

Take Nike's Marketing Strategy as an Example to Analyze the Marketing Strategy of Chinese Sports Brands

Jiawei Chen*

Business school, the University of Auckland, Auckland, New Zealand

*Corresponding author: jche552@aucklanduni.ac.nz

Abstract. In the past 10 years, Chinese sports brands have expanded rapidly in the market, but there is still a gap between them and international brands in terms of marketing strategies. This article explores the development status of Chinese sports brands in recent years. It analyzes its advanced strategies in traditional marketing and digital marketing through different analyzes of Nike's marketing strategies. This article focuses on the weaknesses of Chinese sports brands in marketing strategies and provides advice to Chinese sports brands through Nike's marketing experience. This research reviews the analytical literature on Nike's marketing in recent years, the literature on the development of the Chinese sports industry and the current state of marketing strategies. Through the analysis and study of Nike's corporate marketing strategy, it explores Nike gains advantages in marketing through digital platforms, word of mouth and value marketing. It is concluded that Chinese brands lack useful competitive strategies in marketing, and need to learn from Nike's marketing strategy and combine cultural advantages to create a unique and effective marketing strategy.

Keywords: Nike; marketing; Chinese sports brand; digital marketing; strategy.

1. Introduction

As the world enters the 21st century, the rapid development of the sports industry drives fierce competition in the sports brand market. Nike is one of the world's most valuable and famous sports brands. In the fierce competition environment of China's sporting goods industry, due to its mature technology and rich experience in product design, marketing, and digital media, Nike, Adidas, Puma and other international giants occupy most of the market. Since Chinese consumers have gradually recognized their own cultural identity and local products, brands such as Li Ning and Peak have gradually gained a certain market share and gradually made achievements in the international market. Moreover, with the improvement of research and development capabilities of Chinese sports brands, their product design and performance are gradually recognized by consumers. Many Chinese consumers choose new technology products from local brands to replace similar products from international sports brands. However, China's local sports brands lack mature marketing strategies and means, and cannot obtain a strong enough market influence, which hinders the development speed of enterprises and the comprehensive competitiveness of brands. Compared with Nike, Puma, Adidas and other international companies, they lack core brand value and cannot provide effective value to customers in the process of competition. Therefore, an effective marketing strategy is one of the necessary conditions for the success of Chinese local sports brand enterprises. It is the way in which decisions are focused on achieving the main objectives of the company and is the result of an assessment of the forces of a particular market, market opportunity, different factors and the marketing environment [1]. With the decline of traditional media caused by the popularization of the mobile Internet, the investment of sports brands in traditional media has gradually decreased. Nike, for example, has gradually increased its investment in digital marketing, interacting closely with customers through social media, and helping customers achieve their goals through its brand value. This also means that in the new marketing environment, Chinese sports brands have the opportunity to learn from Nike and catch up on their experience, exploring marketing strategies with local cultural characteristics. This research uses a case study of Nike's marketing strategy in the market and analyzes its successful marketing model and the characteristics of consumer groups. At the same time, it explores how digital marketing leads Nike to success and studies the marketing strategy gap

between Chinese sports brands and Nike. Therefore, this research will combine Nike's advanced marketing experience, and provide appropriate suggestions for the Chinese sports brand market.

