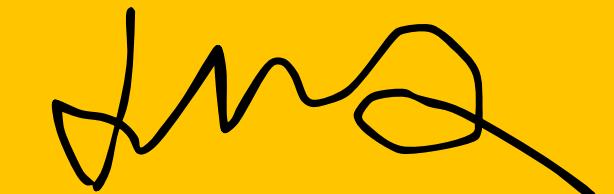




**24331 MARKETING  
ANALYTICS AND DECISIONS**

**Conjoint Analysis  
for  
NIKE NEW PRODUCT DESIGN  
Report  
Group 3**

# Project Cover

Student NO.	Name		Contribution	Signature
14113310	Monique	Mladenovski	Positioning study	
24543504	Rameen	Zaheer	New Product Concepts/ ad and mockup/ recommendations	
14417176	Sara	Ibrahim	Insights- Segmentation, Targetting & position + Recommendations +product launch	
14390607	Biyuan	Wang	Survey Design, Data collection and recoding, data visualisation, clustering analysis, regression analysis, Segment & Targeting, New product concept	
24866321	Zihao	Li	New product concept	
14403000	Zheng	Wang	Survey Design Data collection and recoding, regression analysis, market prediction. StudyBusiness Issues and Problem.	

# EXECUTIVE SUMMARY



# Management Problem

**Market Leadership:** Nike is one of the largest sports footwear brands globally in terms of market share and revenue, holding significant market advantages.

**Competitive Challenges:** Nike faces increasing competition from brands like Adidas and Under Armour. Small and mid-sized brands are rapidly updating products and targeting more niche markets, gradually eroding Nike's market share.

**Need for Innovation:** To maintain its leadership position, Nike must sustain its competitive edge on a global scale and introduce more competitive products in niche markets.

**Rapid Product Updates:** Smaller competitors have the advantage of speed in product updates, but Nike holds advantages in overall market intelligence, brand influence, and sales channels.

**Response Strategy:** Nike should leverage its vast consumer base, media, and financial advantages to maintain a competitive edge in product strategy through market research. This includes more effectively predicting market trends, understanding changes in consumer purchasing behaviors, and influencing the attributes that drive consumer purchases to forecast market demands and produce products that meet these needs.

## Market Research Strategy:

Conjoint analysis is an effective method to gain a comprehensive understanding of consumer behaviours during the purchasing process and how consumers weigh various attributes. This approach can effectively predict market acceptance of products and sales expectations. However, it is difficult to simulate real sales behaviour in market research completely. As emphasized by Shixiong Liu in their studies, "When shopping with friends and peers, people tend to put in more effort, spend more money, and are willing to wait longer for an item"(Dan-Yang Gui, et al. 2021). Furthermore, many attributes influence consumer decision-making. As the number of attributes increases, participants in the study may lose patience and fill out surveys arbitrarily. This can lead to biased analysis results.

Therefore, in this project, we have reduced the purchasing scenarios. Respondents will be asked to assume they are actually entering a sports shoe store and rank the shoes' attributes. Respondents will only consider five levels comprising sixteen attributes: type, colour, price, shape, and material of the sports shoes.

# **Survey design with conjoint study**

Q

Please rank the following 18 potential products for sale based on your likelihood to purchase, with 1 being the most likely to purchase and 18 being the least likely to purchase.

Training & Gym, Black, \$370, High-top, Leather

Training & Gym, Blue, \$240, Low-top, Leather

Running, Grey, \$300, High-top, Leather

Running: White, \$320. Low-top. Synthetic materials.

Basketball Blue \$300 High-top Synthetic materials

Running Plan \$150. Lawyer. Lawyer

Football Block 4200 Low-top Synthetic material

Environ Biol Fish (2009) 86:411–420  
DOI 10.1007/s10641-009-9500-0

www.sagepub.com/journals/advancesinbiostatistics

[View all posts by \*\*John\*\*](#) [View all posts in \*\*Uncategorized\*\*](#)

www.nature.com/scientificreports/ | (2022) 12:1030 | Article number: 1030

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All attributes are combined into different products. The results of the participants' rankings of different products are recorded in the table on the right. This serves as the foundational data for subsequent research.

Profile	Attribute				
	1	2	3	4	5
1	Training & Gym	Black	\$370	High-top	Leather
2	Training & Gym	Blue	\$240	Low-top	Leather
3	Running	Grey	\$300	High-top	Leather
4	Running	White	\$370	Low-top	Synthetic materials
5	Basketball	Blue	\$300	High-top	Synthetic materials
6	Running	Blue	\$150	Low-top	Leather
7	Football	Black	\$300	Low-top	Synthetic materials
8	Training & Gym	Black	\$150	High-top	Synthetic materials
9	Training & Gym	White	\$300	Low-top	Synthetic materials
10	Football	White	\$150	High-top	Leather
11	Football	Grey	\$240	Low-top	Leather
12	Basketball	Black	\$370	Low-top	Leather
13	Basketball	White	\$300	High-top	Leather
14	Basketball	White	\$240	High-top	Synthetic materials
15	Basketball	Grey	\$150	Low-top	Synthetic materials
16	Running	Black	\$240	High-top	Synthetic materials
17	Training & Gym	Grey	\$370	High-top	Synthetic materials
18	Football	Blue	\$370	High-top	Synthetic materials

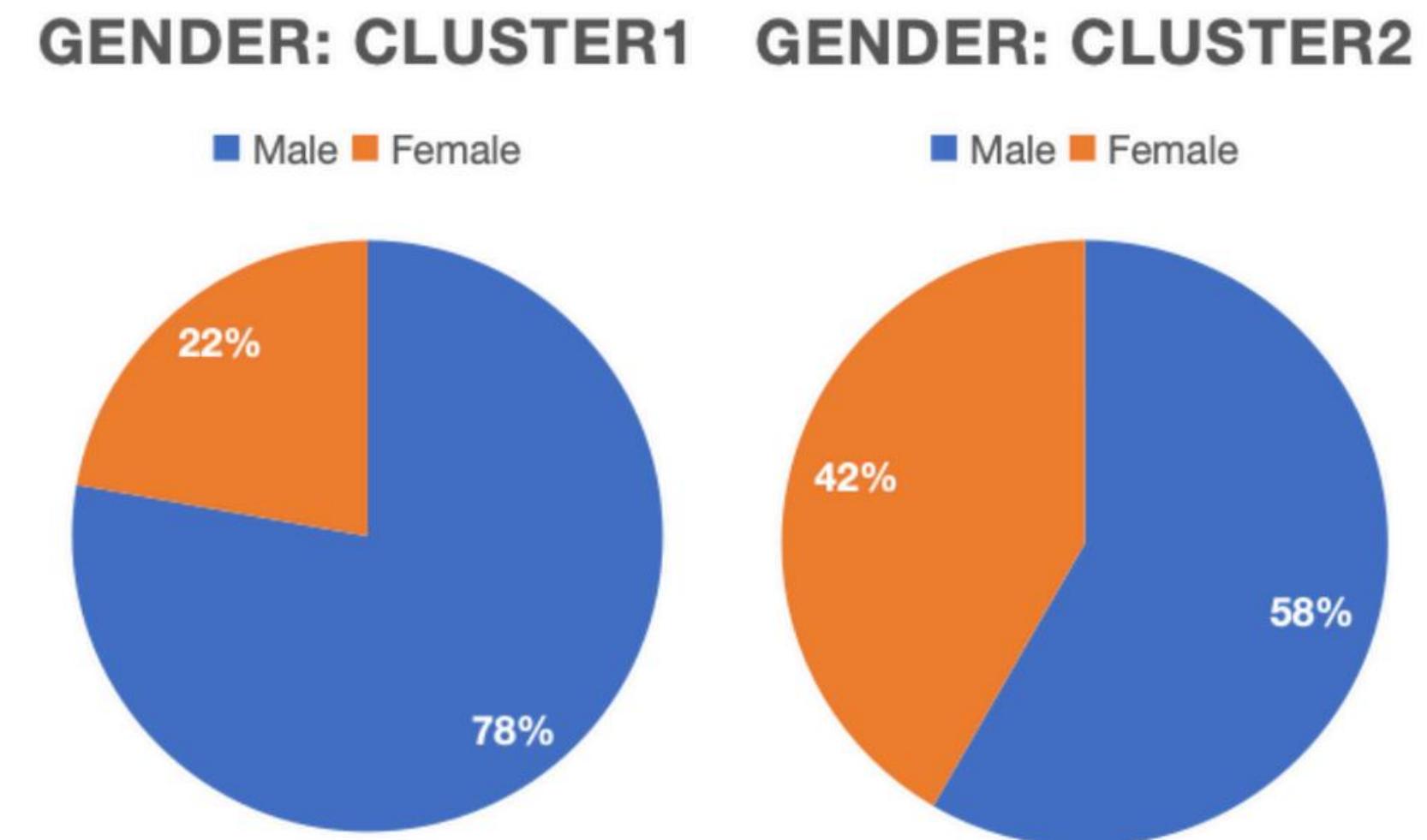
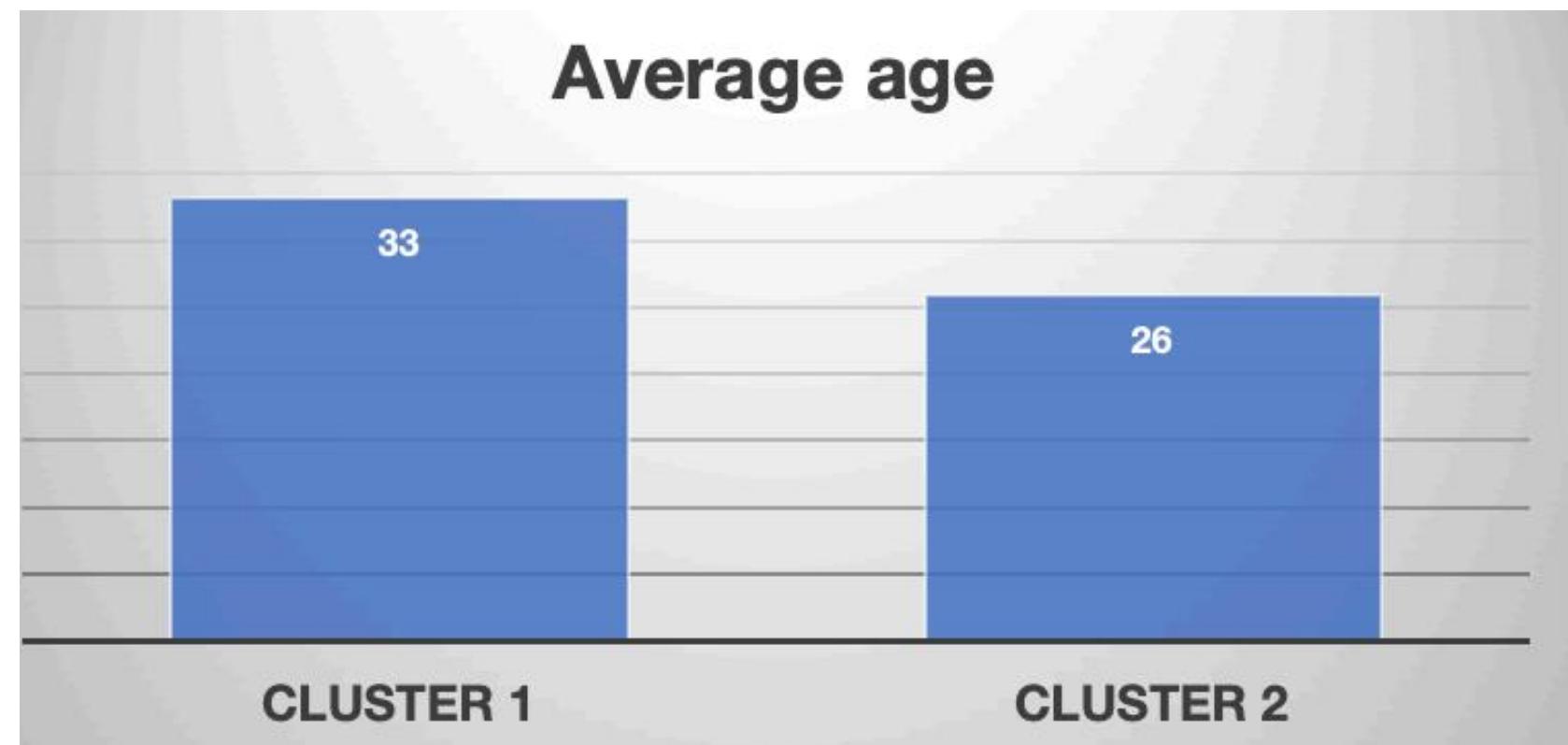
# Survey design with conjoint study

SUMMARY OUTPUT		respondent 1										SUMMARY OUTPUT		respondent 12									
Regression Statistics												Regression Statistics											
Multiple R	0.99083594											Multiple R	0.9947155										
R Square	0.98175586											R Square	0.9894589										
Adjusted R Square	0.948308271											Adjusted R Sq	0.9701337										
Standard Error	1.213760391											Standard Erro	0.9225998										
Observations	18											Observations	18										
ANOVA												ANOVA											
df		SS										df		SS									
Regression	11	475.6607143										F	29.3521	0.00026									
Residual	6	8.839285714										Significance F	1.47321										
Total	17	484.5																					
Coefficients		Standard Error										t Stat	P-value	Lower 95%									
Intercept		0.945754477										3.342	0.01557	0.84654									
Basketball		0.794592695										0.35957	0.73148	-1.65858									
Football		-2.02										-2.43986	0.05048	-4.04155									
Running		0.73										-1.29155	0.41009	2.75583									
Black		-0.23										-2.25583	1.79155	-2.25583									
White		-0.70										-0.84208	0.43202	-2.72012									
Grey		0.00										2.6E-15	1	-2.10008									
\$150		13.48										0.827038298	16.3017	3.4E-06									
\$240		9.48										0.827038298	11.4652	2.6E-05									
\$300		5.04										0.794592695	6.33748	0.00072									
Low-top		-0.04										0.584804389	-0.06107	0.95329									
Leather		0.71										0.584804389	1.22141	0.26774									
Blue		0.00										0	13.48	9.48									
High-top		5.04										0	-0.04	0									
Shape		0.71										0.71	0.71	0									
Material		0.04										0	0	0									

