

Strategic Analysis of Corporate Marketing Models in the Context of Fan Economy--Taking Nike as an Example

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Abstract: With the acceleration of information and digitization and the vigorous development of emerging cultural trends, idol groups are springing up and rapidly gaining popularity through the wide dissemination of Internet platforms. This phenomenon has given rise to a large-scale fan base, in which the younger generation is particularly prominent. Their fervent pursuit and admiration for their idols have led to a surge in sales of peripheral derivative products of idol artists, thus forming a fan economy ecosystem. At present, the influence of the fan economy has penetrated all areas of the national economy, with the sportswear industry performing exceptionally well. Numerous brands have successfully integrated brand value and sports spirit by establishing in-depth cooperation with international top sports stars to maximize commercial value. This paper adopts the case study method to explore Nike's innovative marketing strategy in the context of fan economy. As early as 1984, Nike signed a contract with Michael Jordan, thus skyrocketing the sales of its related products and establishing Nike's early position in the sportswear industry. Its marketing strategy for the fan economy should also be adjusted accordingly with the changes of different times, thus promoting marketing innovation and expanding the sales of its brand products.

Keywords: Marketing strategy, fan economy, Nike, emotional economy, sportswear industry

1. Introduction

In recent years, with the rapid development of the Internet and social media, the "fan economy" has evolved from traditional idol worship and peripheral consumer behavior to a form of business marketing centered on emotional capital, which has been widely used in a variety of fields and according to annual data from the National Bureau of Statistics, e-commerce sales in the culture, sports, and entertainment industry reached 115.64 billion yuan in 2023, almost doubling from the previous year. This phenomenon indicates the expanding industrial scale of the fan economy. In this process, the development of the fan economy presents three characteristics: emotional connection shaping commercial value, promotional spontaneity, high participation, and diversified association and cross-border cooperation [1]. The new era of digital drive, diversified business models, and a youthful audience inspires brand precision marketing and market expansion while promoting the deep integration of culture and business. Under the background of deepening technological empowerment, the fan economy will continue to progress and develop.

Since 2015, with the rapid economic development and the introduction of foreign capital, China's sports and leisure apparel industry has broken out of its predicament, and products related to the sports industry have become more and more popular. Among them, Nike steadily ranked first in

terms of market share, and Anta surpassed Adidas in terms of market share in 2021 to become the second largest in China's sportswear market. Known for its innovative designs and high-performance materials for sports and everyday wear, Nike's primary audience includes athletes, fitness enthusiasts, teenagers, and fashion-conscious consumers. Its brand logo symbolizes speed and explosive power, and its trademark pattern represents dynamism and lightness, which together shape Nike's global brand image.

In 1984, Nike signed Jordan to launch the Air Jordan series, creating a new model of star endorsement. The first year's sales amounted to 130 million dollars, and so far, the Air Jordan series' annual revenue has been more than 5 billion dollars (accounting for 12% of Nike's total revenue). At the same time, limited release, reproduction nostalgia, and cross-border co-branding (such as Off-White) will be sublimated into a collection of sneakers. Star endorsement and scarcity have attracted countless fans to consume and promote Nike's brand enhancement. Based on this, this paper will take Nike as an example to explore the direction of the change of enterprise marketing mode under the background of an economy and provide optimization suggestions for the sports apparel industry to formulate an effective fan marketing strategy.

2. Literature review and theoretical basis

2.1. Research on fan economy

Conceptually, fan economy refers to the business income-generating behavior based on the relationship between fans and followers, and it is a business operation mode to enhance the stickiness of fans and obtain economic and social benefits through word-of-mouth marketing. Under this model, merchants use a specific platform to gather a circle of fans through a particular point of interest and provide fans with diversified and personalized goods and services, which are ultimately converted into consumption and profit.

In the 1980s, the word "fan" was first translated from the English word "fan," which was further translated as "junkie." Jenkins published the seminal *Textual Poachers: Television Fans and Participatory Culture* (Jenkins, 1992). In that book, he demonstrated that fans were more than just "Trekkies" and that their participation in media turned them into "rogue readers." 2008 saw Jenkins' research expand to include the collision of old and new media and how entertainment companies reshape content based on fan preferences, making it even more frenetic. In 2008, Jenkins' research expanded on the collision of old and new media and how entertainment companies reshape content based on fan preferences, which makes them even more avid supporters and followers of their idols, as well as loyal fans of their idols [2]. After that, one of the essential ways of expression for fans to follow their idols is financial investment; thus, the fan economy was born. Domestically, in 2014, Li Wenming and Lv Fuyu explained "fan economy" as a way to gather the trust of the fan base and then cash in on the commercial value, indicating the importance of trust in the relationship between fans and idols, which in turn catalyzes the development of the fan economy [3]. From different perspectives of marketing and consumer behavior, as well as sociology and psychology, scholars mainly focus on the operation mode of the fan economy, the driving relationship between the fan economy and the entertainment industry or other industries, as well as the motivation and characteristics of fan consumption, etc., to discuss the impact of the fan economy and its development prospects.