2. Analysis of Nike's Current Marketing Situation

Nike was born in the United States in 1972 [2]. Nike has continued to expand its business, and diversify its product line since late 1980 [2]. At present, Nike is an internationally renowned sports brand that has maintained the world's first revenue for many years. In the list of the world's top 500 report companies in 2019, NIKE ranked 341st. And as of 2016, Nike has registered 19,500 patents, compared to Adidas' roughly 2,400 patents [3]. According to Nike's latest 2022 fiscal year report, Nike's fiscal year revenue increased by 5% to \$46.7 billion, 50% higher than Adidas fiscal year revenue. As one of the most well-known sports brands in the world, its marketing strategy still has many advantages compared with the marketing strategy of Chinese Ontology brands. Through its brilliant and successful marketing strategies, the company sells a massive quantity of highly innovative products [4]. Nike has become a preeminent super brand because it understands that products are made in factories, but brands are built on 'what the consumer thinks and buys'[5]. An important strategy for Nike is to find a target market for a specific product. Its products cater to almost all athletes and sports enthusiasts. It sponsors professional athletes, collegiate sports teams, and celebrity athletes in a wide variety of disciplines. This makes Nike a strong advantage in the sports product industry. At the same time, the number of teams and athletes endorsed by Nike is huge, and they are leaders in their respective sports fields. As already mentioned, that list starts with Michael Jordan and includes athletes such as Lebron James, Kobe Bryant, Tiger Woods, Lance Armstrong, Derek Jeter and Cristiano Ronald [4]. This kind of marketing strategy of Nike has greatly developed brand awareness and product awareness. When people observe that the celebrities or athletes they support wear Nike products and win victories, people will tend to associate Nike products with victory. This will boost the popularity of these products. At the same time, the endorsement behavior of top athletes in the sports industry will drive others to follow suit, prompting Nike to continuously accumulate more outstanding talents in the industry. Therefore, Nike's endorsements help accomplish all of its goals and sub-goals [6]. Nike has established a good image in the hearts of young people through a large number of advertising campaigns and marketing campaigns. 'Just do it' advertisement has established huge popularity for the brand as one of the most famous advertisements in the world, making people associate this slogan with Nike's Brand logo association. Compared with other sports brands, Nike's marketing strategy has been promoting its continuous development and growth, and its marketing strategy is still one of the directions for many new sports brands to learn.

3. Nike's Digital Marketing

3.1 Nike.com and Nike+

In response to the growing influence of digital marketing in recent years. Nike has gradually reduced its presence in traditional media, with the proportion of investment in traditional media such as TV and billboards gradually decreasing to around 20%. Nike has become more aggressive in its online presence. From very early on, Nike has gradually realized the importance of digital marketing. In fact, Nike's digital strategy can be traced back to 1998, creating the website Nike. Com [7]. In 2006, Nike launched the ecological software of Nike+, which was built into a series of portable devices of other companies such as the iPod. By receiving Nike products with built-in sensors, Nike+ uploads the physical activity data to Nike's proprietary social platform and then uploads the latest data on Facebook or Twitter via the Internet. When users click on the data of these social platforms, they will be taken to NikePlus.com, Nike's proprietary social platform, where users can see more data on their friends' sports performance, as well as a series of advertisements for products with built-in Nike chips.

In March 2008, Nike launched the Nike smartphone app to log into the IOS application market, which marked the official start of Nike's digital marketing in the era of big data. It provides the

original sports data analysis and recording function and some sports skills. Guidance and sharing functions provide users with social communication channels. Nike hopes to use social functions to increase user frequency and user loyalty, and influence consumer behavior through more corporate image displays. In the digital age, important interactions between businesses and consumers will increasingly take place through digital media and digital devices. Therefore, Nike uses the original product (running shoes) strategy unchanged, provides auxiliary digital sensor equipment for the development of social strategies, and gradually develops products with digital social strategies from the beginning of design in subsequent products.

3.2 Word-of-mouth Marketing

Today, social media for Nike-related content, reviews, analysis, feedback, etc. will become Nike's news. In particular, the content of Internet celebrities or well-known figures will form word-of-mouth for Nike products. Although they are not representative of mainstream consumers, the Nike-related content they produce will affect mainstream consumers. Therefore, although mainstream consumers are not disseminators of product word-of-mouth, they will be the audience of mainstream media. At the same time, the interactive attributes provided by social media allow consumers to directly participate in marketing. It is not just the traditional passive acceptance of information and allows enterprises and consumers to interact so that both parties can obtain the desired benefits and create mutual benefits through social platforms. The effective value is to improve the user experience and loyalty of existing customers and to cultivate potential customers through interactive marketing communication.

3.3 Value Marketing

Nike uses social media for value marketing to promote its brand. It publishes product information on social media platforms and promotes celebrities who endorse its products and explains stories with pictures and articles, exporting unique sportsmanship and humanism. At the same time, Nike will publish some stories of ordinary people, through sportsmanship and value, to express to consumers the value expression that everyone can participate in sports. It is the expression of brand values on social media and promotes potential consumers' recognition of Nike's values and drives product sales. This kind of highlights the content output of the value and spirit represented by Nike products on social media platforms fully interacts with consumers, and implants values into consumers [8]. It enhances the position of the brand in the hearts of consumers and makes differentiated competition among a large number of sports brands to establish the company's own competitive advantage.

