

# **Nike**

# **Strategic Marketing Plan**

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## **Introduction of Goals & Objectives**

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The strategic marketing plan conducted in this document is focused and centralized around Nike Apparel, specifically its sports attire industry. The sports attire industry refers to jerseys, cleats/shoes, and pants worn for sports and athletic events. This marketing plan aims to increase Nike's longevity and fully establish its spot as the number one sports company that can be used for apparel and equipment. So, to reiterate the total goals of the marketing plan, it is important to focus solely on the long-term establishment and to create a plan to ensure their position for the next ten to twenty years as the industry's leading company.

This entire process and plan will be measured long-term based on the revenue and advertisement retention industry success rate. There are also several other ways we will be focusing on to see the success of this plan and industry, such as partnerships, franchise partnerships, large company distribution, and profit margin. This is something that will be conducted from the beginning of implementation till the very end and will be compared in a quarterly period.

## SWOT Analysis

The SWOT analysis is used in almost all marketing strategies. Still, it is not to be relied upon as the sole focus of information and classification of the marketing plan reasoning. However, it provides basic information about the company's current performance through a brief example summary.

Strengths	Weaknesses
<ul style="list-style-type: none"><li>● Strong Brand Awareness and Brand Value</li><li>● Large Customer Base</li><li>● Widely favored Brand for Sports Attire</li><li>● Long-run Sustainability Mindset</li><li>● Strong Partnerships and Icons</li><li>● Low Manufacturing Costs (Foreign Manufacturing, Cheaper Labour Costs)</li><li>● Side Brands (Converse, Air Jordan)</li><li>● High market Share 13% of Global Athletic Apparel, 39% of Athletic Shoewear</li></ul>	<ul style="list-style-type: none"><li>● Nike has an Extremely Poor Retail sector due to 56% of all products being sold to Retailers/Wholesalers instead of Direct</li><li>● B2C is Weak</li><li>● B2B is A reliable and scare</li><li>● Lack of Diversification</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>● Emerging Markets</li><li>● Innovative Products</li><li>● Wholesale and Big Retailer Cut-Offs</li><li>● Metaverse Usage</li><li>● B2C Connection and Focus</li></ul>	<ul style="list-style-type: none"><li>● Fake/Counterfeit Products</li><li>● Increased competition from other big names</li><li>● Marketing Budget Expenditures Growing</li><li>● Foreign Exchange of Currency</li><li>● Patents and Legal disputes</li><li>● Crime Rate and Thievery</li><li>● Market/Industry Decline in Demand for Shoe Brands</li><li>● Low Sports Equipment Market Share (4%)</li></ul>

## **Target Market/Audience**

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The buyer persona created for Nike is built around a sports demographic of an age group 12-20 for the creation of new sports branding and equipment. This age group was selected because of their behavioral tendencies to follow trends and big brands for their style, equipment, and social status. They were chosen for their ability to penetrate the new product wall and to use the brand success that Nike already has to diversify their products, which is an entire long-term focus for this market plan, by taking success and building it into something more sustainable long-term that is capable of taking those hits and risks that happen within the trend industry (clothing, attire, etc.). Buyer Persona: This is focused on younger individuals who heavily influence and emphasize sports and participating in Sports. I chose this age setting because children playing sports usually can convince parents or their guardians to get them the requested items they have for “performance-boosting” instead of the secret reason for social identity.

Location: North America (Canada, United States, Mexico, Cuba, Dominican Republic, etc)

Age: 12-20 (Teenager Focused)

Gender: Not Requirement

Interests: Mainstream Sports (Baseball, Softball, Basketball, Football, Soccer

Education: Middle School/High School

Job Title: Not a Requirement

Income Level: approximately 500 dollars a month (About the usual rate of a kid working while still in school)

Relationship Status: Single

Language: Not Requirement

Favorite Websites: Nike, Jordans, Adidas, Easton, Baseball Monkey, Football Equipment Guru, Dicks Sporting Goods, ESPN.