PARTWORTHS MATRIX		
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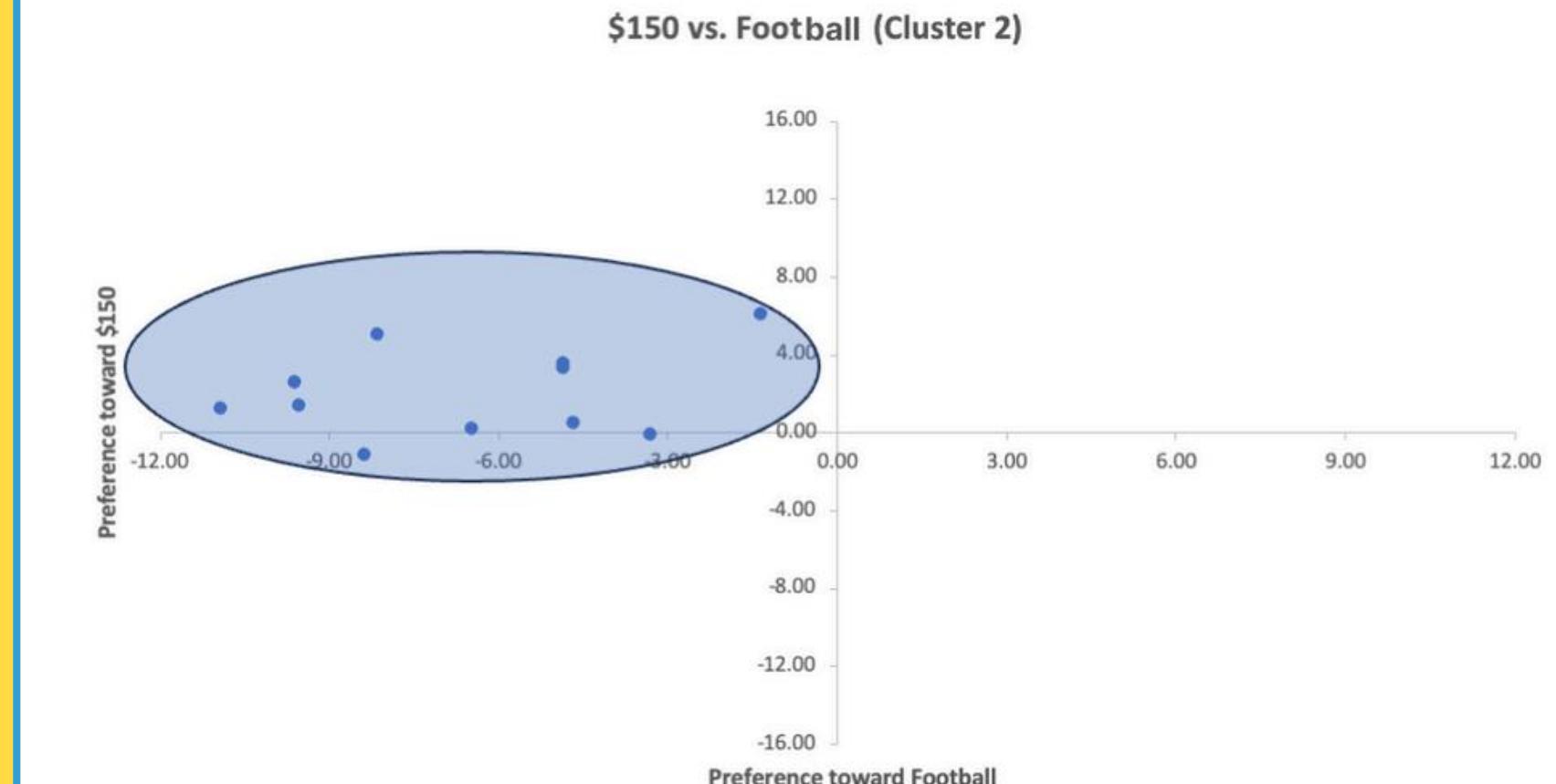
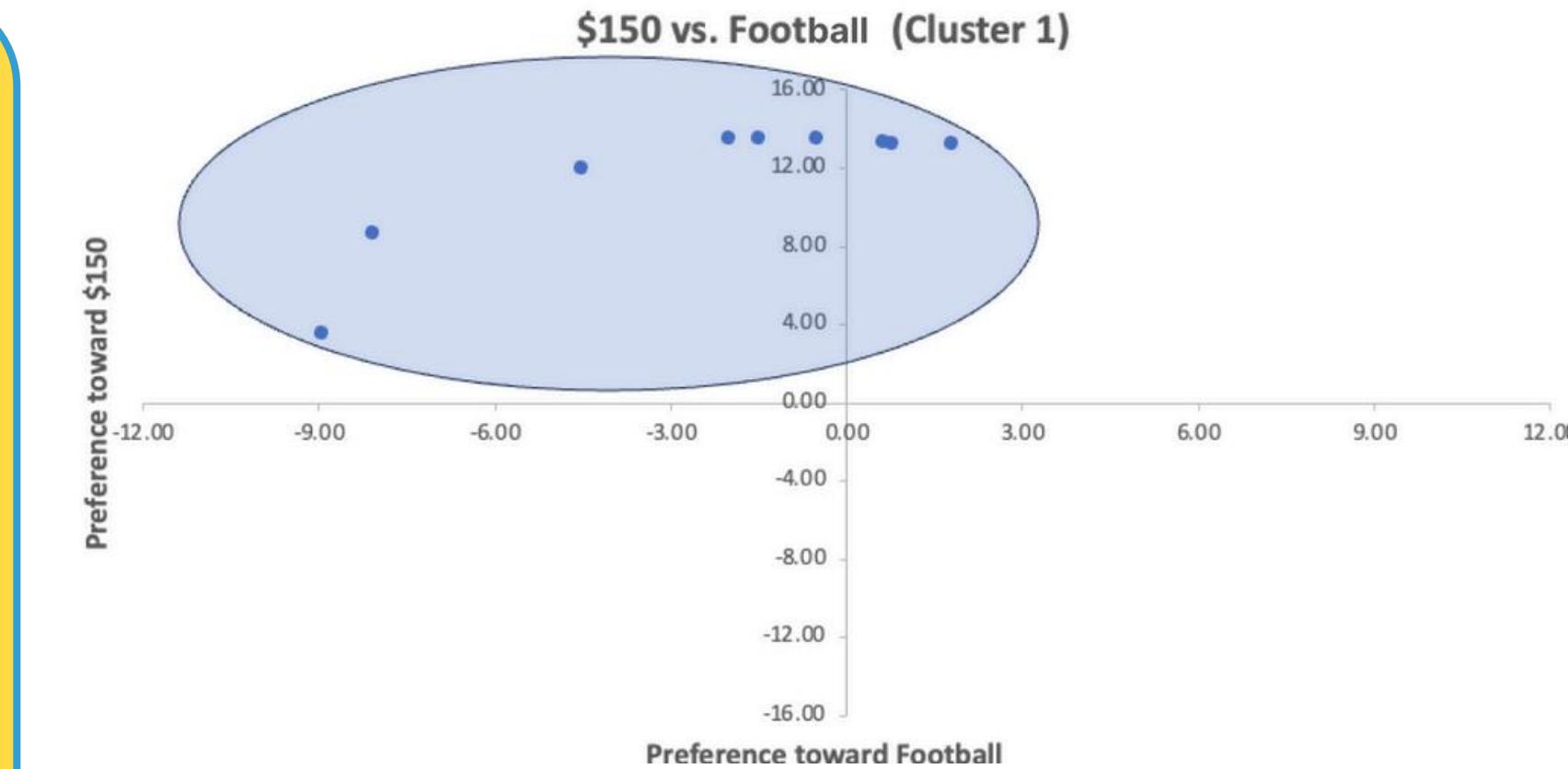
# DEMOGRAPHIC ANALYSIS

- Through clustering analysis, we found that the average age of individuals in Cluster 1 is 33 years, while Cluster 2 averages 26 years
- Additionally, 78% of consumers in Cluster 1 are male, whereas Cluster 2 has a relatively balanced gender ratio. According to the Australian Bureau of Statistics (2021), the age range for Millennials in 2021 was 25-39, and for Gen-Z, it was 10-24
- Consequently, we have named Cluster 1 the 'Male-Dominated Millennials Segment' and Cluster 2 the 'Gender-Balanced Gen-Z Segment'



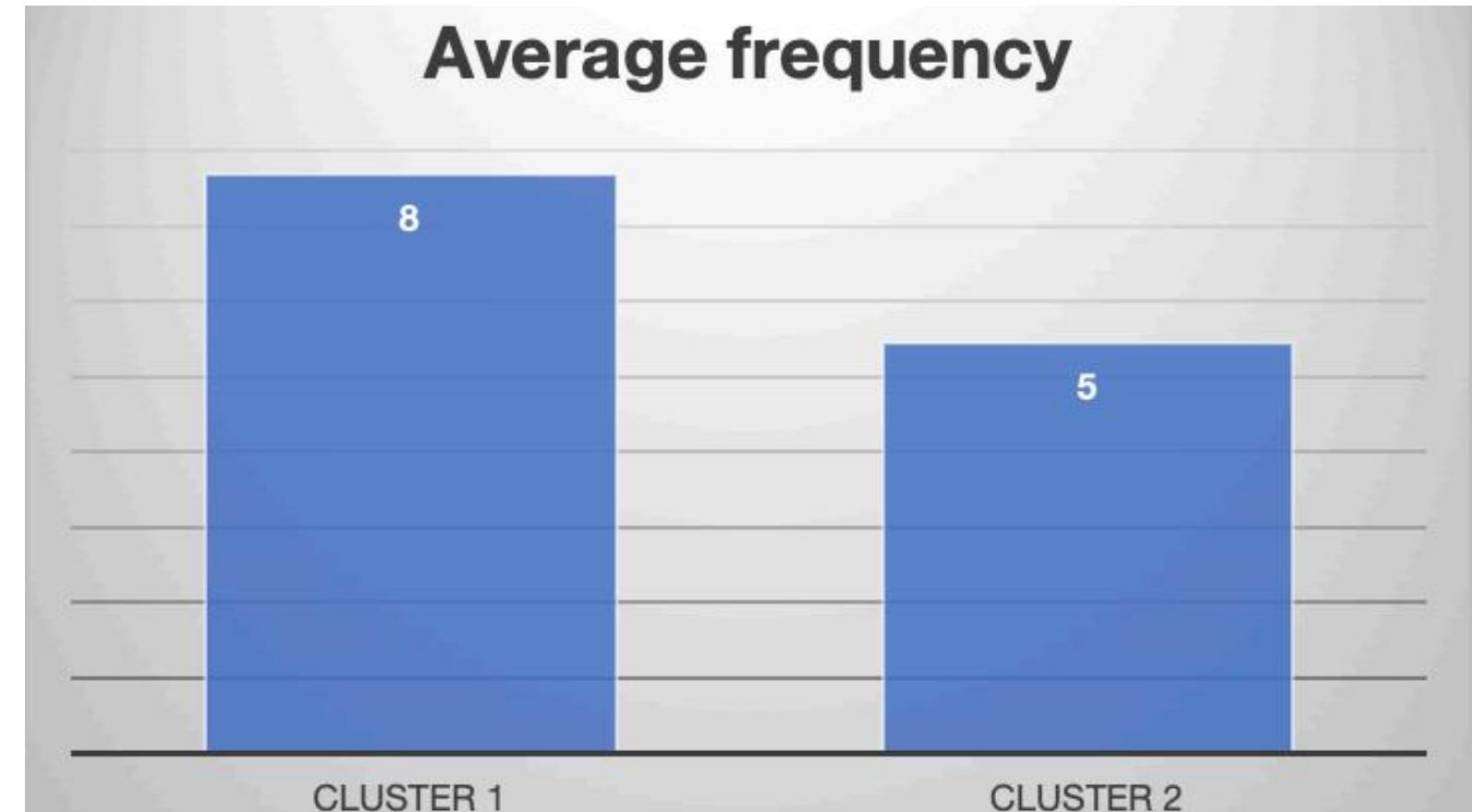
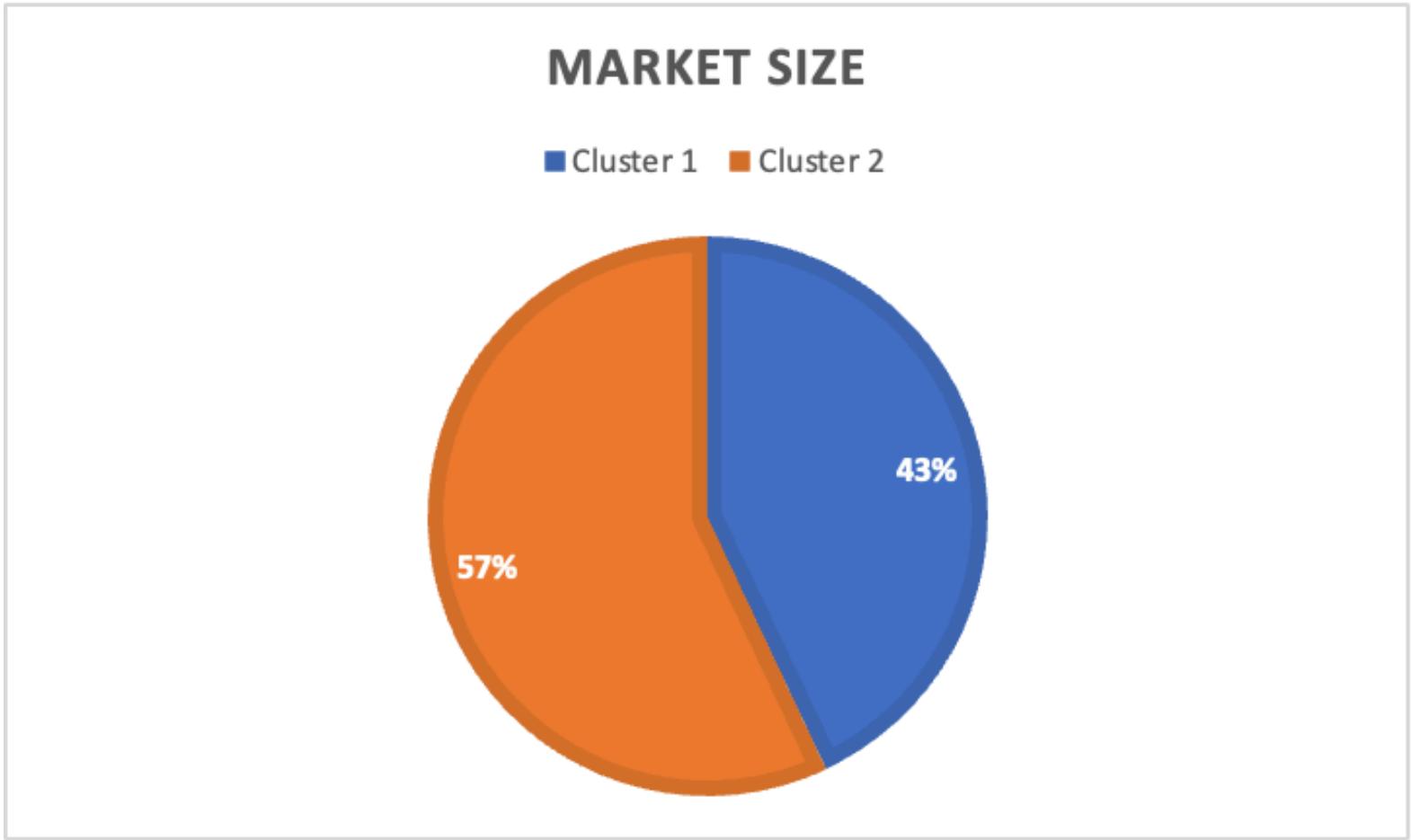
# BEHAVIOUR ANALYSIS

- Data visualisation from the Conjoint and Clustering analysis results revealed that price is the most significant factor influencing the purchase decisions of Cluster 1 (See Appendix A)
- For Cluster 2, the type of sports shoes is the most critical factor affecting their buying choices. (See Appendix A)
- Although both Cluster 1 and Cluster 2 dislike football shoes, Cluster 2 has a particularly strong aversion to them
- Furthermore, Clusters 1 and 2 exhibit significant differences in price sensitivity with Cluster 1 being extremely sensitive to price, whereas Cluster 2 is relatively insensitive to price changes