Based on the research, there are three main characteristics of the fan economy. First, emotional connection drives the transformation of commercial value. Based on the high loyalty and emotional connection of the fan base, brands, services, and spokespersons are transformed into quantifiable commercial value: second, spontaneous publicity and high participation. Fans often promote themselves, and the interaction between celebrities and fans also motivates fans to consume. Third,

diversified association and cross-border cooperation. With the development of the fan economy, inter-brand associations and cross-border associations in different fields are becoming more and more frequent, and the sharing of fan groups has become a new business model [4].

2.2. Impact of fan economy on marketing model

In China, the earliest fan economy can be traced back to the 2005 talent show Super Girl; until 2010, China's fan economy was dominated by recordings and concerts and had not yet formed a complete commercial marketing model. Between 2011 and 2015, China's entertainment industry was deeply influenced by Korean entertainment culture, and idol groups such as EXO introduced the culture of support, which led to the explosion of peripheral derivatives. In 2016, with the outbreak of idol programs, the Chinese fan economy entered a white-hot stage, and star endorsement and IP licensing gradually became popular. After 2016, with the outbreak of idol programs, China's fan economy entered a white-hot stage, with celebrity endorsement and IP licensing becoming progressively popular. At the same time, under the support of economic and cultural development, China's sports industry continues to flourish, residents' demand for sports consumption is growing, and the fan economy has changed the main body of sports consumption from a single entity to a community. Based on the three characteristics of the fan economy, the sports brand community established by the Internet media as a new platform for sports consumption has huge consumption potential, which is conducive to broadening the consumption space, creating consumption hotspots, and at the same time, it has become a significant force to promote the upgrading of sports consumption. Nike, for example, has its business philosophy from product-oriented development to emotional resonance through a series of lyrical ads to attract consumers. 2020, the sports apparel brand community into the stage of rapid growth; the Nike brand began to build online and offline interaction of the brand community and gradually rely on the "heroes of the narrative," with the endorsement of the stars to consolidate the fan base, while the opening of e-commerce instead of the online community. Fan base, at the same time, the opening of e-commerce instead of traditional offline stores for sales [5]. As a world-renowned sports brand, it's marketing from the early publicity of clothing performance and product innovation gradually evolved into digital and celebrity endorsement, and the ensuing star effect and the introduction of major sports events and activities so that Nike attracted a large number of fans consumers, the brand's influence has been strengthened. To date, the development of the fan economy is still driving the evolution of the business model. In the context of digitalization, it is driving the marketing innovation of Nike and other sports apparel companies, as well as the transformation of brand marketing concepts.

3. Analysis of Nike's fan marketing strategy

3.1. Brand promotion through celebrity endorsement and fan group radiation

Nike's brand takes "inspiring global athletes" as its mission, emphasizes the combination of the spirit of "Just Do It" and personal stories of struggle, and establishes emotional resonance with consumers through the advertisement narratives of sports stars (such as the inspirational stories of overseas athletes like Kobe and James, and Chinese athletes like Liu Xiang, etc.). Establish emotional resonance with consumers. Mark Parker, CEO of Nike, once said, "In our products, we infuse inspiration summarized by athletes about the sports they play" [6]. Under this philosophy, Nike emphasizes athletes' representation of Nike in both promotional marketing and store consumption experience. Nike's former spokesmen in China, Liu Xiang, and Li Na, are both Olympic athletes, catering to its brand positioning and sales philosophy. "Swiss King of Heaven," former Swiss tennis player Roger Federer joined Nike's design team to incorporate his unique personal color elements into Nike's new series of released clothes [7]. as a selling point, making his fans emotional resonance and

rising demand for his designed clothes, which inspired the fans' enthusiasm. Therefore, more sports stars can radiate to a more extensive fan base. Because of the fans' admiration for their idols and their emotional connection to them, consumers will consume not only the goods themselves but also the emotional value of the relationship with the idol or brand. Through the emotional resonance of fans to their idol's experience and seize the empathy of fans wanting to get the same style of the idol for marketing, to promote the sports star's fan consumption, thus increasing the brand promotion, so that the concept of "Just Do It" has become its brand characteristics. For example, Nike first signed a contract with Crow in 2003, and during Euro 2016, Nike and Crow jointly created the inspirational short film "The Switch." Not only did it use the heat of the Euros for promotion, but it also led to an increase in demand for Nike products from Crowe's fans. This was due to the fans' identification with Crow and the emotional investment and connection they felt when chasing him, which led to a "buy the same" mentality, thus increasing the sales of related celebrity products.

