

Analysis of Nike's Brand Marketing Strategy

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Abstract: Marketing can be very profitable for a company and the success of well-known companies is often accompanied by a successful marketing strategy. Bill Bowerman and Phil Knight founded the largest sportswear firm in the world, Nike, under the name Blue Ribbon Sports in 1964. The company changed its name to Nike in 1971, and as the industry leader, it ascended to become one of the top sports brands in the world, with revenues far exceeding those of its competitors and a market share of 38.23% of the entire industry, and is widely recognised in the sports industry for its strong marketing capabilities. It has positioned itself as an active brand with people's aspirations, comfort and national values in mind and has achieved great success worldwide. In this paper, authors will use Nike as case study and conduct an in-depth analysis of the marketing strategies used by Nike personalised customization, content marketing, social media, and hungry marketing. Combined with a comprehensive analysis of relevant literature and market data, consumer demand for unique, bespoke, personalised experiences can be met by personalisation, increasing customer loyalty and generating more business for the company. Content marketing builds consumer awareness and loyalty through the creation of engaging content and effectively communicates brand image and values. The rise of social media has provided consumers with an avenue to identify product needs and reference the buying behaviour of others, while helping to build brand awareness and positive emotional communication. Hunger marketing creates higher brand value and consumer demand through scarcity and limited sales strategies, further enhancing Nike's uniqueness and price premium. The author also uses the current emerging sports brands lululemon and lining as references and uses the successful development strategies of these two brands to provide effective marketing suggestions for Nike.

Keywords: Nike, marketing strategies, brand image, hunger marketing

1. Introduction

In the extremely competitive commercial landscape of today, companies need to adopt innovative and effective marketing strategies to increase brand awareness, engage consumers and drive sales growth. In this context, marketing strategies such as personalisation, content marketing and social media have become one of the key success factors for many companies. This thesis will take Nike, a famous sports brand, as a case study and aims to explore the important role of personalisation, content marketing and social media in the success of Nike's brand.

Nike, a leading global manufacturer of sports shoes, sportswear and sports equipment, has been known for its innovation, quality and positive brand image. However, with increased competition in the market and evolving consumer needs, Nike must constantly seek new marketing strategies to maintain a competitive edge and connect with consumers on a deeper level.

First and foremost, personalisation is a compelling marketing strategy as consumers increasingly seek unique, bespoke and personalised experiences. Personalisation not only satisfies consumers' need for uniqueness and individuality, but also increases customer loyalty and purchase intent. For example, Nike's personalisation service 'Nike by You' offers consumers the opportunity to customise their sneakers and apparel, allowing them to design and tailor products to their own preferences and needs. This personalisation strategy has enabled Nike to create a deeper emotional connection with consumers and gain more loyalty for the brand.

Secondly, content marketing plays an important role in shaping and promoting the brand image. By creating engaging content such as ads, stories, videos and blog posts, Nike is able to capture the attention of consumers and build brand awareness and emotional resonance. Content marketing is not just about delivering product information, but also about engaging and retaining consumers through the communication of brand stories and values, and Nike has been successful in conveying a brand image of inspiration, adventure and personal growth with its creative and touching campaigns such as 'Just Do It' and 'Unlimited You', which have struck an emotional chord with consumers.

In addition, brand promotion and customer involvement have been significantly impacted by the growth and popularity of social media. Social networking networks give customers a way to communicate with companies, discuss their shopping adventures, and look up other people's viewpoints. By actively engaging on social media, Nike is able to create authentic connections with consumers and drive word-of-mouth about the brand. By posting carefully curated content, interacting with fans and collaborating with social media influencers, Nike has successfully expanded its brand awareness and increased consumer recognition and loyalty to its brand.

In this thesis, authors will explore the impact of marketing strategies such as personalisation, content marketing and social media on shaping the brand image, engaging consumers and driving sales growth through a comprehensive analysis of the role of these strategies in Nike's brand success. Through a case study of Nike, this research will gain insight into the strengths and challenges of these marketing strategies and make some recommendations to help other companies succeed in a competitive marketplace.

2. Background Information

NIKE is a well-known sportswear company with a reputation for having outstanding marketing strategy. In 1964, Phil Knight and Bill Bowerman founded Nike. Originally known as Blue Ribbon Sports, the company changed its name to Nike in 1971 and became well-known as one of the top sports brands in the world. Since its inception, Nike has undergone a long period of growth and expansion. They have not only achieved great success in the sports footwear market, but have also expanded into sports apparel, sports equipment and digital sports solutions. Nike continues to drive its growth through brand partnerships, advertising and marketing, innovative design and the introduction of technology.

Nike is now the most valuable company in the world and the number one brand in the world, with annual revenue growth that has propelled it to a 38.23% market share in the sportswear sector. 2022 Despite the rising profits of its rivals, Nike's market dominance shows that it still has a significant impact on the business. 3.0 billion dollars were spent by the business on advertising and promotions. With a market capitalisation of US\$178million, Nike rose to be among the top 50 most valuable corporations in the world [1]. Annual revenues of \$44,538m us dollar.