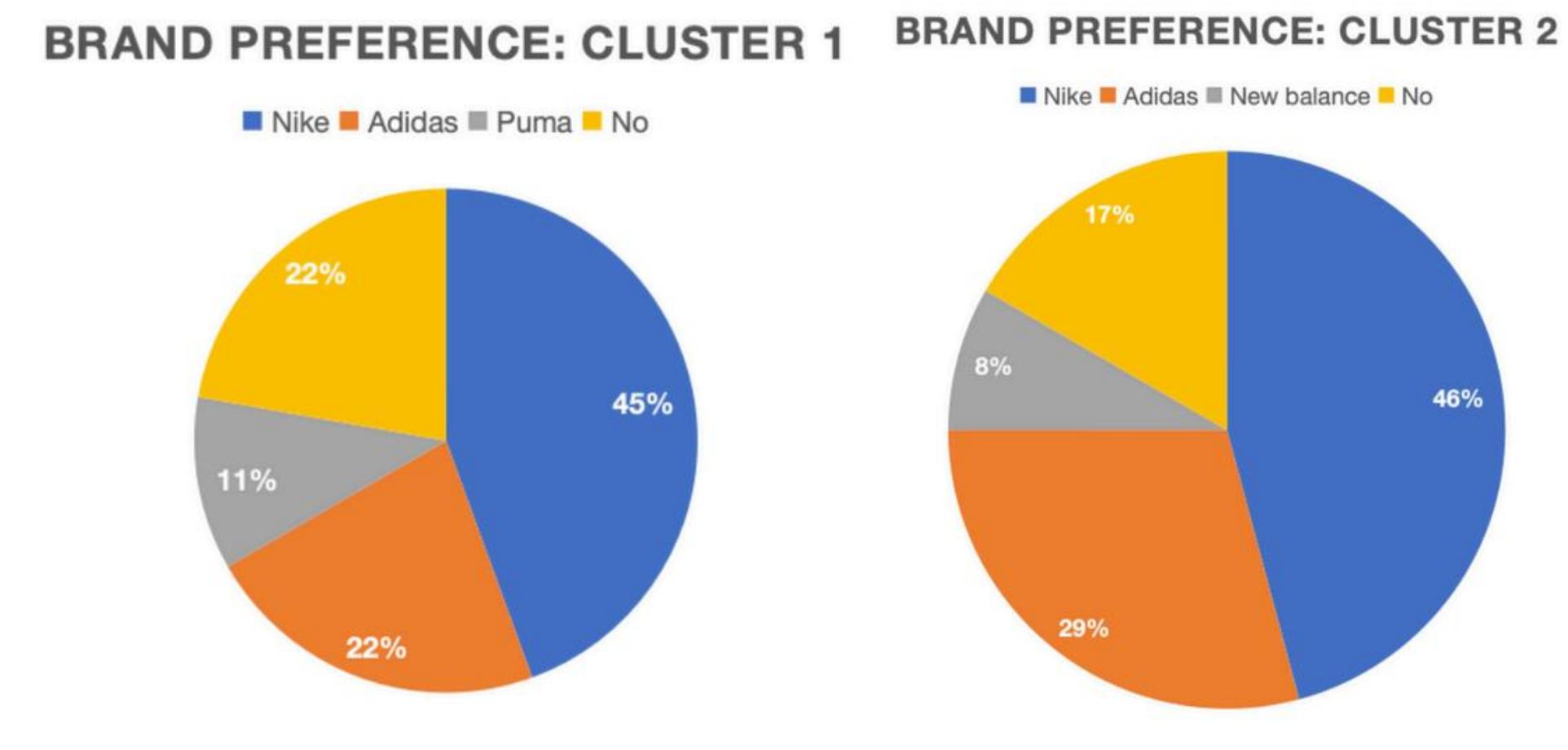
# Relative Market Attractiveness Analysis

- The market size analysis indicates that Cluster 2 is 14% larger than Cluster 1
- Regarding the segment potential for strong market growth, we predict that Cluster 2 has significant potential because this segment is less sensitive to pricing. According to Gázquez-Abad and Sánchez-Pérez (2009), price sensitivity is inversely related to brand loyalty. Therefore, Nike is likely to attract more loyal customers in Cluster 2 and achieve market growth
- Cluster 2 is also more profitable due to its relatively higher purchase frequency compared to Cluster 1
- We found that the competition is fierce in both the price-sensitive lower-end market and the price-insensitive premium market, as Nike's competitors have product lines that span all price segments



# Relative Competitive Strength Analysis

- Nike is the most popular brand across both clusters, indicating it has the largest market share for both segments
- For both Clusters, Nike is perceived as the best-in-class quality brand



Cluster 1 (Perception of brand quality)



Cluster 2 (Perception of brand quality)



# SEGMENT TARGETING

- According to the Relative Market Attractiveness Analysis and Relative Competitive Strength Analysis framework, Cluster 2 emerges as the most attractive segment
- Further, Nike has an equal competitive strength across these two segments
- Overall, we have decided to target Cluster 2

Relative Market Attractiveness Analysis						Relative Competitive Strength Analysis					
1 = completely disagree; 2 = somewhat disagree; 3 = neutral; 4 = somewhat agree; 5 = completely agree	Weight	Score-Cluster 1 (1-5)	Score-Cluster 2 (1-5)	Weighted Score-Cluster 1 (1-5)	Weighted Score-Cluster 2 (1-5)	1 = completely disagree; 2 = somewhat disagree; 3 = neutral; 4 = somewhat agree; 5 = completely agree	Weight	Score-Cluster 1 (1-5)	Score-Cluster 2 (1-5)	Weighted Score-Cluster 1 (1-5)	Weighted Score-Cluster 2 (1-5)
1. Large Served Available Market Size	0.2	2	4	0.4	0.8	1. Largest Market share	0.5	5	5	2.5	2.5
2. Strong Market Segment Growth Potential	0.3	2	4	0.6	1.2	2. Best-in-Class Product Quality	0.5	5	5	2.5	2.5
3. Profitable Market Segment Customers	0.3	2	4	0.6	1.2						
4. Absence of Strong Competition	0.2	1	1	0.2	0.2						
Totals	1	7	13	1.8	3.4	Totals	1	10	10	5	5

# BRAND PERCEPTION ANALYSIS

Brand perceptions are measured across several attributes including comfort, style, durability, and value for money.

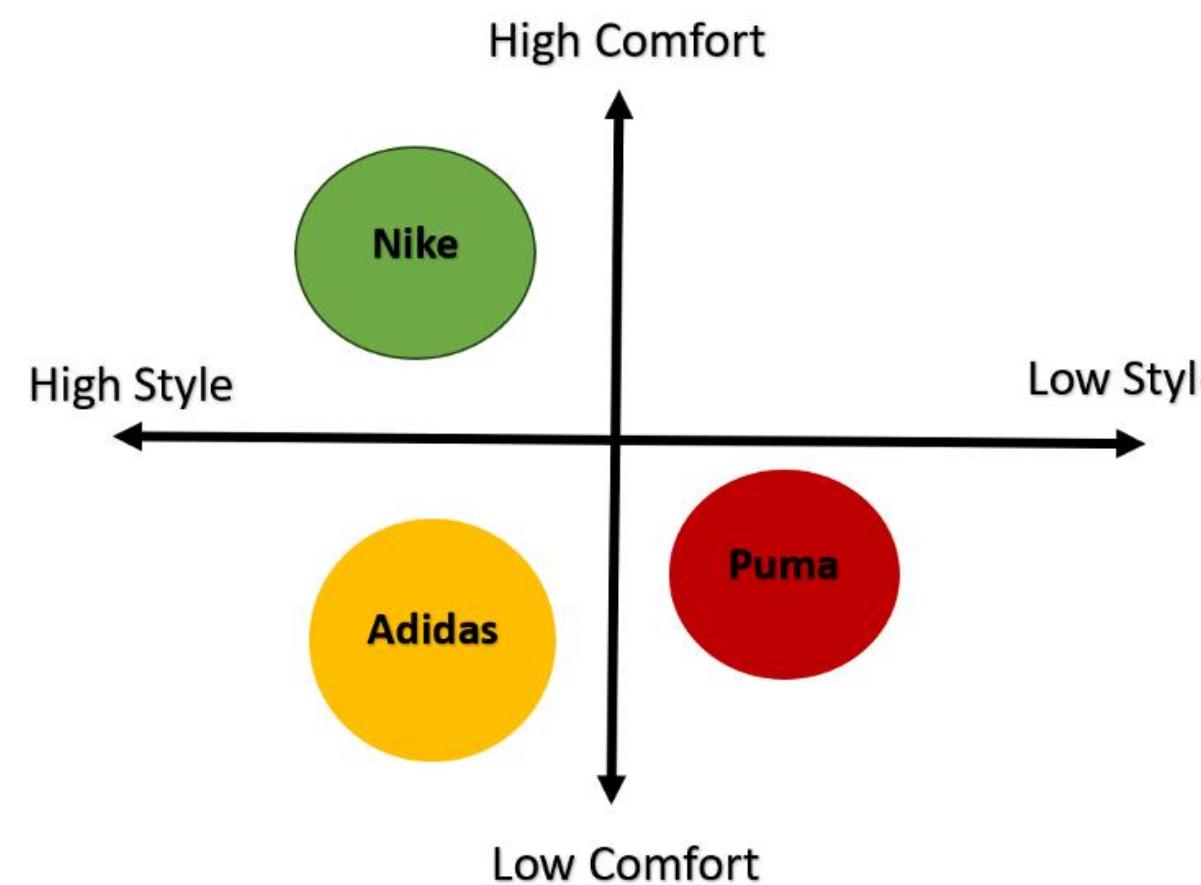
## Here are some key insights:

- Nike and Adidas generally scored well across all attributes, with slightly better scores for Nike in style and Adidas in durability.
- Under Armor and New Balance also have strong showings in style and comfort respectively

## Implications for Nike Shoe Concepts

- **Focus on High-Performance and Affordable Pricing:** Given the preference for lower-priced yet specific-use shoes, the new Nike concepts should consider incorporating affordability with specific use-case designs like running or training.
- **Leverage Brand Strengths in Comfort and Style:** Align new shoe concepts with strong brand perceptions. For Nike, emphasising cutting-edge design along with the proven comfort and style can be beneficial.
- **Innovate in Eco-friendly and Smart Shoe Segments:** Given the lack of direct preference data for eco-friendly and smart technologies in the survey, there might be an opportunity to innovate and lead in these areas, especially if they can be integrated without significantly raising prices.

This map can provide strategic insights into where Nike might focus on enhancing its product features or marketing to align with consumer expectations.



- The Brand Perceptions Map above illustrates how different brands are positioned in terms of comfort and style based on consumer perceptions:
- Nike appears to be leading slightly in both comfort and style, positioning itself as a strong competitor in these attributes.
- Adidas also scores well, especially in style, closely competing with Nike.
- Under Armour, New Balance, and Puma are clustered closely together, suggesting similar perceptions in comfort and style, though slightly trailing behind Nike and Adidas.
- This map shows the relative perception of different brands in terms of comfort and style.
- Nike and Adidas are ahead in the lead with higher scores, which shows their stronger brand strength in these areas.
- Such insights could enable strategic decisions to be made about ways through which to make Nike a better standing on those key attributes.

# **POTENTIAL POSITIONS AND MARKET GAPS THAT NIKE MIGHT EXPLOIT FOR ITS NEW PRODUCT CONCEPTS:**

## **1. High-Performance, Style-Focused Athletic Footwear**

**Gap:** While Nike is already perceived as strong in both style and comfort, Nike can carve a niche by further enhancing these attributes specifically in the basketball or lifestyle segment. If they are marketed for high-performance basketball shoes that double as fashion statements, it will attract both the athletes and the fashion-conscious consumers.

**Concept Suggestion:** Create a Nike line that, through the most advanced technologies in cushioning, support, and other performance needs, fuses great aesthetic power to attract both athletes and lovers of street fashion.

## **2. Eco-Friendly and Sustainable Offerings**

**Gap:** There is an increasing demand for products to be environmentally friendly and sustainable, but none of the major brands are prominently placed in the consuming public's mind with the traditional athletic brands.

**Concept Suggestion:** Introduce a line of eco-friendly Nike shoes, that is either sustainably produced or made with recycled material. Advertise this line as eco-friendly high-performance athletic wear: combining sustainability with the brand's history of excellence in court shoes.

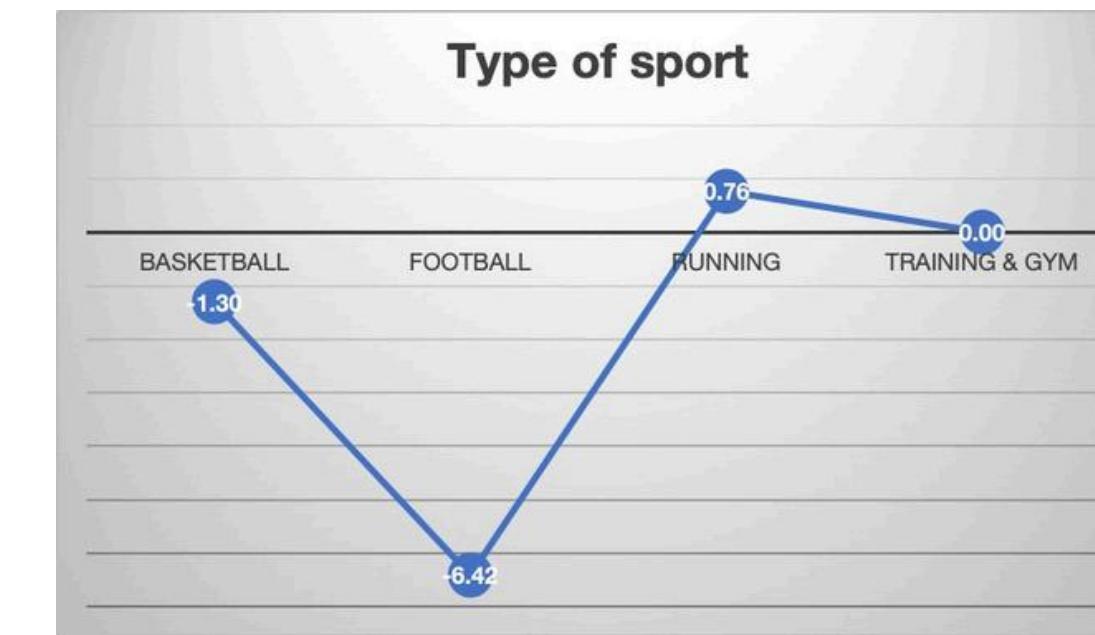
## **3. Smart Technology Integration**

**Gap:** Smart shoes are a very nascent market with a lot of potential to grow. Current offerings may not fully meet consumer expectations or fully integrate into other digital ecosystems that consumers are using.

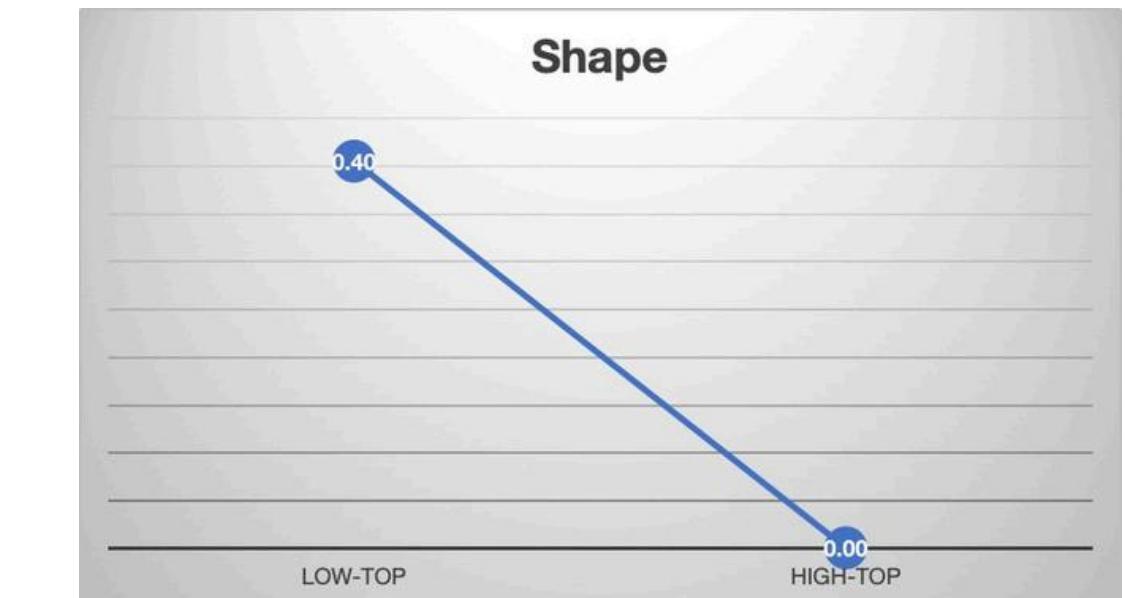
**Concept Suggestion:** Design a line of Nike smart shoes for performance tracking in real time and feedback on athletic performance as well as training outcomes for a healthier life.

# NEW PRODUCT CONCEPT 1

- To better attract Cluster 2 and maximise our market share, we recommend that Nike design a running shoe priced at \$150, in black colour, low-top, using synthetic materials



- The style of the shoe should be unisex and youthful
- It's important to note that Cluster 2's insensitivity to price and their preferences across four different price points suggest a strategic opportunity — We could consider raising the price to \$300
- This adjustment would trade a minimal portion of our market share for a substantial increase in profits. Additionally, the increased revenue could be allocated to developing higher-quality materials, which would further attract consumers (This approach aligns with the new product concept 2)



# MARKET PREDICTION FOR CONCEPT 1

**On the official websites of different brands, select products with different attribute combinations for market prediction. The results are consistent with our previous expectations (See Appendix F).**

**As mentioned on page 9 previously, 'Type of sport' and 'Price' are the most critical attributes. The impact of other attributes is also indicated on page 24.**

**To validate our conclusions in actual sales, we searched for "sport shoes" on Amazon, selecting only well-known brands like Nike, Adidas, and Puma, and chose products with consumer reviews of 4 stars or above. The results are consistent with our conclusions.**

**Among the top 10 ranked shoes:**

- 9 out of 10 are black.
- All shoes are for running and training.
- All products are priced below \$150.
- All shoes are low-top.
- No products use leather materials.