Social Media Habits: Posts promotional Pictures and Videos of themselves at their sporting events, “Posting up pictures,” Performance Videos, and more using their equipment.

Buying Motivation and Concerns: The entire reason focuses on the individual purchasing the equipment, and the market line is trending; usually, all sports equipment and customization is done through the trend of “what's new” or “What the thing,” bringing hype to the product. The primary concern of the product is functionality. Still, with the reputation of Nike and its reliability and sustainability, it is almost ironed into their brand, which is thought to be very rare and nearly null. This product line release of heavier focused sports equipment, bats, gloves, helmets, cleats, and more will be filling not instead of a new need but more so a more significant focus on Nike’s declining shoe identity and replace it with a growing sports market trend. Nike already displays itself as a company that boosts support and partners itself with mainstream sports, so it is time it entirely places itself in and becomes the genuinely dominant figure in all mainstream sports for needed equipment. The product will influence athletes by what they currently do, using sports and celebrity icons to display their products. Still, at this time, they are more heavily focused on sports equipment rather than casual shoes and attire.

## **Introduction of Research and Strategies**

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The type of focus used for this marketing strategy research is qualitative research, focusing on consumer interests, behaviors, motivations, and attitudes. The reason for picking this is based on Nike's emphasis on long-term focus; what will last, and what needs to change to have a successful long-term future. The effectiveness of this research strategy is the ability to explore consumer needs, motivations, and viewpoints that help provide instruction or notify the company that the marketing strategy or product needs to change. To focus on qualitative data, I will use primary research engines through surveys, product tests, interest charts, and focus groups to test for the qualitative research to take effect. Using Google Analytics, the information is supported that Nike has an average interest rating of 83 out of 100, compared to 73 for Adidas and 71 from Under Armor. The analytics shown support what made them stand out in a strength they possessed in the SWOT analysis: excellent brand reliability and standing in the market. The information also confirms that their market share is accurate based on the profit and revenue streams from products compared to other companies. Using this primary analytic data, we can send it down into qualitative studies and conduct further research on the interests through Google research and analytics, showing clicks per minute, search categories, and surveys conducted by Nike to help further support the strategies we are about to put into consideration.

**Recommended Strategy:**

The strategy I am recommending for Nike is to pursue its long-term success through the company's high market value and by opening a new product line in sports equipment. Nike has a limited stake in enabling it to diversify their current market. I suggest a baseball market focus. I say baseball specifically because it is a primarily supported sport by many Americans and has a large diversified quantity of equipment you can get involved in, from helmets, gloves, bats, protective gear, protective cups, water bottles, fashion items, and more. With Nike already having a prominent standing in the attire area of baseball pants and a decent amount in jersey selling and creation, this would be a great launching point for them to engage in by releasing a new bat or helmet. With this launch, Nike would position itself as more than just a sports clothing and shoe company; it would also be a sports industry. Re-styling their focus into this would boost their product market share in retail and, more importantly, from business-direct consumer actions through customized bats and helmets. The main point is to diversify their current market, focusing primarily on attire/clothing rather than their physical equipment. Still, by repurposing them into this dual-focused company with product alignment, Nike could eventually dominate the market and become the leading primary sports company. Furthermore, positioning itself as a high-price, high-quality company focused on delivering excellence in its product will significantly transfer into the equipment market.



**Direct Distribution Focus to Selective Distribution:**

Using this new product, I believe that using Nike's extensive partnerships with notable professional athletes would heavily influence the release of the product(s) through partnerships with individuals such as Aaron Judge, Derek Jeter, Deion Sanders, Elly De La Cruz, and other notable athletes. A further reason to help solve Nike's gloomy wholesale and large-scale retail disadvantage would be by making this Product direct consumer shopping only and focusing heavily on advertisement; then releasing the product 6 months later to allow retail pricing to take effect. At the same time, the hype and motivation from societal influence steadied, allowing for another potential release into retail. For the majority of the influence of this new baseball product, I am expecting that influencers and pro athletes using this product will carry a large portion of the weight that will slowly transfer into the younger generations, similar to how Apple products and new fashion trends occur. However, I don't believe creating this new product will hinder the already vast distribution that Nike is structured around. But, the limitation to retailers and re-focusing on a self-sustainable direct-to-consumer link may partake in some minor logistical problems in the long run. This results in Nike becoming less reliant on retailers and wholesalers to distribute 52% of Nike's overall product. As a result of this new distribution tactic of releasing the product directly to consumers and then waiting six months for retailers, I believe, will help shift the majority of the market back into Nike direct sales and lighten the friction between retailers and Nike. This also helps solve one of Nike's most crippling issues within the company, reliance on retailers and the irritation of pricing that they cause.