In the 1980s, Phil Knight, then president of Nike, with his keen business sense, foresightedly recognized the massive influence of sports stars on the fan base and their potential economic driving force [8]. Based on this insight, he made a decisive decision to take the enormous risk of signing the then-hot basketball superstar Michael Jordan and launching the Air Jordan co-branded sneaker series. The series quickly became popular due to Jordan's outstanding performance on the court, and the first year it was launched, it hit 130 million dollars in sales and became Nike's iconic product [9]. This success not only significantly increased Nike's global popularity but also established its leading position in the sportswear market.

3.2. Co-Branding with fashion brands to broaden market size.

In 2002, Nike and Supreme realized the first co-branding cooperation. With the globalization of the economy and the increased popularity of broadcasting significant sports events, the sales and popularity of co-branded models have gained momentum, which also promotes the inheritance and development of the traditional American street sports culture at the core of the products [10]. The co-branded models of the Fire will give more people a better understanding of Nike's design and philosophy, thus expanding Nike's market size and popularity. Overall, Nike solidifies its brand image and highlights the advantages of its products by cooperating with sports stars for brand promotion. By releasing narrative advertisements of stars, it has cross-border cooperation with stars to have emotional resonance and emotional connection with its fan base, increase the demand of fans, and enhance sales.

4. The successful experience and inspiration of Nike's fan marketing model

By signing the sports star Michael Jordan as the spokesman, Nike has greatly increased its brand heat and popularity. Driven by the top sports star, his fans have a strong mood of "getting the same model as their idol." Nike has seized this idea of the fan base, and by accurately signing up popular sports stars, it has maximized the efficiency of its marketing strategy of "celebrity momentum."

With the development of the Nike brand, the strategy of "celebrity momentum" has different manifestations. In the beginning, Nike used the casting of a wide net to sign a large number of sports stars, such as Elvin Hayes, Spencer Haywood, and so on. However, since the 1980s, the cost of signing sports stars for endorsement has increased year by year [11]. To control the price of a "star-making" publicity strategy, Nike began to select its choice of signed sports stars for screening, no longer using the previous "wide net" form of signing spokespersons but selecting accurate, typical, and appropriate spokespersons. The most typical representative is that Nike signed Michael Jordan in order to expand its influence and then signed some different countries in the sports world's top stars. For example, in China, Nike signed Xie Zhenye, Zheng Qinwen, and other athletes. This not only

expands Nike's influence in the Chinese market but also strengthens the recognition and affinity of Chinese people to Nike. Therefore, Nike has skillfully used the power of role models to promote the brand and expand the market, strengthening the brand's cultural core and brand spirit.

5. Conclusion

As a typical product in the era of the digital economy, the fan economy has profoundly reconstructed the way of value transmission between brands and consumers. By researching and analyzing Nike's new marketing strategy in the context of an economy, this paper reveals the inherent law and practical path of the transformation of the enterprise marketing mode in the context of a fan economy. It draws the revelation of the sustainable development of the enterprise. The study shows that Nike has dramatically increased the sales of related products by co-branding and launching Air Jordan and other series of sneakers with the internationally renowned football star Michael Jordan and successfully realized the transformation from traditional performance-oriented marketing to digital marketing. This has also attracted many fans and consumers, expanded its brand awareness and exposure, and made more people have an in-depth understanding of Nike's brand culture. Overall, Nike's new marketing strategy of "celebrity momentum" has inspired people's emotional resonance through the personality charisma and athletic achievements of sports idols and the value recognition in major sports events and has provided accurate insight into the psychology of consumers, which has effectively enhanced the global brand heat and popularity, and at the same time, enlarged the market scale. In this process, Internet information technology has amplified the influence of sports stars. At the same time, inspirational stories of celebrities as cultural empowerment have reshaped the path of brand value precipitation, and the two are driven by each other, making Nike a leading sportswear brand in the world. At the same time, the change in marketing mode has changed consumers from value receivers to value conspirators, shaking the brand-centered value transmission path. In the future, Nike's marketing model will become an essential manifestation of technological empowerment and value reconstruction and build up strength for the brand's digital development.

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