

Nike's Marketing Strategy in the Internet Era

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Abstract: With the continuous expansion of the competitive sports market and the continuous increase of market participants, the sports product market in China has formed a chaotic situation. Domestic and foreign sports brands are competing to occupy the market, and large sports equipment manufacturers are using various channels to increase their market share. This paper analyzes the sales environment of Nike in East China and discusses some problems. In particular, that current Nike's brand marketing strategy includes: First, the market positioning of the product is too simple; At the same time, product distribution channels are affected and it's easy to find out that the brand management of products is ignore. This paper puts forward the following suggestions on the sales work of Nike in East China: Enriching the market positioning of the company, strengthen the company's brand communication channels and strengthen the brand management of enterprises, which can enhance corporate branding.

Keywords: Nike, internet Era, marketing strategy

1. Introduction

From the generation of 4 P to the current online marketing, various theories have played a very good guiding effect in practice. However, at present, the marketing work of the enterprise still needs to be further developed, and combined with their own reality, to carry out further analysis is very meaningful.

From the perspective of the company's management, Nike is a famous foreign sports product company, which faces huge competition and competitive advantages in the development [1]. In this situation, Nike company's marketing work will more effectively promote the development of Nike company. On the other hand, through Nike's marketing strategy, it can better adapt to the development needs of the market, and constantly improve and stabilize the development.

2. Nike in the Internet Era

2.1. Macro Environment Analysis of Nike China Co., Ltd

2.1.1. Policy Environment

In April 2022, The General Office of the State Council pointed out in the 14th Five-Year National Health Plan that the national fitness campaign should be carried out. This paper will deepen the

integration of sports and health care, hold national fitness themed demonstration activities, advocate the concept of active health, and popularize the knowledge of sports promoting health.

This paper will build a higher-level public service system for national fitness, promote the opening and sharing of public stadiums and school stadiums, and increase the coverage of fitness trails and other convenient fitness venues. Guarantee the school physical education class and extracurricular exercise time. This paper will provide physical fitness guidance for special groups, strengthen non-medical and health intervention, establish and improve exercise prescription databases, and promote the application of prescriptions. In fact, since the success of the 2008 Olympic Games, the concept of national health has been quickly formed, forming a wave of sports boom across the country, and the government is also vigorously supporting and supporting the cause of sports [2]. In 2009, the state passed the National People's Physical Health Day, and the Comprehensive Fitness Regulations also took effect on October 1, which clearly stated that all relevant departments should strengthen the publicity of national health knowledge and organize the masses to participate in sports activities. The Guiding Opinions of the General Office of the State Council on Accelerating the Development of the Sports Industry was issued in 2010. Article 4 of the Opinions points out that, in order to develop China's sports products well, it is necessary to take the development of good sports products as the focus of the whole development. In order to promote the development of sports in China, the government has issued a set of new development policies, strengthen the supervision of sports products, but also strengthen the supervision of the quality and quality of sports products, improve the brand awareness of enterprises, and provide a strong guarantee for China's high-quality sports products. Therefore, under this big policy, our sports product industry is developing rapidly, and the sports atmosphere of the whole society also provides a good space for the development of foreign sports enterprises. The current policy is a good opportunity for Nike.

2.1.2. Economic Environment

Whether an industry can develop rapidly is closely related to its external environment. Judging by the overall development level of the whole country, on the whole, its development speed is very rapid. In 2021, the total amount of China's sports industry reached 1.9 trillion, equivalent to 0.9% of GDP. In 2022, this figure increased to 21577482 billion yuan, and GDP exceeded 710 billion yuan. From this, it can be seen that China as a whole.

Table 1: Brand share of sporting goods market in East China Market.

	In 2018	In 2018	In 2018	In 2018	In 2018
Lining	29.7%	30.4%	29.8%	31.2%	30.9%
ANTA	24.8%	25.0%	25.6%	25.2%	26.3%
Adidas	13.7%	14.2%	14.3%	14.6%	13.8%
Nike	10.9%	10.9%	11.5%	10.3%	12.1%

According to the market share statistical results in Table 1, Nike has an absolute advantage in the East China market, which is due to the high overall economic development degree in East China and the strong purchasing power of consumers, so it is more inclined to choose big brands when choosing sports products. Adidas's sales are lower than Nike, but their market share doesn't make much difference, which will put a lot of pressure on Nike. In addition, from the development of China's sports goods brands, Anta, Li Ning and other brands market share is relatively stable, compared with Nike, Adidas and other companies sales, there is still a certain gap [3]. Therefore, judging from the data of the current market competitors, Nike's development is still very advantageous.

