

# ***The Impact of Nike's Social Media Marketing Strategy on Consumer Demand***

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**Abstract:** Digitalization has changed users' shopping experience, and Nike is one of the sports footwear and apparel brands with the highest market share in the world. With the increase in social media influence, Nike has actively laid out its social media matrix to attract more potential consumers and guide their shopping needs through diversified marketing methods. This paper analyzes the impact of social media on Nike's consumer base and makes plans by combining Nike's different marketing approaches, consumer needs, and the 4Ps. 4Ps is a marketing strategy tool in which companies develop marketing strategies by analyzing four aspects: product, price, channel, and promotion. The results of the study showed that while social media marketing expanded sales, its effectiveness was undermined by price promotions. A limited edition of many co-branded products makes consumers doubt the product's value. Therefore, marketing should be combined with price promotion, not just brand promotion. By analyzing the 4Ps to understand the marketing approach that Nike should adopt in the current climate and the factors that should be considered to influence consumers.

**Keywords:** social media, 4Ps, marketing strategy

## **1. Introduction**

Social media first began to be used in marketing in the early 1970s through digital mailboxes and online meeting forums, but the advent of the Internet has made social media marketing into the most prosperous era. A set of messages and information from a Weibo user will be opened to his audiences, and each report will be checked by his noticers. Information can be spread out geometrically in a short time. In the age of social media, users tend to spend their spare time browsing information. For example, when ordering food on the subway, at a bus station, or a gym, there will not be a lot of time to read the whole complex messages in their entirety. To attain the ideal communication consequence, the information from most of the messages shared should be brief and distinct, and the most precise information should be transmitted in the shortest time [1]. Emotional connection with consumers strengthens interaction with consumers, masters the psychology of consumers, and influences consumers' needs and decisions. The results of this study will provide some templates and examples for the marketing strategies of other firms in the market competition, which can be more targeted and effective in the development of marketing plans; To maximize consumer demand for products in different periods, different groups and different social backgrounds, and achieve sustainable

marketing and development. The study aims to analyze various levels of information about the characteristics and corresponding groups of different social media, the characteristics and advantages of different marketing methods, and the needs of consumers; Describe Nike's use of a mature social media marketing strategy by observing and understanding the actual situation combined with Nike's marketing methods which brought the growth of the enterprise and the impact on consumer demand to study the influence of social media marketing strategy on consumer demand. This paper will focus on different marketing methods, such as experiential marketing which is often seen offline and test the shopping experience brought by enterprises to consumers, emotional marketing which actively establishes an emotional connection with customers or arouses emotional resonance of consumers, and marketing of delayed gratification and certain purchase restriction to consumers. And three different consumers' needs, such as the most basic rigid needs: physiological needs, everyone's pursuit of safety need, and higher spiritual level of social needs, theoretical and practical examples are analyzed.

## **2. Ways and Types of Marketing Strategies**

### **2.1. Experiential Marketing**

Experiential marketing is a new way of marketing. It refers to the refinement and design of marketing means from the five aspects of customers' perception, thinking, opinions, behaviors, and constraints. This method breaks through the traditional "logical consumer" hypothesis and believes that consumers have both logic and emotion when buying, and the experience before, during, and after consumption is the key to the study of consumer behavior, as well as the primary goal of enterprise brand management. The results show that emotional experience and sensory experience have a direct positive impact on satisfaction, and emotional experience and performance experience have a direct positive impact on loyalty. The results also show that there is an indirect relationship between sensory experience and emotional experience, and loyalty plays an intermediary role in the satisfaction effect [1]. Nike puts the customer experience in the process of consumption and product use at the top of its marketing agenda. Nike is known for the digitalization of its business processes, including direct-to-consumer mobile and social businesses, as well as advances in the use of efficient and high-quality materials in innovative sportswear [2].