A wide variety of ages are targeted by Nike's global target market, from young adults to middle-aged. Nike's strategy has changed in recent years to encompass a variety of other target audiences, including young athletes, women, and runners, even though the firm still focuses a lot of emphasis on marketing to players and sports fans. Despite this, male consumers still make up the largest segment of the market, more than half of all wholesale revenues worldwide in 2021 will come from sales of Nike goods for males. In addition, Nike undertook detailed target market segmentation and marketing, firstly demographic plays, to assure future market development and the creation of devoted brand fans, Nike reached out to middle-aged customers with additional discretionary cash and built ties with younger audiences. Secondly there is geographical segmentation, although Nike's target market is spread across the globe the main markets are set in major urban centers. Finally, it is through behavioural segmentation, Nike's target group tends to come from a high-income social economy group, which is reflected in Nike's high quality brand image and pricing. Next is the general sports enthusiast, who is interested in an active and healthy lifestyle [2].

3. Analysis of Marketing Strategy

3.1. Personalized Customization

Consumers increasingly want unique, bespoke, personalised experiences and personalisation is the future [3]. Personalised marketing is a very effective way of marketing, with unique advertising messages or consumer experiences often hitting consumers' pain points with precision and meeting their needs, not only providing a great shopping experience but also increasing customer loyalty. While 65% of a company's sales comes from repeat customers, who make up more than 40% of consumers, more than 40% of consumers report they prefer doing business with companies who offer a personalised shopping experience again [4]. Customers also claim that they are prepared to spend about 20% more than typical for customised items [5]. Nike launched Nike iD in 2000, initially as an online only service, and was gradually introduced to Nike's physical retail shops, and in 2012 Nike released a mobile app that allowed consumers to design shoes directly from their smartphones, eventually changing its name to Nike by You in 2019. Consumers could pay \$170 for the service online or in physical shops offline. The Nike website allows consumers to create customised Nike shoes and choose different colors and materials to match, or even sew their name, favourite number or pattern onto the shoe, or lace it up in different colors, with over 10 places to customise. Making a classic pair of shoes look like a completely different pair of shoes. This meets the demand of consumers who are setting high standards for customisation to express their identity and individuality. Through Nike iD, Nike has gained direct access to consumers and cut middlemen's margins to reduce costs, reflecting consumer enthusiasm and willingness to pay a premium for Nike's personalised shoes. Nike's 'direct to consumer' sales have surged as a result, rising from 22% of overall sales in 2015 to 30% now, providing strategic implications for Nike's future growth [6]. Furthermore, in conjunction with the Global Custom Shoes Market Report and forecast 2023-2028, Customised shoes are predicted to increase at a CAGR of 5.9% from 2023 to 2028, with the market being driven mostly by the expanding youthful population through new worldwide social fashion trends [7].

3.2. Content Marketing

A technique known as content marketing is the creation of material in a number of forms, including as blogs, films, and social media postings, in order to increase awareness, develop brand loyalty, stimulate advocacy, and encourage repeat purchases from customers. 1988 saw the launch of Nike with 'just do it', a simple scenario that told the life story of a marathon runner. "Which became one of the most successful campaigns used by Nike to engage customers with a simple scenario that told the life story of a marathon runner. Later in 2012, as an unofficial Olympic sponsor, Nike created a video

ad during the London Olympics with the theme "find your greatness", emphasising that everyone can be a protagonist in sport and that great athletes are not just in the Olympic Games, but in everyone's life around the world. It is not just in the Olympic Games, it is in everyone's life. It encourages people to strive to go beyond themselves every day, to reach the goals they set and to reap the rewards of their own great moments. And since then, Nike has continued to capture inspirational stories and positive values in the form of posters, videos and calls to action. The brand's posters, videos and positive values have been used to promote the good qualities of hard work and to call for better achievements. This has not only significantly enhanced the brand image and harvested consumer interest, but also helped people to achieve self-transcendence through this content, to face life with a more positive attitude, to establish an emotional connection with consumers and to win more customer loyalty.

3.3. Social Media

Social media usage has considerably increased with the launch of COVID-19. According to research, in 2022, 4.62 billion individuals, or 58.4% of the world's population, will be using social media [8]. With consumers spending less time in shops due to the new crown epidemic, more and more consumers are choosing to use social media to determine product needs. When consumers have a shopping need and do not know which product will solve their needs, they may be socially influenced to imitate the behaviour of others. Consumers may be persuaded to make decisions by information from pleased customers, in accordance with the S-O-R theory and the consumer decision model [9]. As more consumers utilise social media to determine their product demands, Nike has deployed different categories of accounts on each social media account such as Nike Football, Nike Yoga, Nike Basketball and Nike Run Club, where Nike posts content with powerful slogans and stories related to the sport in question. Through social media, Nike has developed a large social media follower base, which actively promotes Nike's message to help confused consumers with their shopping needs. For example, on Instagram, With 290 million followers and an average engagement rate (likes and comments) of 0.12%, Nike's main account is highly active. Twitter users who follow Nike frequently voluntarily retweet their posts, with an average of 1.9k retweets and an engagement rating of 0.13%. According to Katarzyna, Nike reached 442 million people on social media in total and 728 million people outside of social media in January 2023, and a cumulative total of 167,000 positive comments [10]. These figures show that Nike has gained a very high level of visibility and reach through social media and has a significantly high online presence and positive sentiment from follower.

