style positioning is the current fashion brand should be considered. Li Ning should not only keep up with the trend, but also develop its own culture.

5. Suggestions for Improving Li Ning's International Marketing Strategy

5.1. Expand Marketing Methods

In this era of traffic first, star effect plays a great role in brand image building and promotion. To a large extent, the choice of spokesperson is directly related to the development of the brand. Li Ning company has not been very good performance in the choice of spokesperson, and the mistakes in this aspect are also part of the reasons for the poor situation of Li Ning company. It was believed that to improve the design of its sportswear collection, Li Ning had to work with some famous designers and celebrities. As a success case, Kanye West designed the YEEZY for Adidas from 2013 to 2020 [16]. YEEZY's classic design makes Adidas's brand reputation better than before. According to the 2015 Adidas annual Report, Adidas CEOs believe that products like the Kanye Vivist collection have helped make Adidas become one of the world's top sneaker brands. Therefore, Working with world-renowned designers and celebrities has helped Li Ning expand his global visibility [17].

5.2. Improve the Digital Marketing Model

Li Ning should think more about choosing European and American countries, rather than Asian countries and releasing more information on social media. Li Ning should strengthen his international

brand building. In addition, brand marketing should adopt a more flexible way to meet the needs of consumer groups in different countries." Consumers judge the attributes of a product from where the product comes from, and then form their perception of a brand [18]. In addition, from the perspective of brand management, Li Ning also needs to realize that product differentiation and multi-brand strategy can enhance the brand image, which can help to build a global brand [19].

6. Conclusion

To sum up, Li Ning has good national brand trust and strong national policy support, but the process of its expansion ignores the relevant elements of media diversification and cultural diversity. In addition, in the field of media marketing, Li Ning has relatively few marketing channels, especially to focus on developing social media marketing campaigns. Although Li Ning focuses on building new technology brand advantages, it failed to grasp the opportunities of the celebrity effect, and the wrong spokesperson made its marketing difficult. Therefore, in the process of establishing brand assets in foreign markets, carrying out international marketing activities is an indispensable factor for Li Ning to establish brand awareness. At the same time, adhering to technological innovation and actively improving the perceived product quality and brand experience of consumers are the core factors of the market development strategy. Brand strategy, including brand acquisition and overseas market expansion, is critical to the building of the brand image. Li Ning should focus on his own advantages, and actively improve the relevant marketing strategies to more rapidly improve the brand's global awareness and further build brand loyalty. Although Li Ning's current marketing strategy is reviewed in this paper, there is a lack of macro-research on the international market (the development status of sports brands in foreign markets, marketing obstacles to sports brand expansion - competition of similar brands, etc.). Future research will further analyze the above problems from five aspects of the five-force model.

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