**Value-based Pricing / Psychological Pricing:**

Furthermore, it will take the company into a pricing strategy. Nike is currently in a position where retailers are causing relatively unstable pricing of Nike products; through the recommended new product line and distribution strategy, Nike allows more effective control over their product pricing. The 6-month waiting period retailers can do this is before Nike is willing to sell their product to them. This period allowed Nike to set a stable market price that would sustain itself through influence and the society's interest around them, creating a heavily focused value-based pricing strategy for Nike. Suppose that they see retailers raising the pricing around them, and In that case, it will bring more people to do direct business with Nike rather than going through retailers and wholesalers. Nike already has successful pricing concepts in mind; however, they are hindered by retailer friction and disagreement through Nike's current partnerships. To further fix this friction after the 6-month grace period at the product's release, Nike should create a selective basis for retailers trusted with Nike's management's appropriate and acceptable pricing standards. This pricing strategy will help bring further interest to the brand as a company that supports consumer needs and limits the inflation crisis, creating more attention for the Nike brand to be more protective and supportive of lower-priced quality equipment.

### **Communication Strategy:**

With the overwhelming span of Nike and its baseline, the focus is primarily on B2C. In doing so, the advertisements and target audience are minor league sporting teams and ordinary customers wanting the product. The focus on this age group of minor league teams 12-18 and the heavy focus on involvement through marketing and product release for the Little League World Series would generate increased product interest and create more audiences. The whole objective of this is to create a market that shows Nike as a progressive company that supports the advancement of young athletes and the overall continuance of team sports in the community. The Primary customers are everyday athletes who play or participate on a baseball team. Secondary audiences would be the individual teams through Nike's donated equipment to bulk buy sports teams' deals to help increase youth and teenage development in sports. The key message released from this entire strategy is that Nike is a company that cares about its customers and their continued interest in sports for the fun it provides, not the money they get. This message would be promoted as before through multiple owned social media channels, such as TikTok, Snapchat, and Instagram, to target the 12-20 audience we focus on. We also will have paid endorsement ads done through live television during sporting events and more for YouTube ads to penetrate the sports market further. On the release of the new product, for this example, a new first Nike baseball bat, the release date would focus on pro athlete Aaron Judge and the New York Yankees doing a free charity home run event at Yankee Stadium for spectators and sports fans to see the amazing durability and strength of the bat. This would set the starting point of the campaign to then follow up with a series of events displaying and hyping up the availability exclusively on the Nike store to bring more attention to the Nike B2C strategy. Through extensive research, I have found that this fundraiser/charity event strategy to start off an ad

campaign brings back some of the best results in marketing attention. This, in return, increases the overall opinion and favorability of the target audience and further expands into more unexpected audiences.

## **Measures of Success**

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The determination of success in any major company like Nike is profit; the general question that first comes up is, is it making us money? So, first hand, to judge if the strategy is successful, we will be looking at the profitability portion. If that passes, aka the strategy is making a profit, we can look deeper into the situation by seeing the product's feedback and enjoyment. By enjoyment, I refer to the product's rating and the continued want/motivation to buy the product for future editions or models. As the entire marketing plan comes from value-based opinion, this is probably the largest focus of any measure of success. The interesting factor will determine whether we need to change products and completely restart or relaunch the product. The period set for review is 3 months to put it into quarterly reviews and to give a halfway point between the initial launch and the retailer launch.

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