3.4. Hungry Marketing

Hunger marketing typically refers to businesses purposefully limiting product output to change the initial supply and demand such that customers perceive a demand that exceeds a supply, keeping the price of goods at a high level and gaining excess profit. Hunger marketing also attempts to increase the brand's added value, which will aid in building its reputation as a high-quality product in the consumer market. By partnering with other businesses or celebrities to highly publicise their items, marketers frequently employ scarcity to sway consumers' buying decisions and enhance business success. When very many of Nike's loyal follower shared their good shopping experience and product sharing, very many consumers were influenced to choose to buy Nike. When the demand continued to grow, Nike chose to use hunger marketing to enhance the brand's status, such as Nike's creation in association with Virgil Abloh, the founder of the famous designer off-white. For example, Nike has created the "The Ten" with Virgil Abloh, the founder of off-white, as well as launching co-branded collections with designer brands such as Supreme and CLOT, all of which will be sold in limited quantities. And Nike launched SNKRS, the official app in 2018, claiming a first-come, first-served

mechanism for consumers to pre-order and lottery their purchases, causing long lines of consumers. These strategies have psychologically captured the curiosity of consumers, resulting in huge satisfaction for a small number of consumers, increasing the uniqueness of Nike's brand and accelerating the move to a higher-end track with a higher premium.

4. Suggestions

4.1. Influencer Marketing

Influencer marketing was previously only used by a select few bloggers and celebrities, but nowadays, after the new pneumonia, consumers are staying at home for long periods of time, resulting in a very large number of people spending more time online and less time on social interactions [11]. Many influencers have been more successful in building relationships with consumers through the 'Halo effect' and 'social proximity'. Many influencers have become more successful in establishing connections with consumers and the number of influencers has increased and saturated the market. Although the number of their followers varies, the tight-knit community of these influencers fosters real connections and increases trust and engagement. According to the survey, 83% of young Americans feel influencer marketing is a highly effective marketing tactic, 56% of them say they've bought anything after reading a post from someone they follow, and 67% of marketers even say they will increase their budget for influencer marketing in 2023 [12]. Nike has worked with many sports stars to date, such as LeBron James, Mike Jordan and Cristiano Ronaldo. These are some of the top celebrities in their respective fields at different times. Consumers, however, have more faith in the promotion of social media influencer brand posts than they do traditional celebrity brand postings, according to study, show more positive attitudes towards influencer-endorsed brands, as well as feel a strong sense of social presence [13]. For example, instead of spending millions of dollars to sign up with the biggest icons in sports, like Nike, Lululemon invented its own ambassador programme by working with local fitness trainers to promote its products and help improve its own brand reputation [14]. Nike could also try to partner with different regional online or offline influencer to connect more with consumers through them and gain a higher reputation at a lower cost.

4.2. Integrate into the Local Culture

Each region has its own culture, and incorporating local cultural elements into clothing, footwear design and content marketing can better attract local consumers, create cultural resonance and become loyal users. For example, ling has incorporated "kung fu" and "tai chi", which are highly mysterious elements of the East, into its products and brought them to consumers. In addition, the product launch was accompanied by a tea ceremony and an outdoor kung fu experience to show the combination of the brand and the connotation of kung fu culture. Through trend and fashion, the Chinese kung fu culture was used as a carrier to make the young Chinese generation resonate with the local culture. Some of Nike's past attempts to combine traditional Chinese culture have been more about using Tai Chi patterns and red elements into the design, without a deeper integration into the local culture itself. Therefore, Nike can try to combine the traditional culture of each region at a deeper level and implement products that resonate with local consumers.

5. Conclusion

Through a comprehensive analysis of the role of marketing strategies such as personalisation, content marketing and social media in the success of the Nike brand, this paper concludes that Personalisation meets consumer demand for unique, bespoke, personalised experiences, increasing customer loyalty

and generating more business for the company. Content marketing builds consumer awareness and loyalty through the creation of engaging content and effectively communicates brand image and values. The rise of social media has provided consumers with an avenue to identify product needs and reference the buying behaviour of others, while helping to build brand awareness and positive emotional communication. Hunger marketing creates higher brand value and consumer demand through scarcity and limited sales strategies, further enhancing Nike's uniqueness and price premium. To further advance the Nike brand, this paper suggests influencer marketing as a new marketing strategy. By working with influencer on social media, it builds an authentic connection with consumers and increases trust and engagement with the brand. In addition, this paper suggests that Nike incorporate local cultural elements into product design and content marketing to appeal to local consumers and enhance the cultural resonance between the brand and consumers. Through the combined use of these strategies, the Nike brand will achieve greater success in a competitive market.

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