### **2.2. Emotional Marketing**

Emotional marketing starts from the emotional needs of consumers, irritates the emotional needs of consumers, motivates the echo of consumers' hearts, and integrates emotions into marketing. In today's era, consumers no longer focus on the quantity, quality, and price of goods, but sometimes on kinds of emotional content, kinds of psychological identification. Emotional marketing can create a warm and harmonious marketing atmosphere, conducive to the enterprise to establish a good image, establish a good interpersonal relationship, at the same time enhance the emotional connection between consumers and enterprises, increase consumer loyalty, but also through the quality and intimate service and care for consumers to improve the reputation of the enterprise, enhance competitiveness. Nike's marketing and advertising strategy in the Chinese market is a good reflection of the emotional relationship and cultural identity with Chinese consumers, to gain more Chinese customers. Sports Spirit is the core of Nike's Trans-cultural diffusion, which needs to display concrete expression and deepen the cultural connotation of the advertisement, although sports stars are the best vehicle for Nike's cross-cultural communication, the company needs to connect international sports stars with the Nike brand, adapt international sports stars to Chinese culture, and use local stars to present Chinese features; Social Trans-cultural diffusion is the best theme for Nike, so the enterprise need to internationalize the content and topics and keep the hot topics close to Chinese culture [3].

For example, on April 10th, 2020, during the epidemic, Nike released the theme film "The Sun is Coming Out", through the "athletes" in the most real situation of life under the epidemic, to reach trapped home partners to convey love and hope, with actions to explain the disaster # where can stop us #, which in the great challenge of anxiety psychological healing ability, and behind this is the extension of Nike brand temperature, And the high recognition of brand value from users.

### 2.3. Hunger Marketing

Hunger marketing means that merchants carry out a large amount of advertising to stimulate consumers' eagerness to buy, and then adopt hunger marketing methods to make consumers wait, further enhance consumers' desire to buy, help them raise product prices, or set a customer fundamental for future large-scale sales. The ultimate effect of hunger marketing is not only to raise the price but also to create high-added value for the brand and establish a high-value image for the brand. The successful application of this marketing strategy is related to market competition, consumer maturity, and product substitution. If any of these factors are missing, it can lead to lost customers and a diminished corporate reputation. Choosing celebrities to help promote the brand requires caution, as this marketing strategy depends heavily on the reputation of the brand. Excessive implementation of this strategy may make customers' expectations of goods exceed the actual quality, leading to the failure of brand loyalty [4]. In recent years, every Air Jordan series engraved a Jordan generation of basketball shoes, in the form of limited sales, the basic cause of the crazy grab scenario. Before publishing, consumers can find out about the shoes and the accurate sale date through forums, microblogs, and other online platforms. Jordan shoes sell out within seconds of their release on Nike's website, and most consumers haven't even picked up a size. Queues for the Jordan are common at brick-and-mortar stores across the country, with many shoppers queuing up a day early just to have a better chance of getting their hands on them. Many customers who could not get the shoes at the starting price on the day of sale were willing to pay a premium. This also leads to many scalpers through some means, through a certain channel to store a small amount of goods, seek a certain profit. This change comes from Nike's marketing strategy innovation, in which good use of hunger marketing plays a big role. For businesses, hunger marketing can increase sales. In 2013, Jordan's sneaker sales grew 11 percent to \$2.7 billion, with 84 percent of that growth coming from dry basketball products. Last year, Jordan accounted for half of all basketball shoes sold in the US. Nike makes consumers less than completely satisfied; supplies fall far short of dry demand, keeping the product fresh. The market is often desirable. When sales of Nike's other brands are taken into account, Nike has a near-monopoly on the basketball shoe market with 92% of the market, according to Sports OneSource.

## 3. Consumer Needs

### 3.1. Physiological Requirements

Physiological needs are the most basic needs of consumers. In the marketing of Nike, the advertisement shows the advocacy of a healthy body and reasonable sports and the comfortable effect of shock absorption and breathable sports shoes. The product aims to improve the performance of athletes, maximize comfort and protect health, and beautify sports equipment with different designs and colors. Meet the basic physiological needs of many consumers. To confirm the direct impact of the curved carbon fiber plate of Nike Vaporfly 4% shoes on running economy and running biomechanics, 15 healthy, consistently active male runners completed a metabolic survey and a biomechanical survey. In both schemes, participants wore two different shoes, one full Nike Vaporfly 4% (VF full) and one broken cut Nike Vaporfly 4% (VFcut). [5] This advertisement emphasizes that: The Vaporfly was put to the test at Runner's World's private Shoe Lab and found that it provided 80

percent and 77 percent energy rebound on the heel and ball of the foot, respectively - the highest we've ever recorded. It means when people put on these shoes, with each step they run, they lose less energy and have more energy to bounce back; they will run easier and their performance will naturally improve.

