

The Marketing Strategy of Nike is Analyzed from STP and SWOT

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Abstract. At present, the sports brand industry is becoming increasingly popular, and more and more brands and the industry competition is becoming more and more fierce. Nike, as an industry giant, has great reference value for studying the marketing strategy of sports brands. Based on STP and SWOT analysis, the rise and future development of Nike are analyzed. The results from STP found that Nike's accurate positioning of the target market has provided a great help for their marketing methods in the market. While studying SWOT, the results found that they attract consumers with unique design concepts and superb manufacturing processes. At the same time, there are hidden dangers of fierce competition in the industry. Finally, for Nike's marketing, there are some suggestions for its future development. Nike as a leader in the sports brand industry, with reference to its marketing strategy and means, helps to cultivate marketing thinking and training management skills.

Keywords: Marketing; STP; SWOT; Nike.

1. Introduction

At present, China's social economy is developing rapidly and presents a diversified trend, which has injected vitality into the development of many enterprises in the new economic wave. With the continuous expansion of enterprise operation scale, the competition among enterprises has become increasingly fierce [1]. After 1990, many companies specializing in sports began to develop in China and roughly, the number of brands in the peak period exceeded 4,000 [2]. At the end of the Beijing Olympic Games in China, the domestic industry also began to show its head and feet and began to work in the direction of sports., and has become a new economic growth point in China, which provides a good development environment for the sporting goods industry. At present, 2/3 of the world's sporting goods are produced in China, and the export rate of sporting goods is also on the rise [3]. However, in addition to the more influential brands such as Li Ning, Anta, and XTEP, most small and medium-sized brands have quietly withdrawn from the market competition [2]. Since 2008, there have been more and more brands like Adidas and Nike, and they continue to expand foreign markets to increase sales. Driven by the dual-core of technology and marketing, they continue to expand their competitive advantage. Continuous research and development accumulation, so that the product of higher scientific and technological content. Nike and Adidas occupy the world's best marketing resources, brand barriers continue to strengthen, and their market position is always in the top two in the world [4].

Yang Baihuan from Xi 'an Peihua University carried out a SWOT analysis on China's domestic sports shoe brand marketing, and studied the optimization countermeasures of domestic sports shoe brand marketing from the aspects of cultural spirit promotion, event marketing, network marketing, etc., aiming to provide references for the development of China's domestic sports shoe brands [5]. This provides a good source of ideas for this paper. This article will introduce the background and development history of Nike in detail in the first paragraph. The second paragraph from STP tells how Nike is positioned. Then in the third paragraph, Nike is analyzed through SWOT. The last paragraph is some specific suggestions for Nike's future development. In the future, Nike may face some problems, to provide a series of solutions. This article is mainly aimed at Nike's marketing strategy; to explore the development of sports brands, the purpose is to find out the key reasons for

the successful rise of Nike. On this basis, cultivate good marketing thinking and methods, so as to better develop practice.

Nike the world's most famous sporting goods brand, was founded in 1964 in Oregon, by the founders of Philip Knight and Bill Bowman, when the year was called "Blue Ribbon Sporting Goods Company". It was officially renamed Nike in 1972. The Greek goddess of speed, motion, and gentleness. The pattern represents speed and explosive power. In the "Top 500 World Brands" compiled by the World Brand Lab, Nike ranked 19th and was the only apparel company selected in the top 60 [6]. At the same time, in the field of sportswear, Nike is also a high-end brand. Its clothing design is characterized by fashion, comfort and functionality, which is suitable for different sports occasions. The fabric and process of Nike clothing is also in the leading position in the industry, so its price is relatively high, suitable for the pursuit of quality and fashion consumers.

2. Marketing Strategy Analysis

2.1. STP Analyze

From STP to analyze Nike's marketing strategy. STP is made up of Segmentation, Targeting and Position. It is mainly used in the determination of the target market and target population in the early stage of the establishment of the enterprise, and the preliminary formulation of the outline of the future development plan. STP theory is an important strategic tool, that helps enterprises to better understand consumers, identify market differences, and accurately target the market. STP refers to Segmentation, Targeting, and Positioning. It emphasizes the process of subdividing a broad market into more specific groups and meeting their needs through targeted targeting and effective communication [7].