**(See Appendix F)**

# The Second Concept — Nike Future

**Target marketing: Generation Z**

**Key feature:**

- **Stylish Design:** Boasting a cool and fashionable look that is eye-catching and perfect for social media.
- **Comfort:** Made from soft, flexible materials that provide all-day comfort, suitable for both casual wear and various activities, making it a versatile choice for Generation Z.
- **Sustainability:** There is a positive relationship between the prioritisation of social values, environmental concern, and sustainability, and Generation Z consumers' preferences towards brands promoting these values (Salam et al., 2024), thus sustainability can be a good selling point.

**Marketing Positioning:**

- The Nike Future is positioned as the ideal footwear for young generations, highlighting their unique identities and values. It targets consumers who pay close attention to environmental sustainability and desire products that reflect their commitment to these issues, and through the analysis of Wang's price attribute, we find it out that it is also a product that can be targeted at the high-end product industry.

# Insights

## Segmentation, Targeting, and Positioning (STP)

### Q Segmentation Analysis ×

The analysis reveals distinct preferences among consumers based on various shoe attributes such as colour, price, style, and material

### Q Targeting Strategy ×

- Performance seekers prioritise cutting-edge technology & durability
- Gen Z seek stylish yet sustainable options

### Q Positioning Strategy ×

- Positioning Air Jordan as a leader in high-performance, style-focused athletic footwear while also offering customisable products can effectively add value and differentiate the brand from competitors.



## Strategic Actions:

- Embrace sustainability and customisation.
- Highlight performance innovations.
- Leverage social media for engagement.
- By targeting these segments with tailored products and strategic marketing, Nike can maintain its market leadership and drive growth.



# Recommendations & Advertising

**Gen Z:** "Nike Future – Your Shoes, Your Story" on Instagram and TikTok.

**Performance:** "Unleash Your Potential with Nike Air Plus" through sports networks and YouTube.

## New Product Concept:

a. **Nike Air PLUS:** Develop a high-performance running shoe priced at \$150, featuring innovative cushioning technology, durable materials, and ergonomic design

b. **Nike Future:** Design stylish, eco-friendly footwear targeting Generation Z with recycled materials and sustainable manufacturing processes.

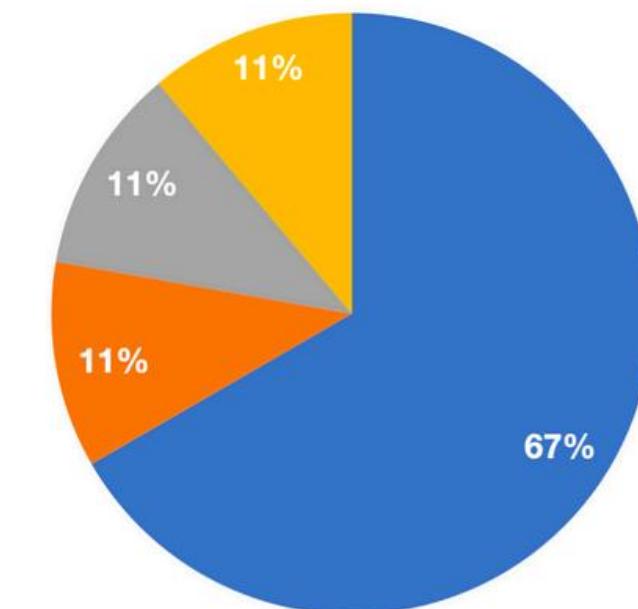
## New Product Launch:

Nike Future: VR launch event, customisation contests.

Nike Air Plus: High-profile athlete events, performance challenges.

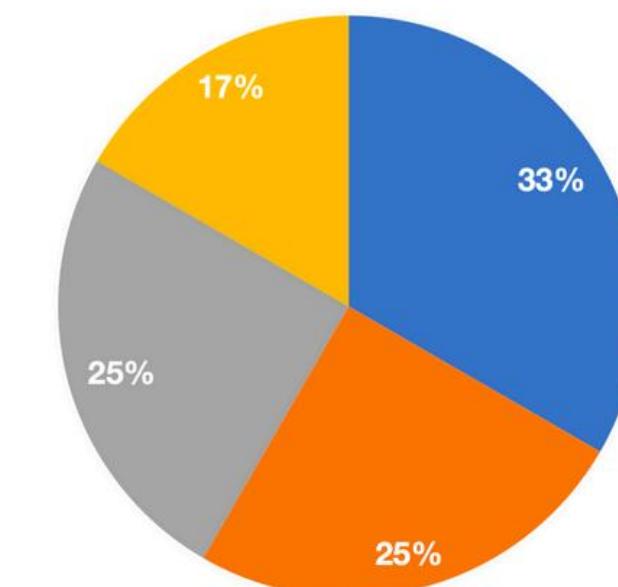
NEW SHOES INFORMATION SOURCE CLUSTER 1

■ social media ■ online advertisements ■ official websites ■ in-store



NEW SHOES INFORMATION SOURCE CLUSTER 2

■ social media ■ online advertisements ■ official websites ■ in-store



# Marketing Campaign for Nike Future and Nike Air Plus

## Campaign Title: "Step Into the Future with Nike"



### Objectives:

*Increase Brand Awareness:* Highlight Nike's commitment to style, comfort, sustainability, and high performance.

*Drive Sales:* Encourage purchases through targeted promotions and engaging content.

*Engage Target Audience:* Create a strong connection with Gen Z and performance seekers through tailored messaging and channels.

### Nike Future Campaign

#### Tagline: "Your Style, Your Future"

**Key Message:** Highlight the stylish, customizable, and sustainable aspects of Nike Future.

#### Channels and Tactics: [see appendix c]

*Social Media Influencers:* Partner with popular Gen Z influencers on Instagram and TikTok to showcase the customization options and stylish design.

##### *Interactive Social Media Campaign:*

*Hashtag Challenge:* Launch a #MyNikeFuture challenge on TikTok, encouraging users to create videos showcasing how they customize their Nike Future shoes featuring giveaway challenges for winners to motivate.

*User-Generated Content:* Share user-generated content on Nike's official social media channels to foster community engagement. (Grewal, Hadi, & Stephen, 2019).

##### *Virtual Launch Event:*

Host a virtual reality (VR) launch event where users can experience the customization process and interact with the product, and incorporate giveaways through social media prior to event.

Include behind-the-scenes content and interviews with designers and influencers.

##### *Sustainability Campaign:*

Highlight the eco-friendly materials and sustainable production processes through targeted ads on social media platforms. (Scammon & Mish, 2022)

Collaborate with environmental organizations to promote the sustainability aspect.

##### *Promotions:*

Limited-time discount for early adopters.

Customization contests with prizes for the best designs. (Aaker, 1991)

### Nike Air Plus Campaign

#### Tagline: "Unleash Your Potential"

**Key Message:** Emphasize the advanced technology, superior performance, and durability of Nike Air Plus.

#### Channels and Tactics: [see appendix d]

##### *Athlete Endorsements:*

Partner with elite athletes to demonstrate the performance benefits of Nike Air Plus.

Create video content of athletes using the shoes in high-intensity training and competition settings. (Khattar & Lozada, 2020)

##### *Performance Showcases:*

Host live-streamed events featuring top athletes performing in Nike Air Plus shoes.

Include technical breakdowns of the shoe's features by sports scientists and experts.

##### *Fitness App Integration:*

Integrate with popular fitness apps to offer exclusive content and challenges related to Nike Air Plus.

Provide performance analytics and feedback to users who complete challenges. (Angosto, García-Fernández, Valantine, & Grimaldi-Puyana, 2020).

##### *Technical Video Series:*

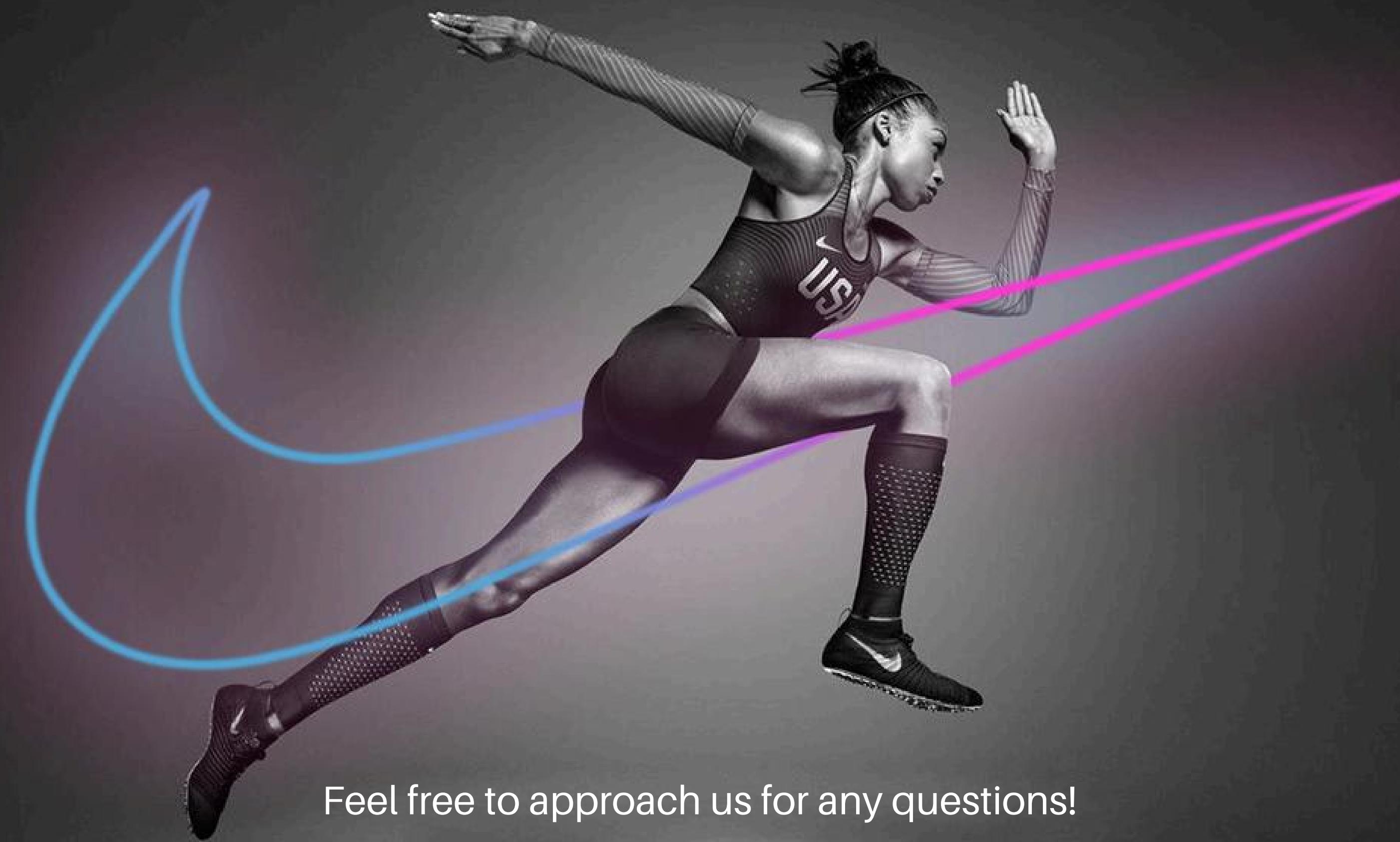
Develop a series of videos that delve into the advanced cushioning technology and ergonomic design, showcasing the shoe's superior performance.

##### *Promotions:*

Exclusive early access for professional and semi-professional athletes.

Performance challenges with rewards such as exclusive gear and recognition.

# THANK YOU FOR LISTENING!



Feel free to approach us for any questions!



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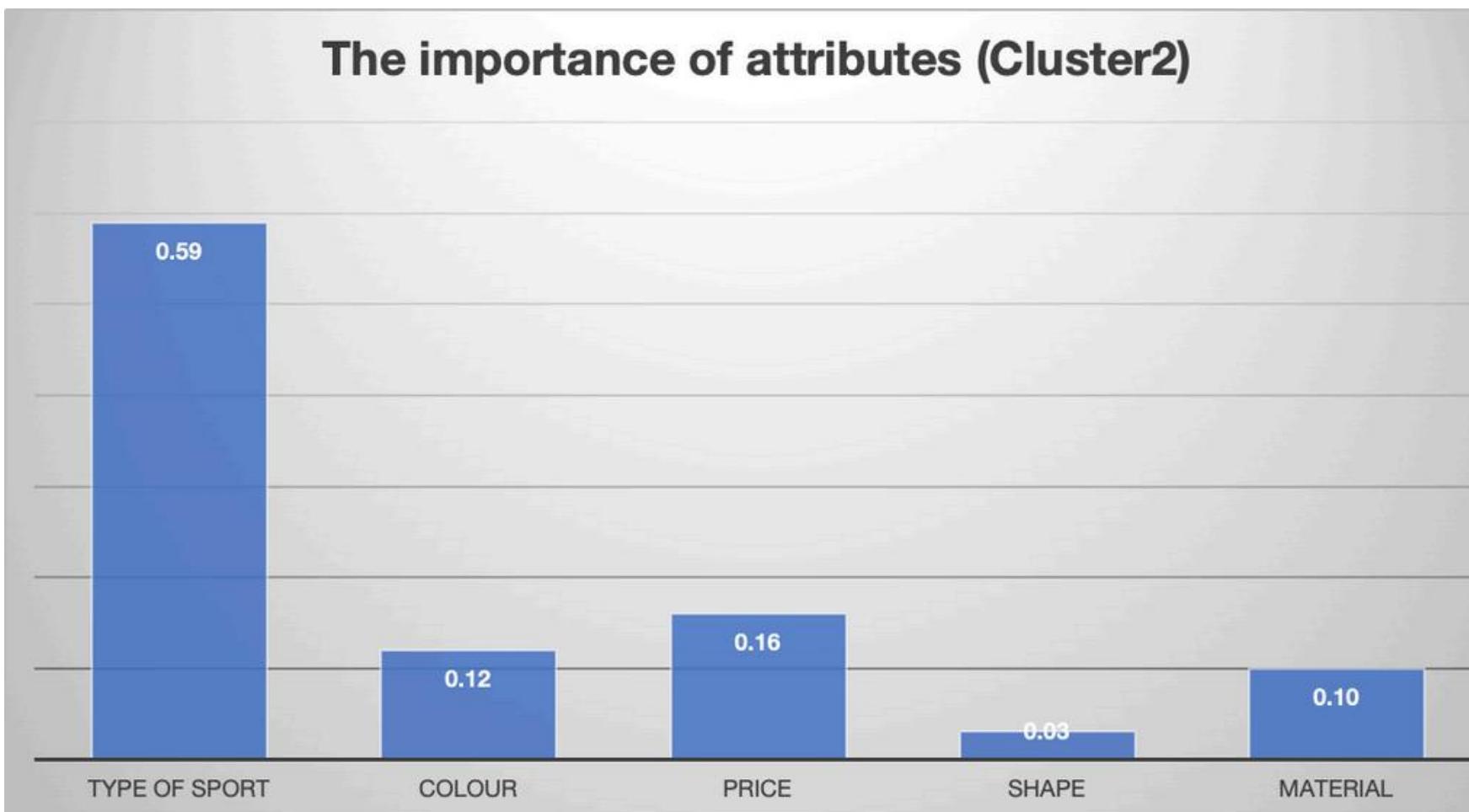
# Appendix A. Clusters

## Categorised as Attributes

The importance of attributes (Cluster1)



The importance of attributes (Cluster2)



# Appendix B. Product Mockups

## Concept 1



## Concept 2



# Appendix C (i). Website/Billboard Advertising Mockup for Concept



## Appendix C (ii). Youtube Mock Ad [ <https://youtu.be/8j0mq7EdULI> ]



# Appendix D. Social media

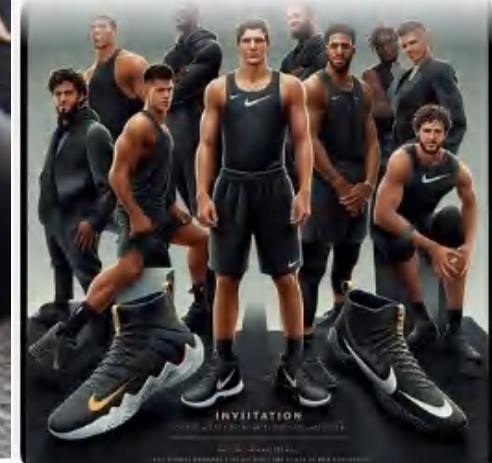


6.100 likes

**DinaRuns** Partnership with @nike  
#UnleashYourPotential #NikeAirPLUS

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Nike · Following



547,479 likes

**Nike** Gear up for an exclusive event with Nike Air Plus! Witness the fusion of advanced technology and superior performance as we unveil the future of athletic footwear. Join us and YOUR FAVE Aussie Athletes in stepping into a new era of performance.  
#NikeAirPlus #UnleashYourPotential" ... more

[View all 4000 comments](#)

**Zeoob** WOW  
**Annagerrie** loving it

9 hours ago



Nike · Following



547,479 likes

**Nike** You are cordially invited to the launch of our latest high-performance athletes' collection  
⌚ Tune In or Join Us Live at 7PM AEST on the 18th of June @ Reven Hall.