### 3.2. Security Requirements

The outdoor travel population has drastically decreased due to COVID-19, an epidemic that has spread around the world, resulting in a decline in the value of outdoor advertising and a significant decrease in conversion rates. When offline advertising was impacted, more advertisers turned their attention to online, which spawned a short-term demand rise in online traffic. In other words, people's travel activities are restricted, and offline communication is hindered, further spawning and promoting the development of Internet enterprises and the advancement of cutting-edge technologies, and digital marketing ushers in greater development space. Online projects will have the opportunity to gain a significant boost due to the rise in user volume and user activity, which brings more online opportunities to the advertising industry. On the other hand, companies need to prepare in advance, for COVID-19 after the possible face of "retaliatory consumption", advance prediction of the special period of marketing trends is very critical. Consumer behavior habits of the transformation will also affect the digital marketing strategy of enterprises. Under the influence of COVID-19, consumers prefer to consume digitally, and payment for such transactions can be made online, without sellers and buyers physically meeting. Due to restrictions, people cannot leave their homes, so they turn to online shopping, which makes people enthusiastically try new online shopping options for essential and non-essential items. On the other hand, e-commerce platforms delivered products and services to consumers' doorsteps; websites that offered non-essentials before the pandemic began selling food, masks, disinfectants, and other necessities [6]. The consumer payment choice model is based on consumer payment route data to determine how consumers are willing to pay, given the trends, thus determining how companies will market their products. Nike used digital consumption to a large extent to meet the security needs of consumers, based on the consumer payment choice model, consumers prefer to pay in cash, not only because cash is commonly accepted, but also because cash payments are the safest form of payment because there is no risk or technical failure. However, in the broader context of COVID-19, consumers' perceived risk levels can significantly increase [7]. Digital payments can be made easily and quickly, anywhere and anytime. In addition, electronic payments can record a user's transaction history, which makes it easier for people to understand their spending habits. Digital payments can be made globally over the Internet and, in some cases, they can be made faster. Moreover, security-wise, e-payments can also digitally protect users' identity and account information. Second, in terms of products, product design for Nike is not the primary, it focuses on the comfort and safety of the product. Nike ZoomX Vaporfly running shoes can improve the runner in the same running strength and heart rate for long-time training and can reduce muscle pain. This type of shoe can be used for high-intensity training, increasing the training volume in high-intensity training while protecting the user's muscles. As an example, since the launch of the Nike ZoomX Vaporfly sneaker in 2017, all men's and women's world records from 5k to marathon have been broken as well as several national and continental records. VPF running shoes have been reported to enhance running performance by 2% to 6% in different long-distance races [8]. Therefore, Nike is safe and secure for consumers in terms of payment methods and the product itself.

### 3.3. Social Requirements

The social needs of consumers can also be psychological needs, which refer to the need to satisfy the psychological and spiritual activities of people, such as their self-esteem, the need to realize their

potential, and spiritual entertainment. Compared with material needs, spiritual needs are the needs of a higher level, such as the pursuit of friendship, status, and honor. Nike and Adidas dominate the sports brands, with 72.5% of consumers thinking of Nike and Adidas first when talking about sporting goods or sports, which shows that the audience is mostly teenagers [9]. For example, Nike provides supplies for most sporting events, including athletes' clothing, and on billboards for games. Moreover, Nike runs basketball leagues and social campaigns for youth under the age of nineteen, using advertising to increase product awareness on the one hand and to promote sportsmanship on the other. Nike has 138 million followers on Instagram and spreads stories between them and their customers across social media channels by using customer-generated content. Nike Women is a special women's channel on Instagram that has empowering content that inspires a healthy and athletic lifestyle. Nike Women helps pass on women over messages that are clear, for example, about self-care. Women share their work and ambition to revolutionize fitness through community, which drives social value and gets more women involved in the exercise community. Any average woman interested in self-care is likely to feel engaged in the community and also attracted to the brands that share this message. Thus, Nike is using social media to make its consumers aware that each person is a compelling individual and has unique social value.

#### 4. 4Ps

Neil Borden, a professor of advertising at Harvard University, propagated the marketing mix concept in the 1950s, which subsequently became known as the "4Ps". To accurately market a product or service successfully, the "4Ps" are critical deliberations that must be carefully scrutinized and intelligently implemented. They are product, price, place, and promotion." The "4Ps" are often referenced as the marketing mix. They incorporate a range of factors that are considered when marketing a product, including what consumers are looking for, how the product or service fulfills or does not fulfill those needs, how the product or service is being perceived in the world, how it distinguishes itself from the opposition, and how the company that manufactures the product engages with its customers [10].