Firstly, in terms of Segmentation, as a sports brand, NIKE is targeted towards the people who enjoy sports. More deeply, those who like sports, most of them are children, young people and some old people who maintain fitness. This is the general direction of Nike, which is the classification of social groups. These consumers not only like sports but also pursue fashion and have a strong sense of identity with the brand. And through this, Nike in the sale of products, divided them into men, women, and children in order to classify the broad masses. This greatly improved Nike's sales efficiency and sales volume.

The second point is Targeting. Nike is in the middle and high-end market, and it's a mass market. This requires consumers to have a certain source of income, such consumers have a rich life, have higher requirements for the quality of life, and are eager to exercise, with strong consumption power. At the same time, Nike trend products, and unique design concepts also have a great appeal to young people. Nike's brand targeting is very clear, and it has also succeeded in becoming the world's leading manufacturer of athletic shoes and sports equipment. This has laid a deep foundation for Nike's success.

Finally, in terms of Positioning. In order to attract consumers to a greater extent, Nike's brand image and slogan "Just do it" have become popular cultural symbols worldwide, inspiring people to pursue sports and challenge themselves. At the same time, Nike's unique brand culture, innovative technology, exquisite design, rich brand story, and celebrity endorsement have become the reasons for Nike's popularity.

2.2. SWOT

First of all, Nike has a lot of benefits, on the one hand, the brand logo and design. Nike has a simple and iconic logo, a design that not only looks stylish but also inspires a feeling of movement, excitement and victory, which is perfect for sports brands. On the other hand, technological advantage. Nike has a number of patented technologies in the field of sports shoes, such as Flyknit flying line technology and classic three-air cushion technology, which improve the comfort and performance of shoes. What's more, there are global supply chains and diversified product lines. Nike has its own

factories and branches all over the world, which makes them in pursuit of local people's preferences at the same time do not forget to produce. It not only meets the needs of people in terms of style but also will not cause a shortage of products after the explosion [8].

Secondly, the Weaknesses of Nike. Second, Nike's weakness. One of the most important is the outsourcing of production. While global supply chains have advantages, production outsourcing can also lead to a number of quality and ethical issues that can negatively impact brand reputation [8]. For example, the Italian carmaker Fiat. Due to the deep outsourcing of product development, Fiat's technical core has been seriously affected, resulting in the loss of technical advantages in key areas; The loss of knowledge at the level of key components, the heavy dependence on suppliers, and the integration capability of Fiat was also damaged [9]. Then there are the high prices. Nike's pricing is generally higher, and these relatively high prices may limit the purchasing power of some consumers, while greatly reducing Nike's product sales [8].

The next part is Opportunities. The next part is opportunity. With the development of technology, digital transformation is a great opportunity for Nike. Digital transformation is a high-level transformation based on Digital transformation and Digital upgrade, which further touches the company's core business and aims to build a new business model. With the rise of the Internet, they can expand their business through online sales, social media promotion and other ways [8]. For example, external sales on trading platforms such as Alibaba, or promotion on short video software. Then, the Asian market can be expanded. The Asian market has huge potential, especially in emerging markets such as China, with many loyal consumers who love sports and have a firm belief in Nike. Nike can further expand its market share and increase sales in China. Finally, in terms of health and fitness, consumers' increased attention to health and fitness means that their requirements for the quality of clothing have been improved, which brings opportunities for Nike's sports shoes, fitness apparel and other products [8].

The last thing to discuss is the external influence factors for Nike, Threats. The most obvious is that the industry is highly competitive [8]. Why will brand competitiveness be an external influence factor for Nike? Because brand competitiveness involves comparative relationships, it needs to be compared with peers. Second, it needs to rely on market expansion and profitability to perform. At the same time, brand competitiveness is a direct reflection of the strength of the enterprise, it can effectively reflect Nike's real-time data sales. Fourth, brand competitiveness has a development trend and is dynamic. As it keeps changing, it can also let us see the differences and contrasts between Nike and other brands [8]. Sports brand market competition is fierce, competitors such as Adidas, Under Armour and other brands emerge endlessly. For example, the comparison of Nike and Adidas data:

Table 1. List of main financial indicators of domestic and foreign sports shoes and apparel listed companies from 2012 to 2014 [10]

	Year date	Total sales (100 million yuan)	Sales revenue growth rate (%)	Net profit (100 million yuan)	Operating profit margin (%)
Lining	2012	67.39	-26.61	-17.94	-23.9
	2013	58.24	-5.45	-3.17	-2.9
	2014	67.28	-9.88	-6.65	-5.8
Anta	2012	76.23	22.69	13.55	9.6
	2013	72.81	24.07	13.29	10.3
	2014	89.23	25.13	17.33	13.6
Nike	2012	253.13	8	24.85	10.7
	2013	271.45	9.8	20.02	11.4
	2014	278.04	11	27	12
Adidas	2012	208.36	4.6	7.36	11.8
	2013	198.84	3.8	11.01	10.7
	2014	203.48	4.9	6.86	10.2

Table 1 shows the sales indicators of Li Ning, Anta, Nike and Adidas in three years from 2012 to 2014. Overall, in addition to Li Ning, the other three brands are on the rise in development. Among them, Nike and Adidas are at the forefront. In terms of data, Nike is slightly ahead of Adidas by 0.47% [10]. At present, in the Chinese market, Nike and Adidas still occupy the leading position. More and more sports brands appear and compete with them. Great competition can test the quality and heritage of the brand, which is one of the tests Nike needs to face.

3. Suggestions

To sum up, Nike has been developing for a long time, and it has great advantages, but it also needs to continue to face more challenges. For the next development of Nike, there are the following suggestions:

1. For Nike's popularity. Brand awareness can be understood as the degree of consumer awareness of the brand, including the brand logo, name, visual image, advertising, or product line recognition and memory. Brand awareness directly affects consumers' cognition and purchasing decisions, because familiar brands are more likely to be trusted and chosen by consumers. Indicators to measure brand awareness include search volume data, as well as the number of mentions of a brand on social media and audience engagement, which can reveal brand awareness and influence in the market [11]. For Nike, they can partner with sports stars or celebrities to increase brand exposure through endorsements and advertising campaigns. At the same time, Nike can also obtain brand influence by sponsoring sports events and holding sports activities to attract more consumers' attention and love [12].

2. Sales quota and service quality. Nike can also enhance product sales and service levels by strengthening online and offline channel construction. With the development of e-commerce, online channels have become an important way for consumers to shop. Nike can increase investment in online channels, improve the user experience and service quality of online stores, and attract more consumers to choose online shopping. At the same time, Nike also needs to strengthen the construction and management of offline stores, improve the image and service level of stores, and create a good shopping environment for consumers [12].

3. How to establish a good brand image for Nike? Nike can also enhance its brand image by strengthening social responsibility and environmental awareness. As an internationally renowned brand, Nike needs to assume corporate social responsibility and pay attention to environmental protection and sustainable development. Nike can increase the use of environmentally friendly materials, promote the greening of the supply chain, actively participate in public welfare activities and philanthropy, and establish a good corporate image [12]. For example, Coca-Cola. Coca-Cola is one of the most influential beverage brands in the world. Their brand image has always emphasized happiness and sharing. In addition, the Coca-Cola Company also actively participates in public welfare, advocates environmental protection and social responsibility, and further shapes its brand image. The success of Coca-Cola lies not only in the taste of the product but also in the pleasant image that it successfully creates to match the product [13].

4. Conclusion

In general, Nike has developed the brand through unique marketing methods. In terms of brand positioning, it is accurate and detailed, this greatly helps Nike to classify the consumer group in detail, and make targeted marketing methods, which greatly improves Nike's sales and service satisfaction; In understanding the industry, they also know their own strengths and weaknesses and development prospects. This will enable Nike to continuously improve its own shortcomings, strengthen the details of the products that are loved by consumers, and make effective responses to future difficulties. As the leader of sports brands, targeted research can help us better understand the market of sports brands, and can effectively cultivate marketing thinking. However, the rise of emerging brands, and how they use the Nike way to carry out their own development is not specifically mentioned in this article. This

still requires more research in the future to summarize the development of various brands in the industry.

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