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9 hours ago

# Appendix E: Pricing Strategy

Setting the price of a product is a complex decision-making process that involves various factors. It requires understanding market segments, predicting market responses from competitors and customers, evaluating internal constraints such as costs or capacity, and considering the short-term and long-term financial implications<sup>1</sup>.

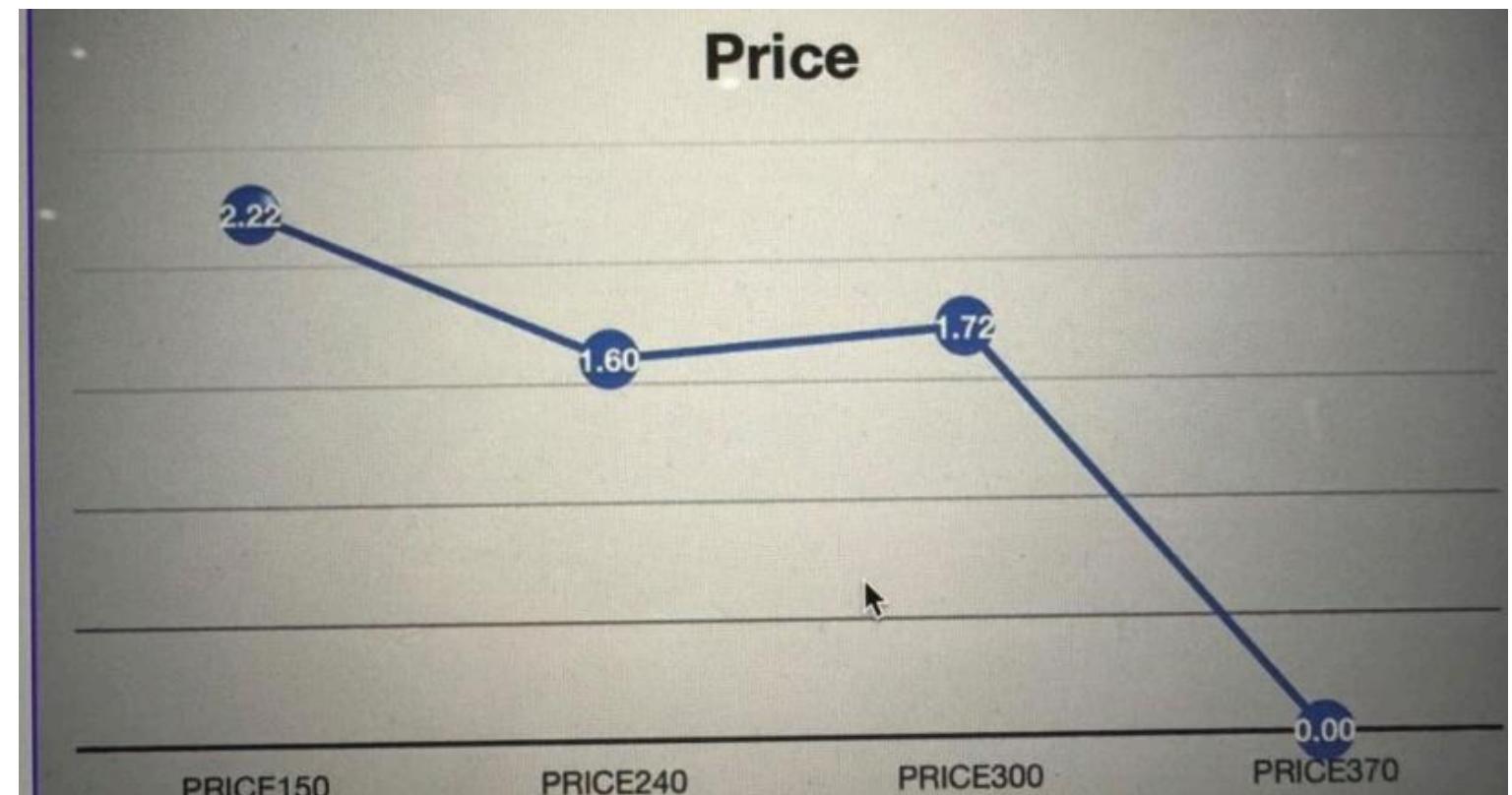
In this case, setting the price at \$150 for the Nike Air Plus could be seen as a market-based pricing strategy. This strategy involves setting prices based on what the market is willing to pay, taking into account factors such as competition, demand, and customer perception<sup>1</sup>.

However, it's important to note that pricing decisions can have both complementary and substitutional impacts on other sectors of a business<sup>1</sup>. For instance, a lower price might increase sales volume but could also potentially decrease profit margins if not managed carefully.

Moreover, pricing is one of the major tools to measure product or brand value for consumers, while it is the principal determinant of profit for the companies<sup>2</sup>. Many companies tend to develop consumer value by creating the value for money experience to increase product demand in every transaction<sup>2</sup>.

In the competitive marketplace, pricing of products and services are decided by the companies in the context of market trend and competitive leverage to the brands<sup>2</sup>. Hence, our aim to keep the price at \$150, not too high like \$300, to maintain a good market share aligns with these principles.

Note: these are just general ideas and the actual implementation would depend on various factors like the brand guidelines, cost structure, and the specific dynamics of the market<sup>12</sup>.



Source: Conversation with Bing, 14/05/2024

(1) Pricing Strategies in a Dynamic Market | SpringerLink.

[https://link.springer.com/chapter/10.1007/978-981-99-5253-3\\_8](https://link.springer.com/chapter/10.1007/978-981-99-5253-3_8).

(2) Pricing Strategy | SpringerLink.

[https://link.springer.com/chapter/10.1007/978-3-030-11911-9\\_7](https://link.springer.com/chapter/10.1007/978-3-030-11911-9_7).

(3) Competitive pricing on online markets: a literature review.

<https://link.springer.com/article/10.1057/s41272-022-00390-x>.

(4) Pricing Research: State of the Art and Future Opportunities - SAGE Journals.

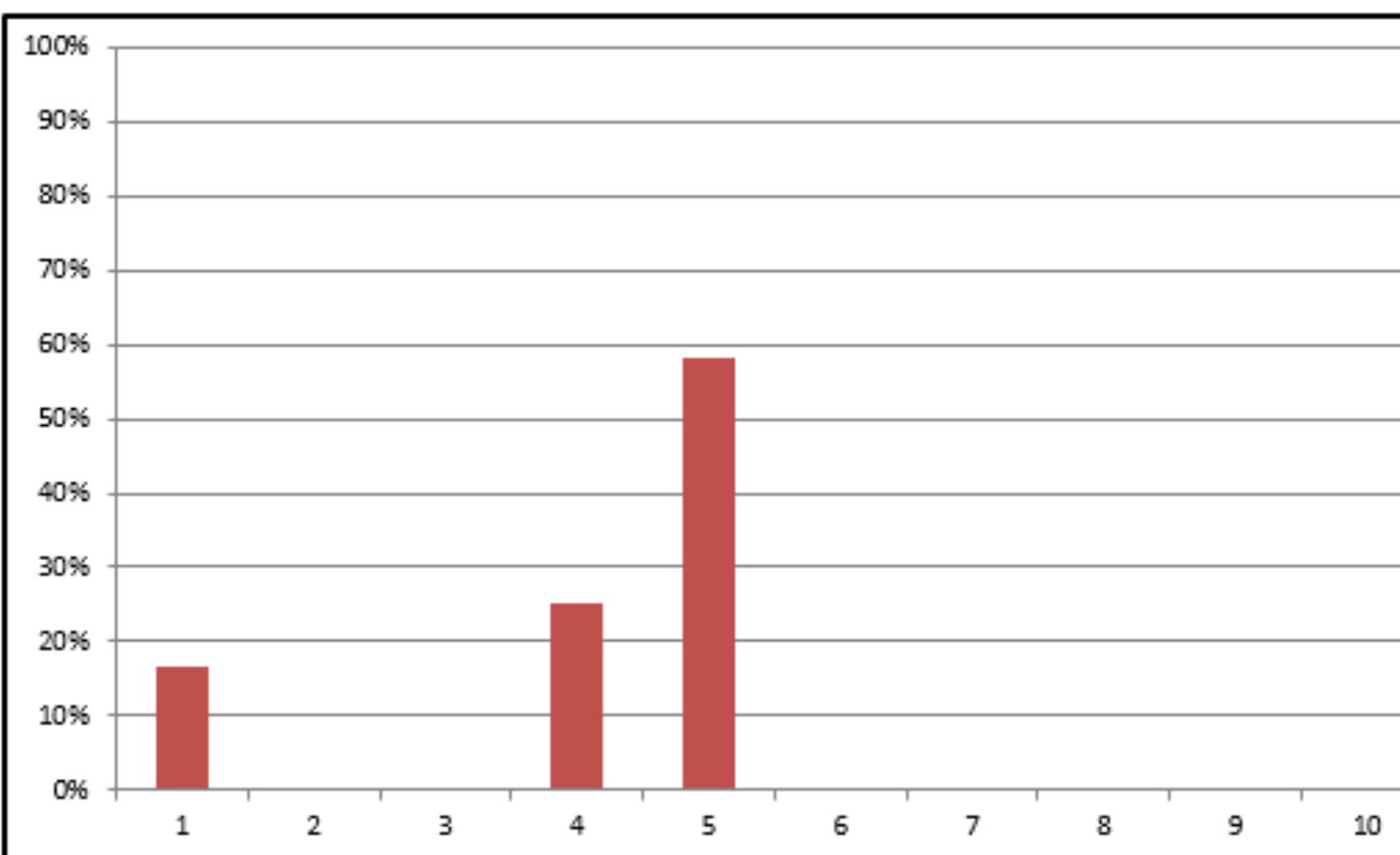
<https://journals.sagepub.com/doi/pdf/10.1177/21582440211032168>.

# Appendix F. Market Prediction for concept 1

Number of Options: 5

		Alternatives				
Attributes	Levels	1	2	3	4	5
Type of sport	Basketball				X	
	Football		X			
	Running			X		
Training & Gym	X		X			
Colour	Black	X			X	
	White		X			
	Grey			X		
	Blue				X	
Price Range	150	X				X
	240		X			
	300			X		
	370				X	
Shape	Low-top	X	X	X	X	
	High-top				X	
Material	Leather		X		X	
	Synthetic materials	X		X		X

Market Shares Histogram



1-48 of over 30,000 results for "sport shoes"

Sort by: Featured ▾

Amazon Prime  ✓prime | Ships from Australia  ✓prime | International Shipping

Eligible for Free Delivery  Free Delivery by Amazon All customers get FREE Shipping on orders over \$59 shipped by Amazon

Delivery Day  Get it by Tomorrow  Get it Within Two Days

Department  Any Department Clothing, Shoes & Accessories Women's Fashion Men's Fashion Girls' Fashion Boys' Fashion Baby Clothing, Shoes & Accessories Novelty & Special Use Uniforms, Work & Safety Shoe, Jewellery & Watch Accessories Luggage & Travel Gear World Apparel Sport Specific Clothing

Customer Review  Clear  ★★★★★ & Up  ★★★★★ & Up  ★★★★★ & Up  ★★★★★ & Up

Featured Brands  Clear  adidas  FILA  PUMA  Nike  New Balance  Skechers  Red Tape  See more

Price \$10 – \$7,800+  Go

Deals & Discounts All Discounts Today's Deals

Condition New Used

Results

Price and other details may vary based on product size and colour.

Amazon's Choice

FILA Men's Memory Workshift Cross Trainer ★★★★★ 19,416 \$65<sup>00</sup> ✓prime FREE Delivery by Amazon

New Balance Men Fresh Foam Arishi V4 Running Sport ★★★★★ 1,544 \$140<sup>00</sup> ✓prime FREE Delivery by Amazon

adidas Performance Runfalcon ★★★★★ 1,257 \$69<sup>00</sup> RRP: \$100.00 ✓prime FREE Delivery by Amazon

Skechers Skechers ★★★★★ 2,123 \$129<sup>28</sup> ✓prime FREE Delivery by Amazon

Nike Men's Downshifter 12 Running Shoe, Black White Dk Smoke Grey Pure, 10... ★★★★★ 106 \$79<sup>00</sup> RRP: \$100.00 ✓prime FREE Delivery by Amazon

adidas Sportswear Performance Pureboost 23 ★★★★★ 49 \$129<sup>99</sup>

adidas Sportswear Performance Pureboost 23 ★★★★★ 33 \$84<sup>00</sup> RRP: \$100.00 \$129<sup>99</sup>

adidas Sportswear Performance Pureboost 23 ★★★★★ 132 \$129<sup>99</sup>

Nike Women's Downshifter 12 Sneaker ★★★★★ 435 \$65<sup>00</sup> RRP: \$100.00 \$120<sup>00</sup>