It can be seen that in the era of big data, Nike combines the latest technological products with customer needs, creating consumer demand while meeting consumer and consumer requirements for corporate differentiation. Combining the innovative brand personality that Nike provides to customers, spread through the Nike+ ecosystem and related social platforms such as Facebook and Twitter, and formulate corresponding digital marketing strategies for different markets, through word-of-mouth marketing, interactive marketing, and value dissemination and other ways to provide assistance for Nike's long-term development. It can be seen that digital marketing based on social media may be the focus of Nike now and even in the future.

4. Current Marketing Problems and Situation of Sports Brands in China

4.1 Market Positioning Problem

China's sporting goods industry is currently expanding as consumers' demand for sporting goods increases. Taking the Chinese market as an example, with the high-end market targeted, Nike and Adidas's layout is made from China's first-tier developed cities and eastern coastal cities. Li Ning, Anta and other Chinese local brands mainly rely on the cost-effective advantages of products to develop from the middle and low-end market. The main market is second-tier or lower-tier cities. In the early stage, consumers in this market are more concerned about whether products have higher

quality and lower prices to meet their needs of cost performance. Such as Li Ning and Anta have established brand advantages in places below the first-tier cities. However, with the development of the market and the improvement of consumer consumption levels in recent years, a large number of consumers are not satisfied with products with high-cost performance and begin to pay more attention to the value attached to their brands and the market differentiation attributes they provide. Therefore, Li Ning began to lay out the high-end market. In recent years, it has launched "China Lining" in New York and Paris Fashion Week, breaking the traditional consumer's low-cost brand image of Li Ning, and at the same time making efforts to deploy in China's first-tier developed cities.

4.2 Weaknesses in Marketing Strategies

For more Chinese local sports brands, what they lack is an effective marketing strategy. It is difficult to break away from their early marketing methods in brand promotion, which makes it difficult for a group of brands to differentiate themselves and obtain new potential customers. Companies like Li-Ning or Anta advertise their fashion strategy for young consumers, using a large number of celebrities or champion athletes to attract consumers who do not pay attention to sports [9]. But compared with Nike, Adidas and other international brands, the scale of its sponsorship and endorsement is far inferior to Nike's large number of top figures in different sports fields. At the same time, it cannot convert more brand influence, and cannot allow consumers to associate the success of the spokesperson with the brand. Currently, many marketing strategies of many domestic brands are only driven by the influence of the spokespersons themselves, lacking advertising slogans with huge popularity and brand spirits that drive consumers' wishes.

At present, Chinese sports brands lack digital marketing compared with international brands in the era of big data. Although they have certain marketing plans for social media platforms and Internet advertising, they still lack effective strategies for digital marketing. The social media platform still stays unilaterally promoting product advertisements, lacking a large number of consumer experience interactions, brand promotion still stays in product experience marketing, and lacks the brand spirit and humanistic stories behind the products. In terms of sponsorship of sports events, Chinese local sports brands lack three-dimensional, effective and interactive marketing methods, and marketing methods still remain on brand exposure. It is impossible to launch digital interactive programs, customer experience and event value activities like Nike on sports events. Although the marketing direction of Chinese sports brands focuses on product experience, Nike pays attention to the social needs of consumers and the additional attributes of more event products, establishes a more diversified brand image connotation, cultivates more audience groups and creates consumers. Unique stories are associated with Nike. This difference has caused a large number of Chinese sports brands to be unable to convert more consumers from marketing activities. At the same time, due to the problem of product homogeneity, the lack of brand image innovation has caused a large number of consumers to remain in the early and cheap impression of Chinese sports brands. For Chinese sports brands, the lack of brand value and lack of innovation in marketing strategies make it difficult to gain more status in the high-end sporting goods market.

5. Nike's Experience for Chinese Sports Brands

From the perspective of Nike's brand marketing, changing direction and investing in new technologies are important factors for companies to gain competitive advantages. It focuses on consumers and creates consumer demand. Nike is committed to providing consumers with higher value and drives consumers to interact with companies. Nike has focused on product and brand marketing through social media platforms in recent years. Social media brand advertising content can drive its brand reputation, but also affect sales and customer loyalty [10]. Social media advertisements are the content generated during the marketing process of social platforms. It can generate effective feedback and comments through interaction with consumers and can turn potential customers into real customers through these comments. In the communication process of social marketing, the

precise analysis of big data can improve the enterprise's judgment of consumers' interests and preferences. By combining social ecology with a large number of social media platforms, Nike helps consumers understand their products and brand value. Nike has used its own platform ecology to accurately obtain consumer feedback data and analyze them, establishing a virtuous circle for long-term digital marketing and improving consumer awareness, maintaining long-term interactions with customers.