##### 4.1. Price

According to different market positioning and brand awareness, different pricing strategies are developed. Nike belongs to the high-end sports brand, and the price distinction between different product lines is larger, of which Nike and Jordan's prices are higher, Converse prices are more affordable, Converse is Nike's affordable casual shoe brand, while Jordan is authorized by the U.S. NBA basketball star Michael Jordan, Nike's athletic shoe brand, Jordan series is far ahead of other brands in terms of sales and market demand, but in terms of price Jordan due to the star endorsement and media hype and even the phenomenon of a shoe hard to find. Nike's limited and co-branded models of sneakers gradually discourage consumers, for example, Nike and Tiffany collaborated to launch a pair of all-black Nike Air Force 1 Low sneakers, priced at \$400, which is higher than the average Air Force 15-type sneakers at around \$100, is and may sell more expensive in the lucrative resale market [11]. The American Tiffany jewelry brand is one of the top ten luxury brands in the world and is marketed in shades of blue, even giving it the name Tiffany Blue. This is not the first time that Tiffany has co-branded with a sports brand; it has appeared before with co-branded basketball, and it has started with products priced at \$10,000. This co-branding model of sneakers raises the price to a higher level through a nominal public service campaign, which is a characteristic of online marketing, by capturing the consumer's psychology and personalization.



## 4.2. Product

Nike's main products for youth-oriented sports footwear, in addition to meeting consumer demand, also launched sports-related peripheral products. Nike's ordinary line products are more inclined to the function and quality of the product, while the high-end line products are more inclined to the collection such as limited-edition products.

## 4.3. Place

In order to expand its market and solidify its position in the industry, Nike has many distributors all over the world. Through its directly-managed stores, related sports product stores, and online sales platforms, consumers can shop for products to the maximum extent. The Internet has facilitated the exchange of e-commerce and given rise to new trends. Firms can use consumers' social networks to expand their reach and customer base. And companies can proactively use push and tracking technologies to motivate people to make referrals. This type of lead generation is also called referral marketing, for example, in Nike's membership system, where members get discounts for referring new members to join the membership. to help Nike get new customers [12].

## 4.4. Promotion

In addition to its impressive logo, Nike's market is dominated by product innovation, design, celebrity endorsements, and limited editions. Nike often uses celebrity endorsements or co-branded models to raise awareness. On social networks, brand placement is also another marketing tool for Nike. Brand placement in video games can bring a sense of authenticity to a situation, thus increasing consumer awareness and recognition of the brand [13]. As an example, Nike products are present in NBA basketball games and live soccer, which are not visible.

## 5. Conclusion

From the perspective of marketing methods, Nike uses a new type of experiential marketing, researching consumer behavior through five aspects of consumer sensation, feeling, thinking, acting, and association, stimulating consumers' emotional needs through emotional marketing, and additionally using hunger marketing to cause customers' desire to buy. Nike has a perfect marketing system and mature social media marketing strategy, and the spirit of innovation is also the top priority, Nike through different marketing methods to a large extent to meet the various needs of consumers. Mainly divided into three aspects, Nike meets the basic physical needs of most consumers through the design and comfort of its products, in addition, under the influence of COVID-19, Nike's upgrade of digital payment and products guarantees the safety needs of consumers, and finally, it spreads stories with social value through social media channels to engage consumers into the community, thus meeting the social needs of consumers. In addition, the impact of Nike's social media marketing on consumer needs is studied through Nike's 4p analysis. Nike's main product is footwear. To satisfy different income groups, Nike has different brand lines, but the co-branded limited editions with luxury brands make consumers deterred. Meanwhile, facilitated by the Internet, Nike uses social networks and celebrity endorsements to expand its customer base and awareness. Nike deeply bundles its products with its brand philosophy through social media to convey the brand's values to users, thus influencing their consumption decisions. Besides using social media marketing to expand market coverage, the consumer group is mainly young people and Nike's products are overpriced, so it is suggested that Nike can conduct more promotions to attract customers. Meanwhile, it improves the quality of its products, increases the value of its products, simplifies its packaging, and does a good job in after-sales service.

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