New Balance Women's 520v7 Trainers ★★★★★ 5,331 \$120<sup>00</sup>



**24331 MARKETING  
ANALYTICS AND DECISIONS**

**Conjoint Analysis  
for  
NIKE NEW PRODUCT DESIGN**

**Presentation  
Group 3**



**24331 MARKETING  
ANALYTICS AND DECISIONS**

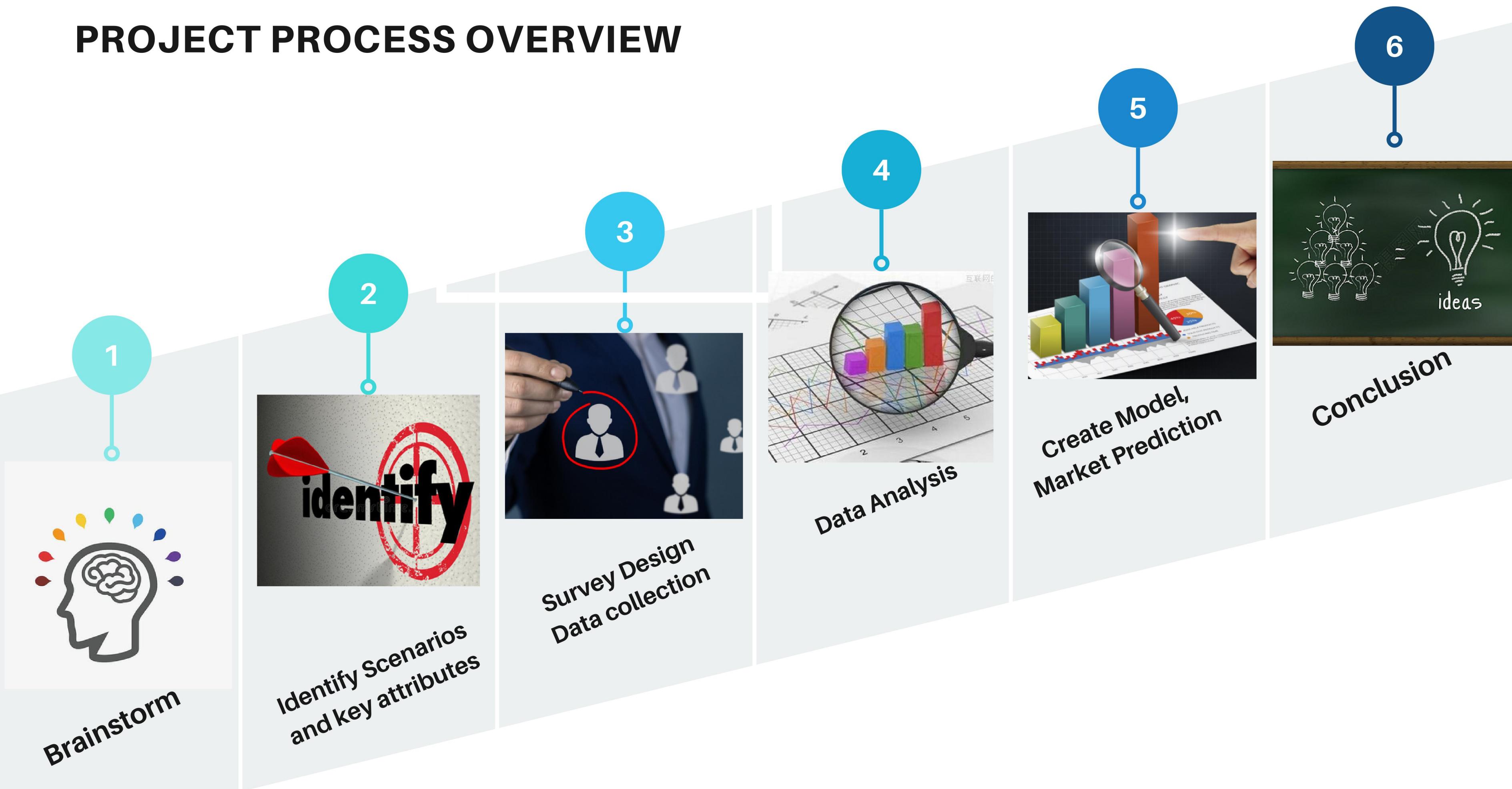
**Conjoint Analysis  
for  
NIKE NEW PRODUCT DESIGN**

**Group 3**

# Group 3

	FIRST NAME	LAST NAME	Work Load
14113310	Monique	Mladenovski	
24543504	Rameen	Zaheer	<p>Created Group channels, facilitated group communication, and acted as intermediary for team member contact and coordination.</p> <p>Added files to Teams channel. New product concept.</p>
14417176	Sara	Ibrahim	
14390607	Biyuan	Wang	<p>Complete the New Product Development Proposal, Design surveys on Qualtrics, collect data, analyse data, data visualisation, Conjoint analysis, Cluster analysis, New product concept, Prepare slides for page 9 to 14, and page 18 &amp; 22.</p>
24866321	Zihao	Li	<p>Created new product concept, page 19-20</p>
14403000	Zheng (Max)	Wang	<p>Design surveys on qualtrics and collect data, then recode the data.</p> <p>Perform conjoint analysis + Data visualisation</p> <p>Predict market share with model.</p> <p>Prepare slides for pages 1 to 8, and pages 21 to 23</p>

# PROJECT PROCESS OVERVIEW



# Management Problem

1. **MARKET LEADERSHIP:** NIKE IS ONE OF THE LARGEST SPORTS FOOTWEAR BRANDS GLOBALLY IN TERMS OF MARKET SHARE AND REVENUE, HOLDING SIGNIFICANT MARKET ADVANTAGES.
2. **COMPETITIVE CHALLENGES:** NIKE FACES INCREASING COMPETITION FROM BRANDS LIKE ADIDAS AND UNDER ARMOUR, AS WELL AS FROM EMERGING SPORTS BRANDS THAT ARE GROWING THEIR MARKET SHARE.
3. **NEED FOR INNOVATION:** TO MAINTAIN ITS LEADERSHIP POSITION, NIKE MUST CONTINUOUSLY INNOVATE AND ENHANCE ITS BRAND APPEAL.
4. **RAPID PRODUCT UPDATES:** THE SPORTS FOOTWEAR INDUSTRY IS CHARACTERIZED BY RAPID PRODUCT UPDATES.



1. MANAGEMENT NEEDS TO CONTINUOUSLY CONDUCT MARKET SURVEYS TO UNDERSTAND CHANGES IN CONSUMER BEHAVIOUR AND THE FACTORS INFLUENCING THESE CHANGES.
2. USING MARKET SURVEY DATA, MANAGEMENT CAN IDENTIFY THE FOOTWEAR ATTRIBUTES AND COMBINATIONS CONSUMERS VALUE MOST DURING THEIR PURCHASING DECISIONS.
3. THIS DATA ENABLES THE DESIGN OF NEW PRODUCTS THAT ALIGN WITH MARKET TRENDS.
4. THROUGH MARKET RESEARCH DATA, THE ADJUSTMENT OF MARKET STRATEGIES IS DETERMINED BY MARKET SEGMENTATION AND POSITIONING, ALLOWING FOR THE CONTINUOUS INTRODUCTION OF SPORTS FOOTWEAR PRODUCTS THAT MEET THE

**Research Objectives**

# **Advantages**

1. CONJOINT ANALYSIS PROVIDES DEEP INSIGHTS, HELPING TO UNDERSTAND HOW CONSUMERS MAKE TRADE-OFFS BETWEEN MULTIPLE PRODUCT ATTRIBUTES.
2. THIS ANALYSIS HELPS SIMULATE THE CONSUMER DECISION-MAKING PROCESS, PREDICTING THE MARKET ACCEPTANCE OF NEW PRODUCTS.
3. BY IDENTIFYING THE FEATURES MOST VALUED BY CONSUMERS, COMPANIES CAN DESIGN PRODUCTS THAT BETTER MEET MARKET DEMANDS.

1. SURVEYS CANNOT EFFECTIVELY SIMULATE CONSUMER BEHAVIOUR AT THE TIME OF ACTUAL PURCHASE.
2. AS THE NUMBER OF ATTRIBUTES IN THE SURVEY INCREASES, THE COMPLEXITY OF THE QUESTIONNAIRE ALSO INCREASES. MORE OPTIONS CAN MAKE CONSUMERS UNCOMFORTABLE

# **Drawbacks**

# CONJOINT ANALYSIS

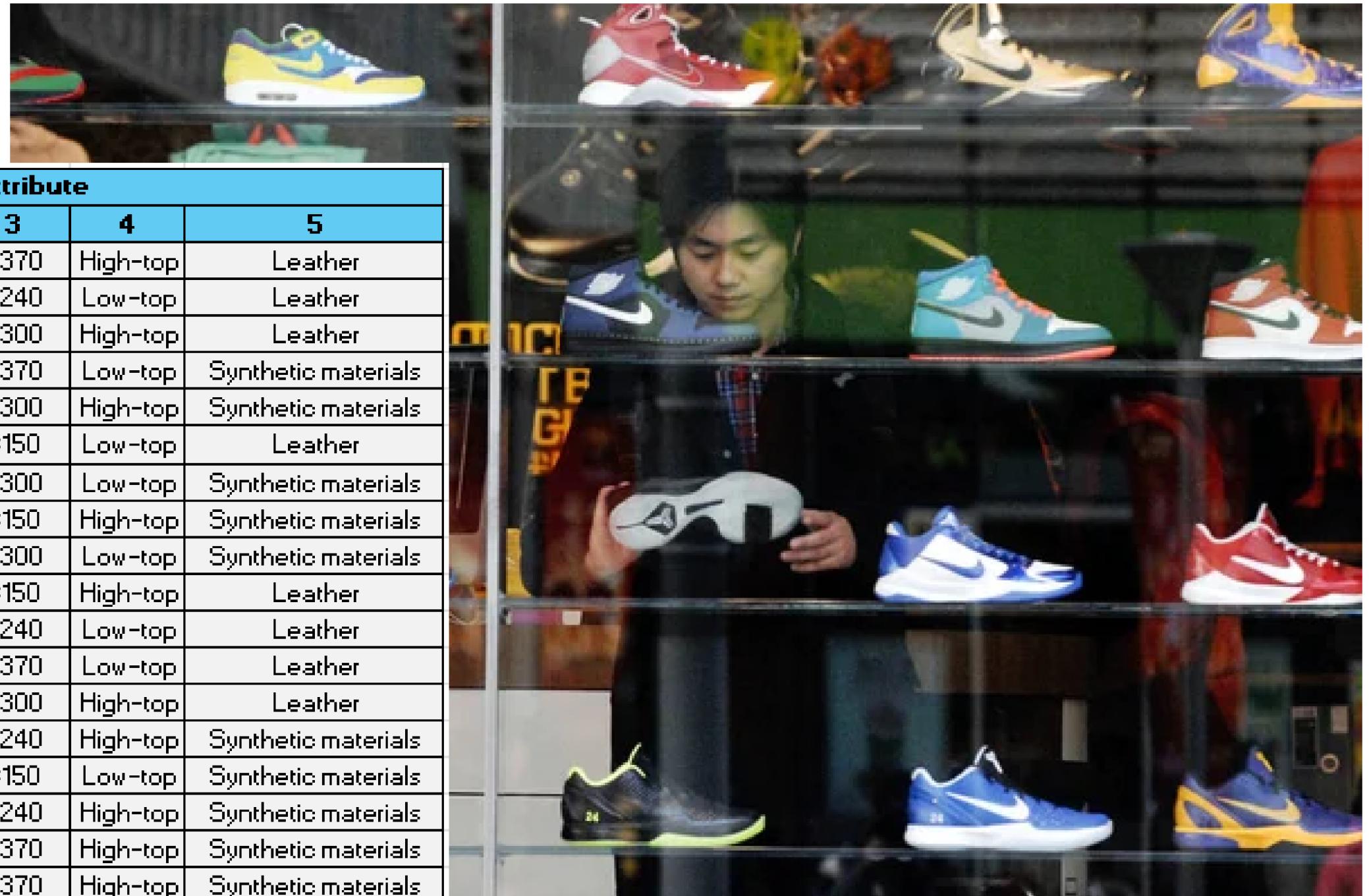
## *Experimental Design Builder*

Parameters		Suggested Design				
Attribute	Levels	Profile	Attribute 1	Attribute 2	Attribute 3	Attribute 4
1	4	(1)	2	1	1	1
2	3	(2)	2	2	2	1
3	2	(3)	1	1	2	1
4	3	(4)	3	2	1	1
5		(5)	4	1	1	2
6		(6)	3	2	1	2
		(7)	1	3	1	2
		(8)	4	2	2	3
		(9)	4	3	1	1
		(10)	4	3	2	1
		(11)	3	2	2	2
		(12)	2			
		(13)	3			
		(14)	2			
		(15)	1			
		(16)	1			

Profile	Attribute				
	1	2	3	4	5
1	Training & Gym	Black	\$370	High-top	Leather
2	Training & Gym	Blue	\$240	Low-top	Leather
3	Running	Grey	\$300	High-top	Leather
4	Running	White	\$370	Low-top	Synthetic materials
5	Basketball	Blue	\$300	High-top	Synthetic materials
6	Running	Blue	\$150	Low-top	Leather
7	Football	Black	\$300	Low-top	Synthetic materials
8	Training & Gym	Black	\$150	High-top	Synthetic materials
9	Training & Gym	White	\$300	Low-top	Synthetic materials
10	Football	White	\$150	High-top	Leather
11	Football	Grey	\$240	Low-top	Leather
12	Basketball	Black	\$370	Low-top	Leather
13	Basketball	White	\$300	High-top	Leather
14	Basketball	White	\$240	High-top	Synthetic materials
15	Basketball	Grey	\$150	Low-top	Synthetic materials
16	Running	Black	\$240	High-top	Synthetic materials
17	Training & Gym	Grey	\$370	High-top	Synthetic materials
18	Football	Blue	\$370	High-top	Synthetic materials

Simulate the choices of 5 levels and 16 attributes most concerned by consumers during purchases.



# CONJOINT ANALYSIS

Q1

Please rank the following 18 potential products for sale based on your likelihood to purchase.

Training & Gym, Black, \$370, High-top, Leather

Training & Gym, Blue, \$240, Low-top, Leathe

Running, Grey, \$300, High-top, Leather

Running, White, \$370, Low-top, Synthetic materials

Basketball, Blue, \$300, High-top, S For sale based on your likelihood to purchase, with 1 being the most likely to purchase and 18 being the least likely to purchase. - Training & Gym, Black, \$370, High-top,

Running, Blue, \$150, Low-top, L

Football, Black, \$300, Low-top, S

Training & Gym, Black, \$150, High

	Low-top	Leather	Rank(1=Best)	Rank(1=worst)	respondent 12
0	0	1	18	1	
0	1	1	13	6	
1	0	1	15	4	
0	1	0	6	13	
1	0	0	5	14	
0	1	1	11	8	
1	1	0	9	10	
0	0	0	2	17	
1	1	0	7	12	
0	0	1	12	7	
0	1	1	14	5	
0	1	1	17	2	
gh-top,	1	0	1	16	3
Al	0	0	4	15	
Pleas	0	1	0	1	18
	0	0	3	16	
1	0	0	8	11	
	0	0	10	9	

dent 12

0	Low-top	Leather	Rank(1=Best)	Rank(1=worst)	respondent 13
0	0	1	8	11	
0	1	1	2	17	
1	0	1	5	14	
0	1	0	7	12	
1	0	0	10	9	

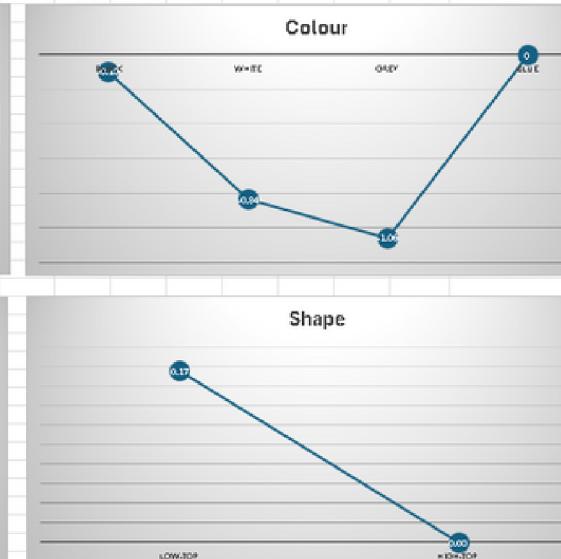
respondent 13

# CONJOINT ANALYSIS

JOVA					
	df	SS	MS	F	Significance F
Residual	11	277.2321429	25.20292	0.729575	0.692633
Individual	6	207.2678571	34.54464		
Total	17	484.5			

	Coefficients	Standard Error	t Stat	P-value	Lower 95% Upper 95%
Intercept	10.089	4.579687016	2.203051	0.069808	-1.116805 21.278
Basketball	-3.750	3.847706712	-0.974607	0.367395	-13.165 5.500
Football	-6.482	4.004820119	-1.618585	0.156664	-16.28158 3.200
Running	0.768	4.004820119	0.191733	0.854275	-9.031585 10.500
Black	-0.018	4.004820119	-0.004459	0.996587	-9.817299 9.500
White	-2.518	4.004820119	-0.628707	0.552707	-12.3173 7.500
Grey	4.000	4.4550000047	0.000404	0.000005	4.440000 6.500