For Chinese brands, investment in research and development is important. While enhancing the brand image, it is necessary to use social media or created social platforms combined with consumer movement data to output brand value through digital marketing, relying on big data Analytics to build more targeted brand marketing campaigns. Chinese brands could Obtain consumers' recognition of brand values in the interaction between brands and consumers, and promote consumers' potential needs. At the same time, Chinese brands need to establish consumer-oriented marketing activities and bind some images or slogans to the brand. It can output the value and brand personality that the brand provides to consumers through these events, to establish a diversified and subdivided consumer group. For traditional consumer groups, more and more young consumers gradually value the value represented by the brand. At the same time, Chinese local companies make good use of their cultural advantages and combine traditional Chinese culture for value marketing. They can launch products with social attributes and interactive functions, such as running shoes with data chips, etc. Cultural transmission with the nature of social events. It helps to open up the unique brand personality and consumer groups belonging to Chinese consumers in the competition of international brands.

6. Conclusion

From the perspective of Nike's brand marketing methods, Nike relies on its huge resource strength to use unique events and slogans to export its brand values to consumers, driving consumers to follow celebrities or athletes sponsored by Nike, and providing strong value for corresponding products and back story. In an era of ever-changing relationships between consumers and businesses, consumers are paying more attention to online social platforms, prompting Nike to tilt its marketing strategy toward social media. Re-deploy the overall concept in terms of products, establish Nike's own social ecology, combine social platforms to interact with consumers, and develop the connection between consumers and the brand.

Compared with Nike, Chinese sporting goods brands generally lack effective strategies in brand marketing, lack sufficient brand value output in endorsements and sponsorships, and lack unique product images for consumers. Many Chinese brands give consumers the impression that they are still stuck in the early cheap brand image. In terms of digital marketing, there is a lack of interaction with consumers. There is a lack of truly effective marketing events that imprint consumers with a deep image concept. Therefore, for Chinese sporting goods brands, it is necessary to consider the strategies behind Nike's leading position in brand marketing and combine its own traditional cultural advantages and unique understanding of Chinese culture to create a better social platform to fully communicate with consumers. Enterprises adopt more interactive methods to spread unique brand values. Chinese brands create more marketing activities that match the value of consumers, combine the sponsorship of top athletes or celebrities, and bind the brand itself with the values behind the event figures. This study analyses and studies the marketing strategy of Nike in view of the lack of Effective brand marketing of Chinese brands in the market. At present, the Chinese sports brand industry still needs to learn from the marketing strategies of international brands and create favorable marketing methods. This study complements the gap in academic research between the marketing of Chinese sports brands and the marketing of Nike. In this study, there is no detailed classification research on the company's product layout and detailed market planning. Future research can conduct in-depth research on the current specific product layout of Chinese brands and their corresponding specific marketing strategies in future.

References

- [1] Ismailova. Marketing strategy of Nike. Vysoká škola ekonomická v Praze, 2020.
- [2] Britannica T. Editors of encyclopaedia. Argon. Encyclopedia Britannica, 2020.
- [3] Liu, X. NIKE's general company analysis based on its 2020 annual report. In 6th International Conference on Financial Innovation and Economic Development (ICFIED 2021). Atlantis Press, 2021, 799-803.
- [4] Flynn, P. Nike marketing strategy: A company to imitate. University at Albany, 2015.
- [5] Kazi, T. B. Superbrands, globalization, and neoliberalism: Exploring causes and consequences of the "Nike" Superbrand. *Inquiries Journal*, 2011, 3(12).
- [6] Araujo D, Caldwell H, DeFanti M. Nike's utilization of brand strategy to increase global competitiveness. *Competition Forum. American Society for Competitiveness*, 2018, 16(1): 109-115.
- [7] Piskorski M J. A social strategy. *A Social Strategy*. Princeton University Press, 2014.
- [8] Cheng W. Research on Nike's social media marketing strategy. Beijing Sport University, 2015.
- [9] Mingjie W, Xiran X. New ideas of sports brand integrated marketing communication: Based on the perspective of comparison between Chinese and foreign sports brands. *Modern Communication*, 2021, 43(11): 136-141.
- [10] Shankar, Grewal, D., Sunder, S., Fossen, B., Peters, K., & Agarwal, A. Digital marketing communication in global marketplaces: A review of extant research, future directions, and potential approaches. *International Journal of Research in Marketing*, 2022, 39(2): 541–565.