2.2. Analysis of the Bargaining Power of the Suppliers

Based on Nike's current production conditions, most of Nike's products are manufactured by OEM companies and sold around the world. Nike operates OEM factories all over the country, including Chinese mainland, Taiwan, and Indonesia, where contract manufacturers have different responsibilities. Nike has the largest foundry and the largest capacity in Chinese mainland.

Taking production enterprises as an example, labor is the most important expenditure. China has a large population in the last century [4]. Through the advantage of population development, it has achieved rapid economic growth, and also promoted China's manufacturing industry. However, since 2019, the aging problem of China's population is becoming more and more serious, the demographic dividend has gradually faded, and the production costs of OEM processing enterprises are also continuously rising, which leads to the higher and higher cost of Nike in the production link. Nike's products are still relatively weak in the negotiation, while Nike's products will continue to rise due to the rising price, so their products will gradually be concentrated in Southeast Asia.

2.3. Bargaining Power of the Buyer

In China, with the rapid development of China's economy, people's quality of life is getting better and better, and people's purchasing power is getting stronger and stronger. In this case, Nike is head-on to a constantly changing consumer. First of all, in terms of consumer selection, Nike is not the only one, and Adidas, New Balance, Under Armour and other brands are the most popular brands, so they will have more choices, even the most demanding customers can choose their favorite products from many famous brands [5]. Secondly, on the whole, East China is the most prosperous region in China, with many commercial centers, so that consumers can easily buy what they want. In the development of the company, the quality of products is a very important issue, and with the progress of technology, the gap between different companies will continue to narrow. So in the current buyer bargaining, Nike is obviously weak.

2.4. Entry Ability of Potential Competitors

Potential market competitors mainly refer to the competitors who are not direct threat to the enterprise but have potential threat. From the current development of Nike's Chinese market, the potential competitors are mainly from two aspects, one is Chinese local brands, and the other is other foreign brands that have not yet entered the Chinese market.recent years.

3. Analysis of Nike Brand Marketing Strategy in the Internet Era

3.1. Nike Company Profile

Founded in 1963, Nike was first named as Blue Ribbon Sports Equipment Company, and then renamed as Nike Sports Equipment Company in 1972. Nike is a company based on sports products, headquartered in the United States, mainly sports products, Nike's business expansion in the global scope, making it occupy a place in the international sports products industry.

Nike made great development in China's sports industry in 1980, and set up its first relevant department in Beijing, which is also a signal that Nike officially moves towards the Chinese market. Nike Sports Equipment was officially established in China in 1996, centered in Shanghai with branches in Beijing and Guangzhou [6]. In particular, in 2011, the Nike Greater China headquarters, covering an area of more than 50,000 square meters, gathered all the staff of Nike companies in one place.

In order to better develop the local market, Nike China actively participates in various large-scale national sports, but also attaches importance to the development of youth sports, carried out a series of “I Dream” sports, attracted a large number of Chinese young people to participate, and achieved good advertising effect.

3.2. Development Status of Nike Company's Brand Marketing

3.2.1. Current Situation of Brand Positioning

China's sports industry is currently in a highly competitive state. Therefore, in order to achieve more development in the sports industry, this paper need to focus on the brand market. Based on Adidas's brand strategy, Nike uses it as a young sports star. In its brand strategy, Nike has targeted its products to 13-25, and has integrated its products with its customers. For a long time, as Nike develops around the world, its internal decision makers have facing Nike products. After analyzing the reality of various countries and competitors, Nike has developed market strategies for various countries and groups.

3.2.2. Status Quo of Brand Communication

Nike has entered China because of its pricing strategy, focusing mostly on China's first-tier, second- and second-third-tier cities. Among them, China's GDP level is relatively high, and consumer groups are not so sensitive to the price of goods. Nike began bringing its brand to the first, second and third tier markets and expanding it to the third tier markets. By building a reasonable pricing and sales system, Nike can effectively avoid the contradictions generated in its communication with different brands [7]. Nike divides its sales network into six parts, namely professional sports stores, regular sports stores, department store Nike stores, discount stores, flagship stores, and production workshops. Nike improves the effectiveness of its brand communication in the communication of these brands.