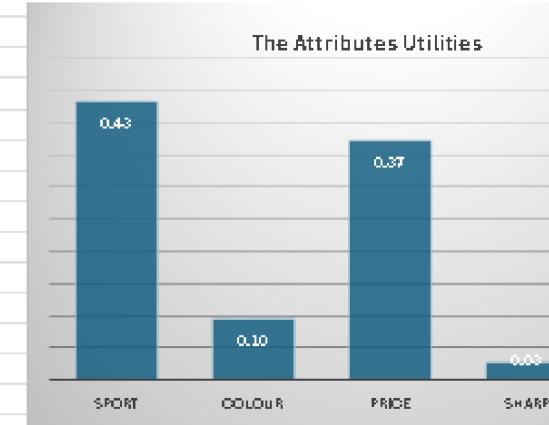
PARTWORTHS MATRIX				
Respondent	Basketball	Football	Running	Training & Other
1	0.29	-2.02	0.73	0
2	8.68	-4.88	4.13	0
3	0.821	0.768	0.768	0
4	-5.11	-9.63	4.38	0
5	-3.750	-6.482	0.768	0
6	1.43	-0.52	1.98	0
7	-4.00	-4.52	1.23	0
8	-1.679	-8.161	5.839	
9	5.36	-8.38	-4.38	
10	1.54	-8.09	2.66	
11	8.82	-4.68	4.32	
12	0.679	-1.357	1.143	
13	-6.29	-10.93	1.32	
14	0.46	0.63	2.63	
15	-5.07	-9.55	4.45	
16	0.71	-1.50	1.75	
---	---	---	---	---



Attributes Utilities

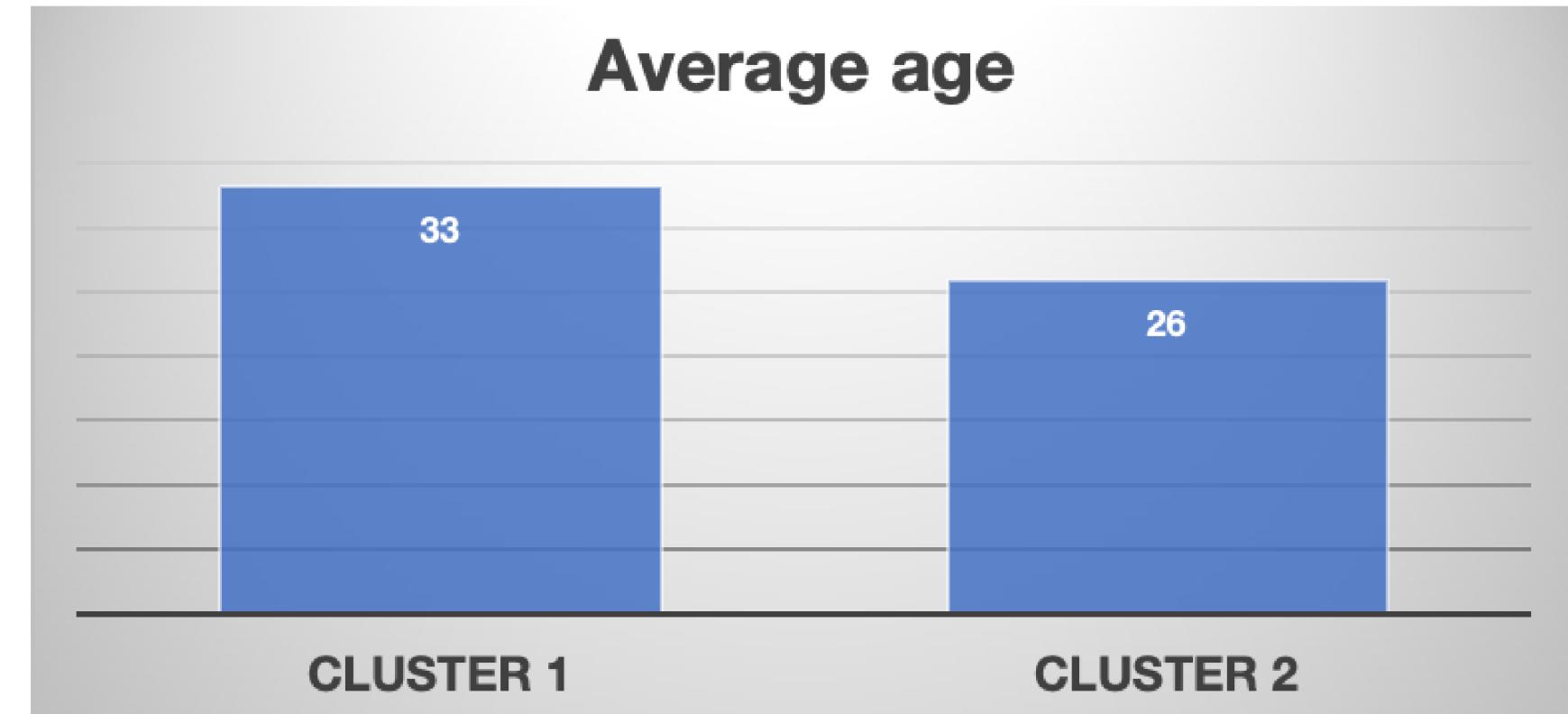
Respondent	Type of sport Range	Type of sport Utility	Colour Range	Colour Utility
1	2.75	0.16	0.7	0.7
2	13.55	0.77	0.4	0.4
3	0.82	0.05	0.2	0.2
4	14.00	0.73	1.2	1.2
5	7.25	0.37	4.0	4.0
6	2.50	0.13	1.5	1.5
7	5.75	0.28		
8	14.00	0.63		
9	13.73	0.74		
10	10.75	0.47		
11	4.50	0.70		

Attributes Utilities	The Average
0.43	0.43
0.10	0.10
0.37	0.37
0.03	0.03
0.07	0.07
1.00	1.00

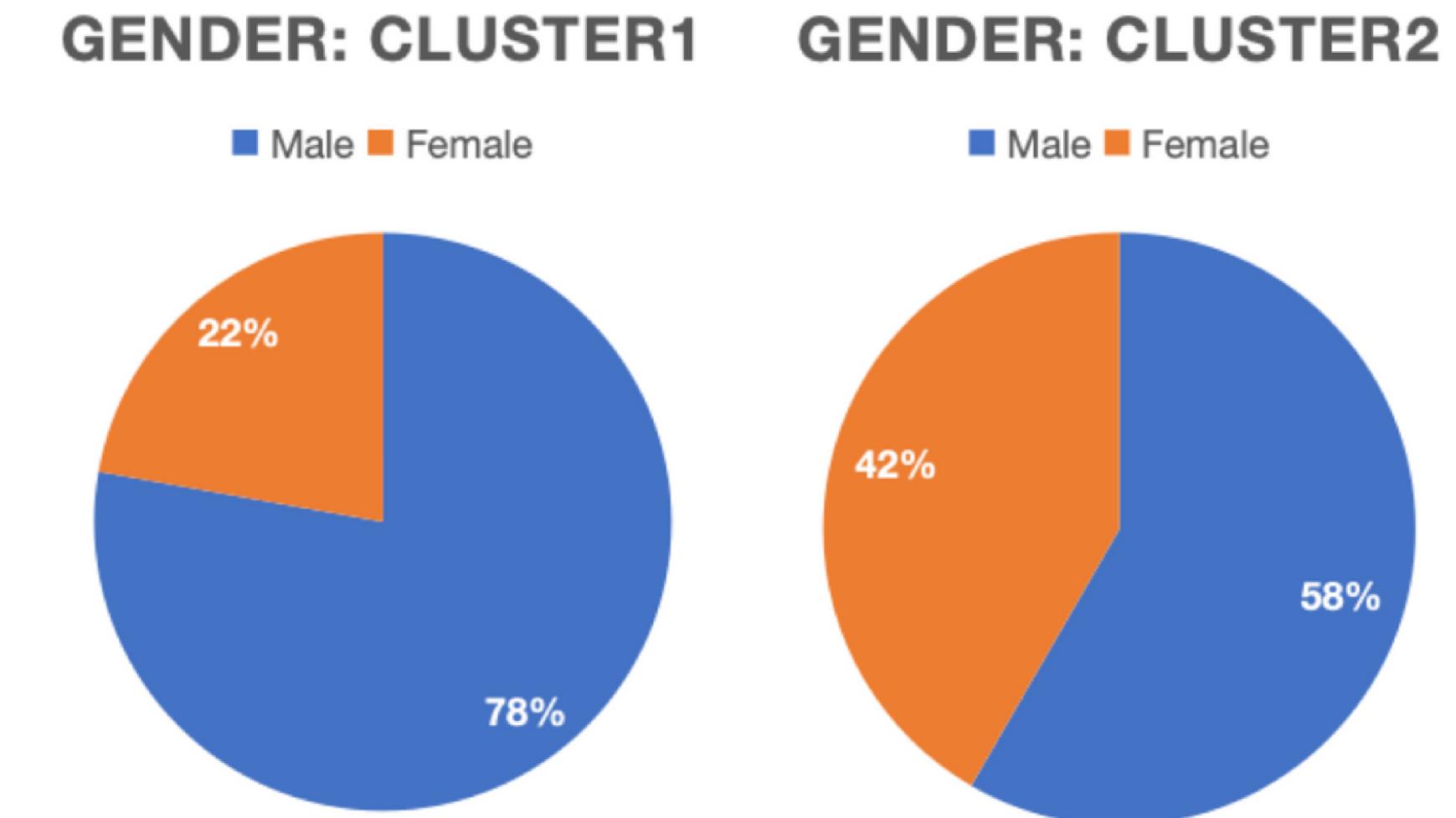


# DEMOGRAPHIC ANALYSIS

- The average age of Cluster 1 is 7 years older than Cluster 2



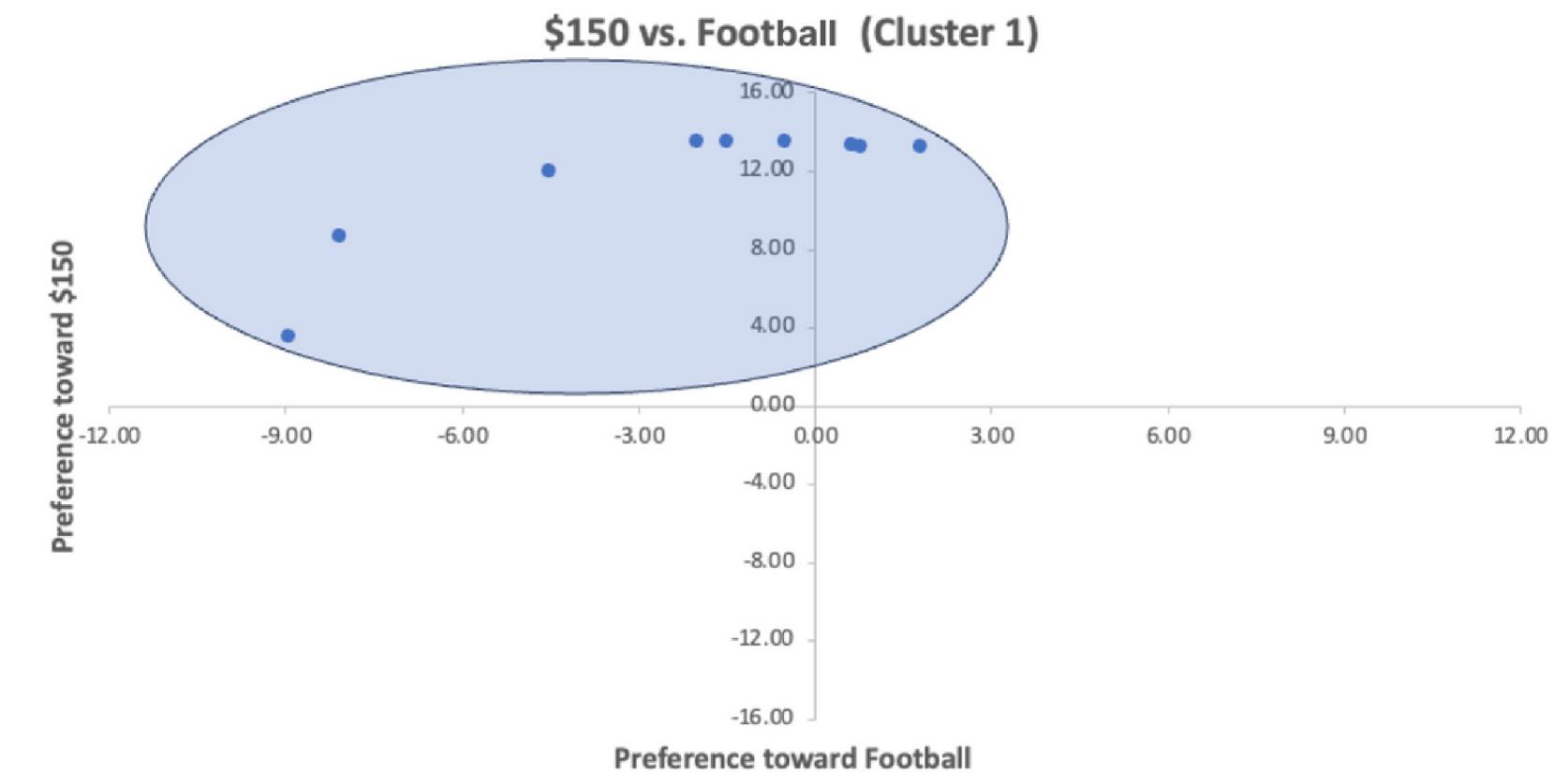
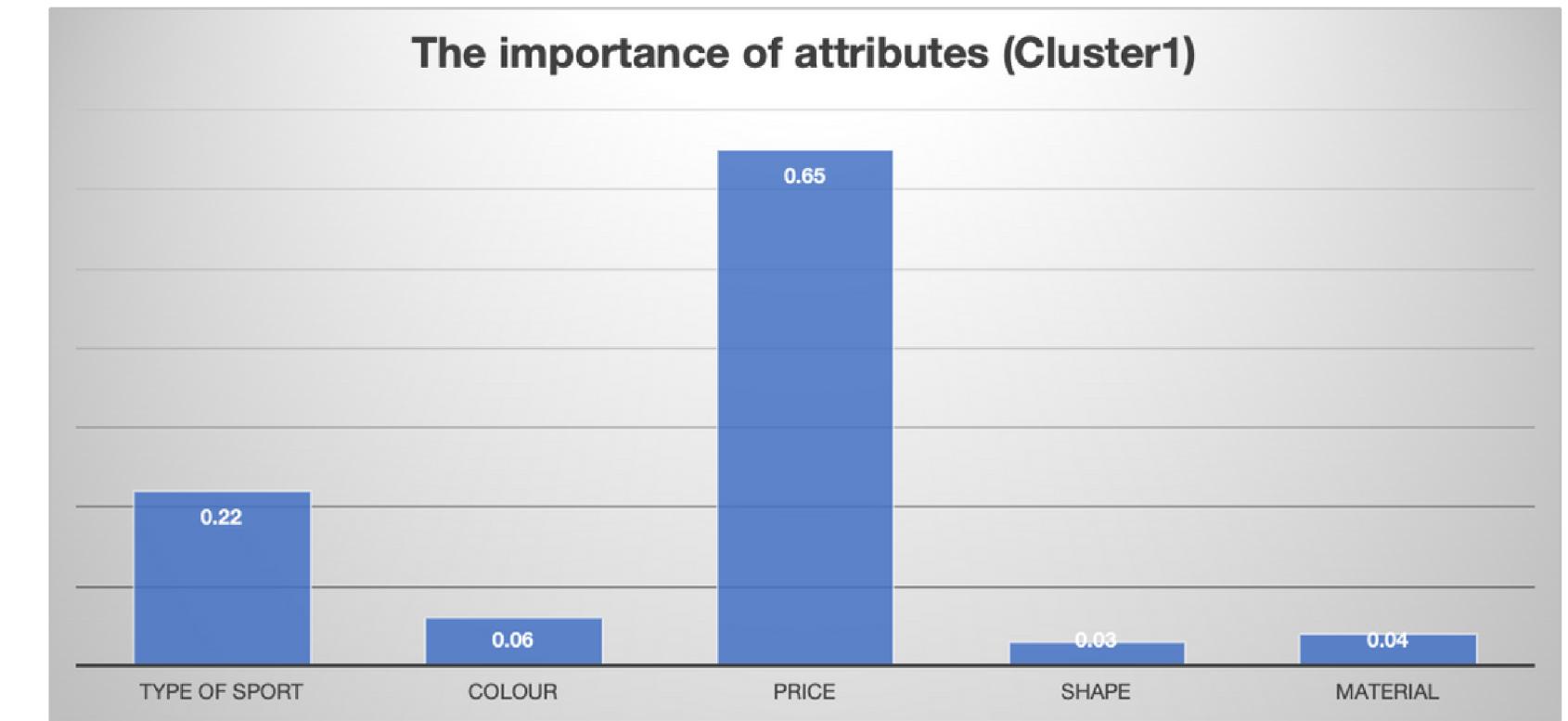
- The majority of consumers in Cluster 1 are male, while Cluster 2 has a relatively balanced gender ratio