3.2.3. Status of Brand Management

Nike has made positive changes in the company's marketing organization, brand management system and other aspects, and expanded new business areas in new areas, thus achieving continuous profitability. In terms of brand management, Nike always adheres to the trend of The Times, gradually abandons the business mode based on brand creativity, and gradually turns to the customer-oriented operation mode [8]. Nike attaches great importance to customers' “customers need to change” and develops new products for their different needs.

3.2.4. Status Quo of Brand Promotion

Nike transformed the core values of the company into the materialism of sports, and also the symbol of man's victory over nature and surpassing oneself. Nike has adopted a regular marketing approach (athlete fame). However, Nike's celebrity endorsements are different from the average sports celebrity. In these advertisements, the visual aesthetic feeling and emotional added value brought by celebrities and celebrity products can be fully reflected. Using the most basic advertising method, the two are combined to create a remarkable Nike. What Nike does is make shoes, not do business. Nike's values of individualism, creativity, movement, and vitality have become a popular cultural experience among its customers. In a sense, Nike marks today's fashion and consumers' perception of their identity.

3.3. Problems Existing in Nike Marketing

3.3.1. Single Brand Market Positioning

According to Nike's development situation in China, its products are mainly sports products, including running products, basketball products, football products and so on. Through market research on Chinese sporting goods, Nike accounts for 23% of the sporting goods market. In east China, the market share of the region reached 30%, among which the share of clothing reached 19%. Thus, Nike has a dominant market share in eastern China [9]. In particular, in sports shoes, Nike accounted for 32 percent in eastern China, while basketball shoes and sneakers accounted for 29 percent and 38 percent, respectively.

3.3.2. Brand Communication Channels Face Impact

With the rapid development of Nike in the Internet age, the marketing channel of its brand has also been greatly affected [10]. From the perspective of online sales channels, in the past two years, offline sales have grown rapidly, so are Carrefour, Wal-Mart and other retail stores. They have maintained strong vitality in the development of China's retail industry [11]. However, with the rapid development of business, technology is also making rapid progress, today's offline talent market, has become a very serious problem, many people have chosen to join this field, which is undoubtedly a huge blow to the traditional network marketing.

3.3.3. Lack of Brand Management Organization

In the course of sustainable development, Nike not only attaches great importance to the establishment of brand, but also attaches great importance to the management of brand. Brand marketing includes brand building and management, and an established brand must strengthen effective management, so that its internal culture and development become a stable process. Only in this way can the value of the brand continue to improve, and the company's brand equity will also increase [12]. On the contrary, if the ignore the management of the brand, then its value will continue to decline over time, and finally will let its value disappear, which is a waste, but also a waste. Nike trademark has a lot of technology, such as technology, and Nike company, with its own ability to tell customers, but for their own brand, is ignorant. Nike, on the other hand, lacks a brand marketing plan for its products.

3.3.4. Monotony Ous Brand Promotion

Nike has a lot of followers and loyal followers, but in such a brutal market, what Nike has to do now is to promote its products.

3.3.4.1. It Has a Great Dependence on the Star Effect

The company uses multiple celebrity groups to promote the development of the company. When a spokesperson encounters problems, it can use other artists to maintain the image of the company, which can not only reduce the danger of the company, but also reduce the image of the company. Take Nike for example. In 2003, Bryant was convicted of rape, and in 2009, Woods was rumored and Pistorius was shot, all of which had a huge impact on Nike's development.

3.3.4.2. The Demand of First-tier Cities is Saturated

Compare Nike and local Chinese products, and both are highly priced and centered on second-tier cities. In first-tier cities, there is a saturation, so Nike focuses on the consumption potential of second-tier. In the low-line market, the price advantage of sporting goods will bring great temptation to customers, but the price of Nike will be raised, which affects their brand.

4. Nike Brand Marketing Problem Solutions in the Internet Era

4.1. Enrich the Brand Market Positioning

Nike should note in its future marketing activities that the next stage of marketing work should be carried out from the following aspects. First, to expand the market share of its products; second, the customer needs-oriented marketing brand.

4.1.1. Expand the Market Share of the Target Brands

In view of Nike's current key market positioning, its focus is on the development region, and in view of the overall economy in East China, the market selection is focused on the 1-3 tier cities. At the same time of development, we must promote the development of the market with reasonable consumer goods. At the same time, we should pay attention to the construction of the new commercial district, and timely set up the corresponding marketing network in the new commercial district, so that Nike can find a suitable market in a reasonable commercial area, so as to improve its share in the shopping mall.

4.1.2. Brand Market Positioning Focusing on Consumer Demand

First of all, Nike's main sales channel is the professional sporting goods in East China, so Nike must make use of its own advantages to constantly develop high-quality sporting goods [13]. And the entertainment industry is also a very large space for development, can let Nike and other large companies, have enough space for development, so Nike must develop more leisure products, in order to make their products more in line with the needs of consumers.

4.2. Strengthen Brand Communication Channels

In the marketing of an enterprise, the establishment of a correct channel strategy can make it quickly occupy a larger market share, so as to achieve the effective control of the cost of the enterprise. Under the leadership of Nike, the business model of the dealers also has problems [14]. The strength gap between the major dealers is too large, which causes the existing stores to adapt to the needs of customers, resulting in a large number of backlog of goods after the season, and can only rely on discounts to reduce the inventory. Considering the continuous rise of rent and human resources prices in the first, second and third major cities, Nike's sales volume in East China has been in the red. In this case, Nike must do its own marketing network [15].

4.2.1. Adjust the Traditional Brand Communication Channels

First, the location of Nike's flagship store in Beijing, Shanghai and Guangzhou is mostly concentrated in the core business district of the city, and the rent level ranks first in the city [16]. We take Nike's World Trade flagship store in Shanghai as an example. This store is located on Nanjing East Road in Shanghai, which is one of the most prosperous areas in Shanghai, and its rent level reaches 20 million yuan. With such a large rent investment, Nike naturally prayed for a high profit return. In China,

Nike's brand influence and brand value, as well as the customer consumption experience, which has attracted much attention in recent years, are largely improved by the opening and upgrading of Nike's own flagship store. In the 2008 Beijing Olympic Games, due to the unprecedented grand occasion of the Olympic Games, the Chinese people's enthusiasm for sports increased sharply [17]. After seeing the market heat, Nike quickly opened a large number of high-end flagship stores to promote its own brand. Although the profit level has not been significantly improved in a short period of time, the improvement in the hidden brand awareness, consumer preference and other aspects is visible. In addition to the unprecedented Beijing Olympic Games in 2008, China, like the world, was devastated by the financial crisis. In addition, the construction upsurge of middle and high-end shopping malls in China also diluted the customer flow of Nike's original self-run flagship store [18]. Under the dual impact, Nike's sales growth rate slowed down, while the rent level increased even more rapid. In the second and third-tier cities on the layout of emerging Nike factory stores, this strategy of two birds with one stone. In the high-end sportswear market, Nike has regained market pricing power through the construction of factory stores, while disrupting the suggested retail prices of many competing brands.

In recent years, the development focus of sports products has shifted to direct selling between online consumers and manufacturers. Nike's "direct selling" strategy is in line with the current development trend. Nike stores can not only provide customers with a good shopping experience, but also allow customers to display and sell goods at will [19]. Through agents, Nike can also enable the channels of major brands to improve the corresponding quality and cooperation.

Nike still has a lot to improve, especially for the different displays in the store. Using its rich product line, it covers a wide range of sports activities, to promote and display different types of sports goods for different classes of consumers, and at the same time can avoid consumers having the same experience in different stores, so as to avoid consumer aesthetic fatigue. The current environment is not the best, coupled with excessive investment in the real estate industry, in the next five years, there is a great possibility of the market idle malls. At this time, Nike should take a pragmatic strategy of abandoning those cheap stores and stop losing in due course.

4.2.2. Develop Online Brand Communication Channels

In today's rapid development of the network, the rapid development of e-commerce has become an aspect that every manufacturer needs to pay attention to and change. Nike's e-commerce business urgently needs to be accelerated to strengthen its reliability, convenience and practicality. Nike will integrate its three major e-commerce sites into one in 2018 to simplify its complexity. Not only in China, Nike around the world hope to use its advantages to embark on the road of global online sales. Nike company has made gratifying achievements in adapting to this new era trend. Nike's sales in Greater China are up nearly a third from 2013. In the long run, Nike has announced that its e-commerce will grow four times to 2 billion yuan in 2021. However, facing the rapid development of e-commerce channels, Nike urgently needs to solve the problem of brand marketing between individuals and non-distributors. Although China's network marketing network is fast, Nike is still a little overwhelmed in the face of the above problems [20]. On the network, besides Nike's direct sales, only four brands are authorized by Nike. Other sales channels, have not been officially licensed by Nike.

Many consumers think that sneakers should also have personality, so they have designed their own sneakers, which also provides a guide for Nike to make more consumers fall in love with their sneakers. With this event, the company can design its trademark for free, with the help of today's rapid media to publicize, so that more people recognize and love the product, the company can seize this business opportunity, win more customers, and it is not easy to be copied and surpassed by other companies.

4.3. Strengthen Brand Management

4.3.1. Adhere to the Accurate Brand Positioning

The brand strategy of an enterprise is to create a distinctive corporate image, and the market positioning of the enterprise is its core. In the fierce competition, to highlight themselves in the competition, it is necessary to strengthen their own brand. In the process of brand strategy, it is necessary to integrate the culture and connotation characteristics of the company, strengthen the characteristics and brand, so that it has a unique brand attraction, so as to obtain the recognition of customers.

4.3.2. Accelerate the Planning of Brand Management

The brand market is a special and dynamic company system. Brand management is the foundation and key of brand market operation, and it is the organization and mechanism to maintain brand assets. Strengthening brand management is not a simple thing, but to integrate brand recognition, brand positioning, brand image building, brand core value communication and other aspects. Nowadays, the global economy is increasingly diversified, and the communication and competition among major companies are becoming more and more fierce. Nike should seek a new development direction, and focus on brand management to accelerate the comprehensive brand management plan. In order to achieve a long-term, stable development strategy, to better meet the needs of the market and customers, so as to form their own unique corporate culture characteristics.

4.4. Diversified Brand Promotion Methods

Nike has been operating for many years, and the brand awareness and value of its products are very high. Its marketing methods are as follows:

4.4.1. Strengthen Online Information Promotion

With the rapid development of the Internet, the Internet has become a way of survival, many companies are through the network and the network to sell their goods, which is a good way of marketing, Nike should also pay attention to network marketing. Nike has also recently posted a number of online slogans, such as “Understand”. In 2019, Nike released a series of online slogans, which greatly stimulated people’s shopping enthusiasm. To this end, Nike must step up its online publicity efforts. From the current popular network marketing model, weibo and wechat are a good publicity channel. So Nike can create promotional activities in its Moments, allowing customers to hype it in their own circles, creating a “viral promotion” to increase customer popularity.

4.4.2. Focus on the Continuous Development of Offline Activities

Nike has a lot of athletes, many of whom are Chinese celebrities, so hosting Chinese sports in eastern China is obviously a good promotion tool. In recent years, Jordan, Paul and others have visited eastern China, and Bryant has also visited China to communicate with many fans, establishing a good image for Nike. It can be said that Nike has in recent decades, the use of this online marketing means, has gained a large number of users recognition, and has achieved rapid development. Therefore, in the future development, Nike must increase the offline interaction with fans, so that more celebrities can enter east China to interact and communicate with fans.

5. Conclusion

In product sales, Nike sells emotionally, enhances Nike's brand identity, changes its brand marketing management system, opens up new sales market, and effectively prevents the conflict with the brand by establishing a reasonable pricing and sales system; In product promotion, Nike inherits its company culture to customers, which is a trustworthy and welcome cultural experience. However, it analyzes the problems of Nike brand market positioning, the impact of brand communication channel, the lack of brand management organization, and the single brand promotion mode. Through in-depth study of Nike brand market, many problems exposed in Nike brand promotion are summarized, and corresponding countermeasures are put forward.

In this field, competition is big, so is sports products, Nike faces a lot of pressure. The company should grasp the market positioning of Nike, constantly innovate products, constantly improve the technology and level of sales staff, attract customers with high-quality products and products, and build up their own brand confidence.

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