# BEHAVIOUR ANALYSIS

## Cluster 1 analysis

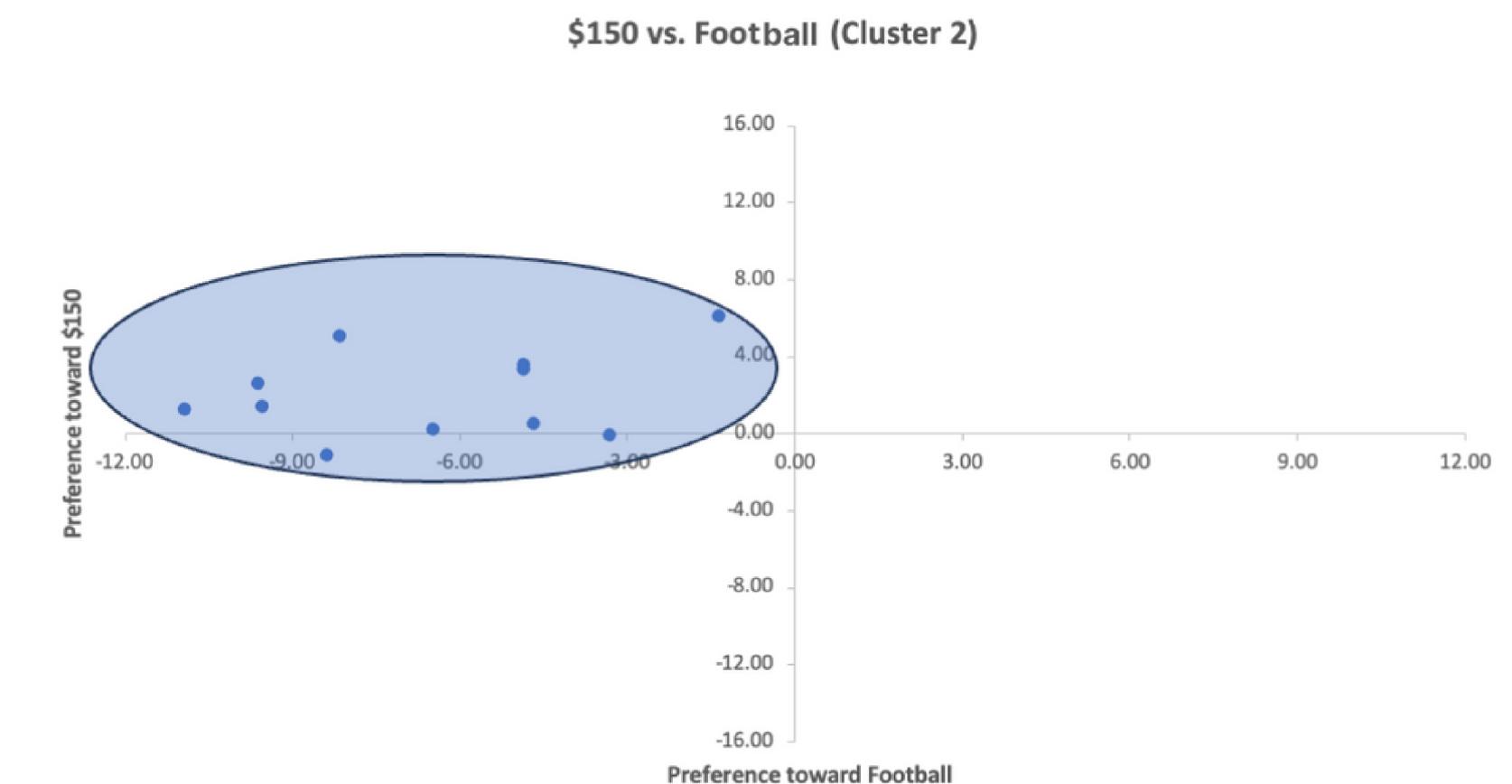
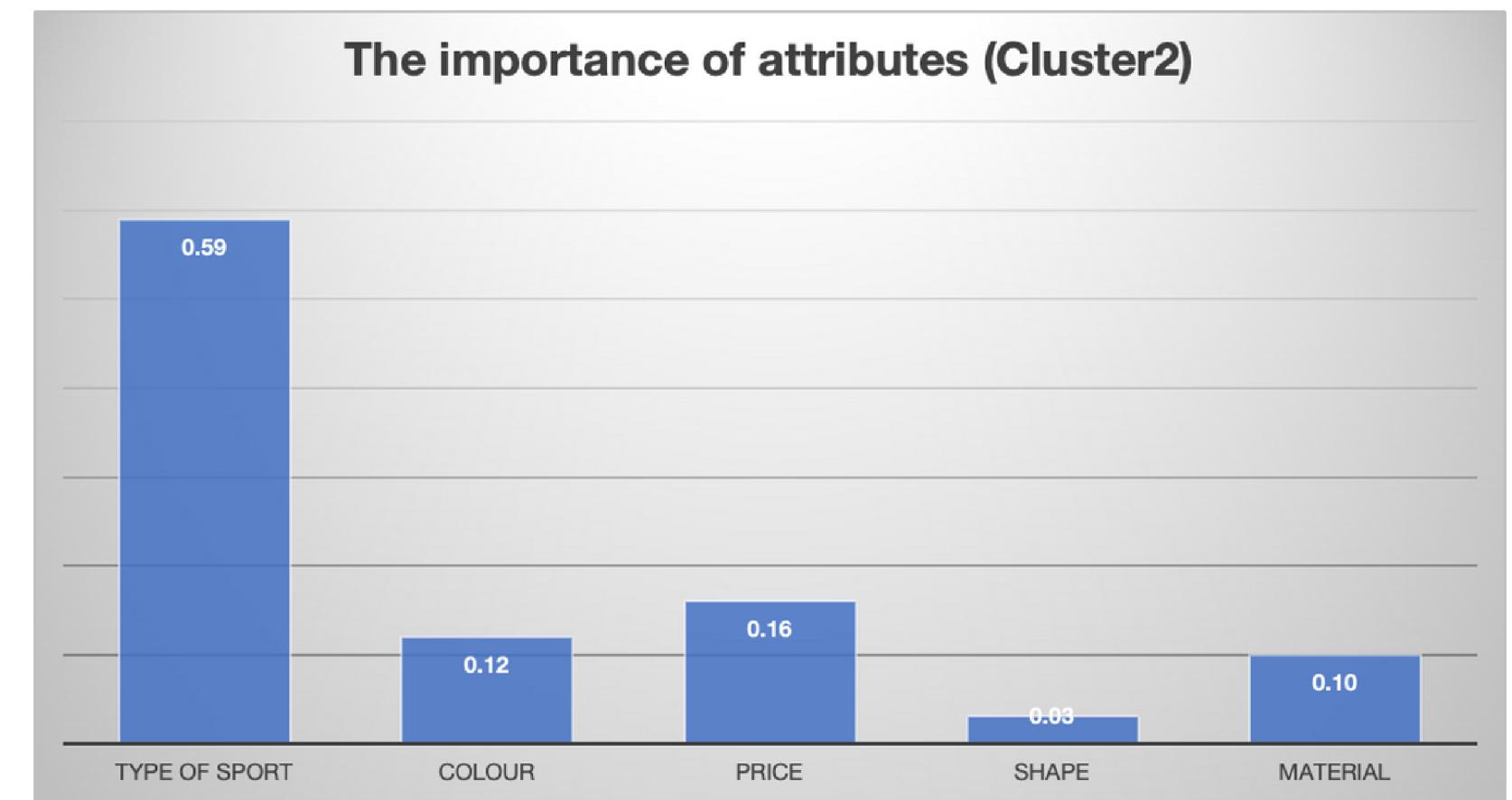
- Cluster 1 shows high sensitivity to price and a preference against Football shoes when making purchases



# BEHAVIOUR ANALYSIS

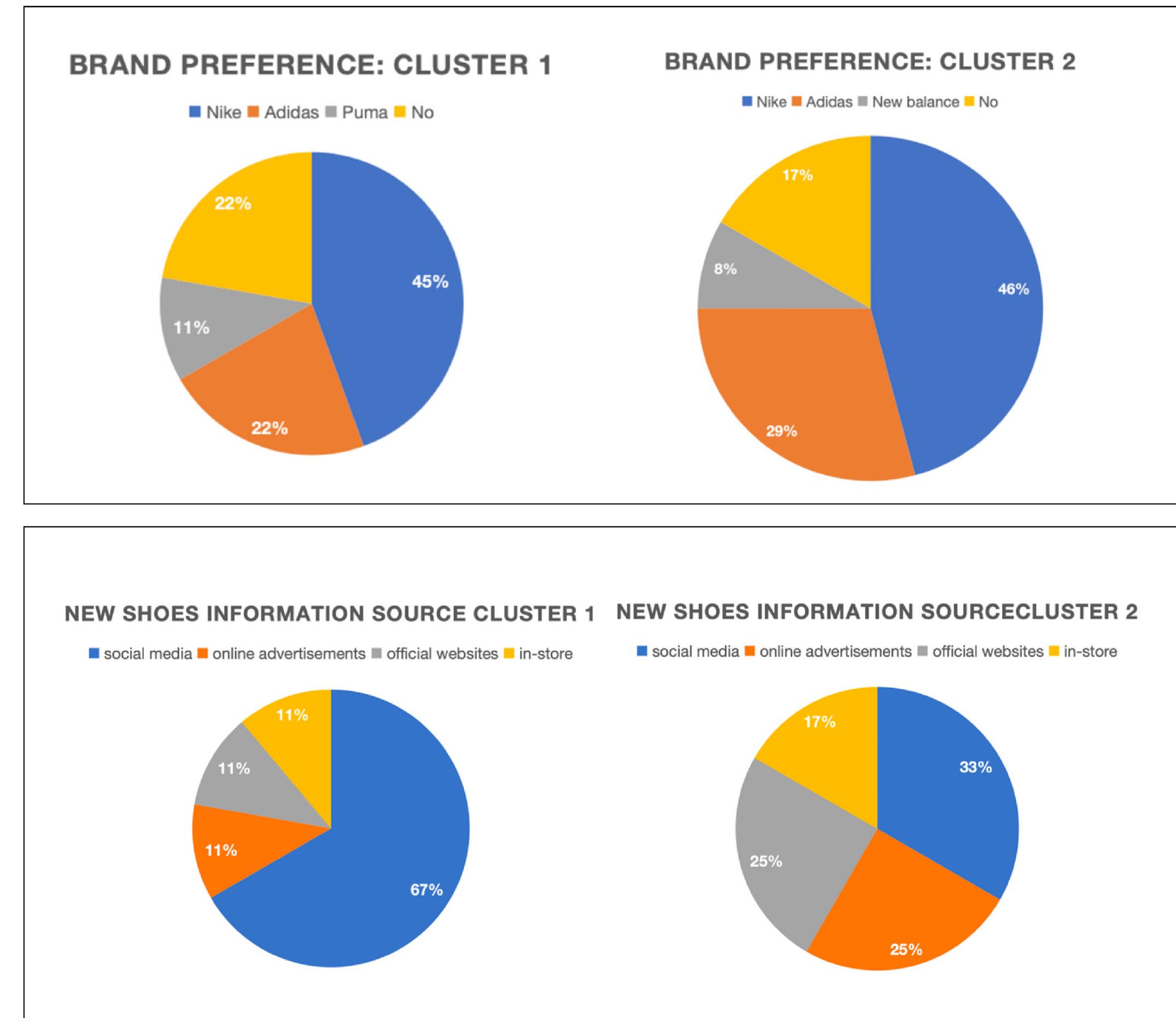
- For Cluster 2, the type of shoe is the most important consideration
- They exclude Football shoes first when making purchases
- This segment shows insensitivity to price

## Cluster 2 analysis



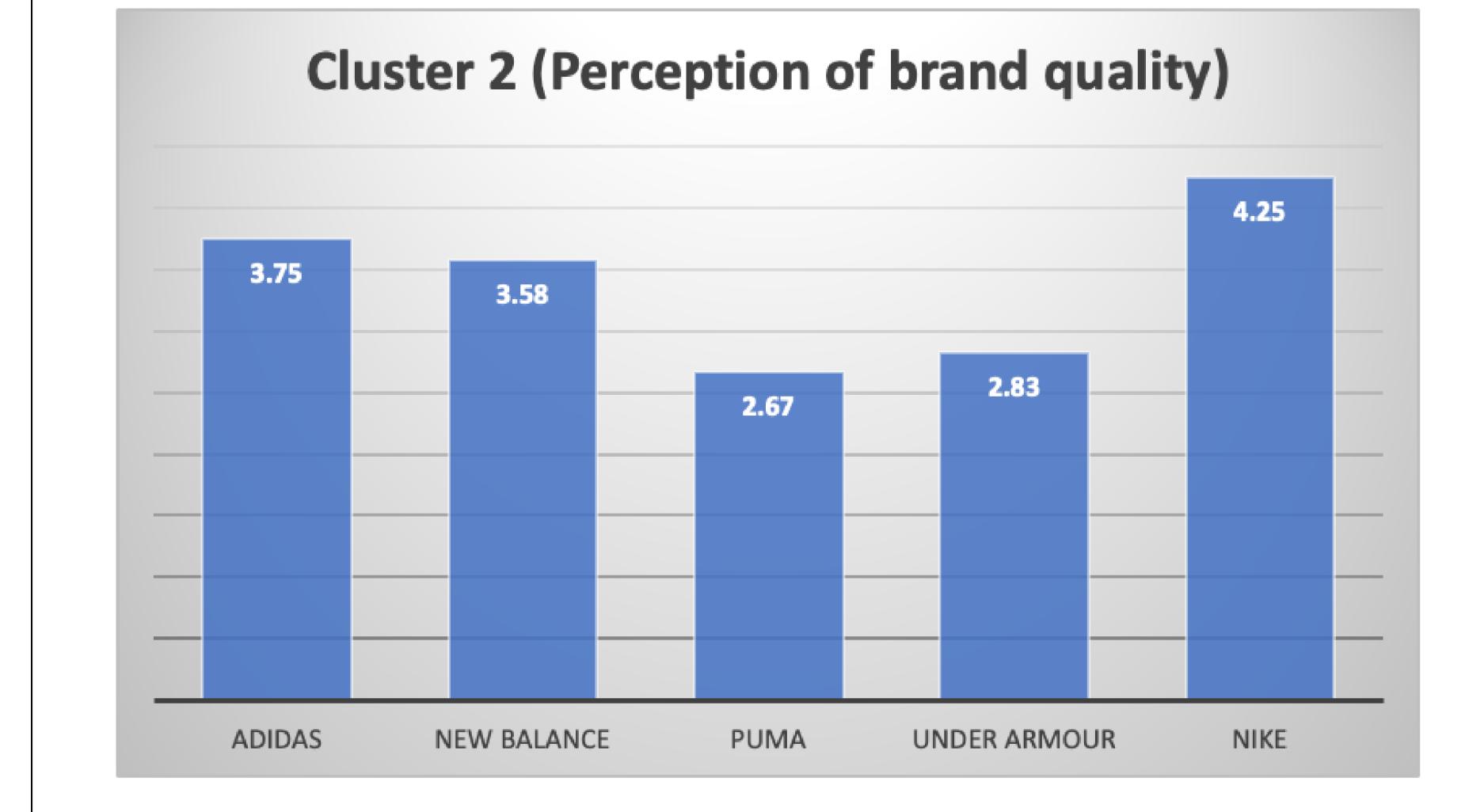
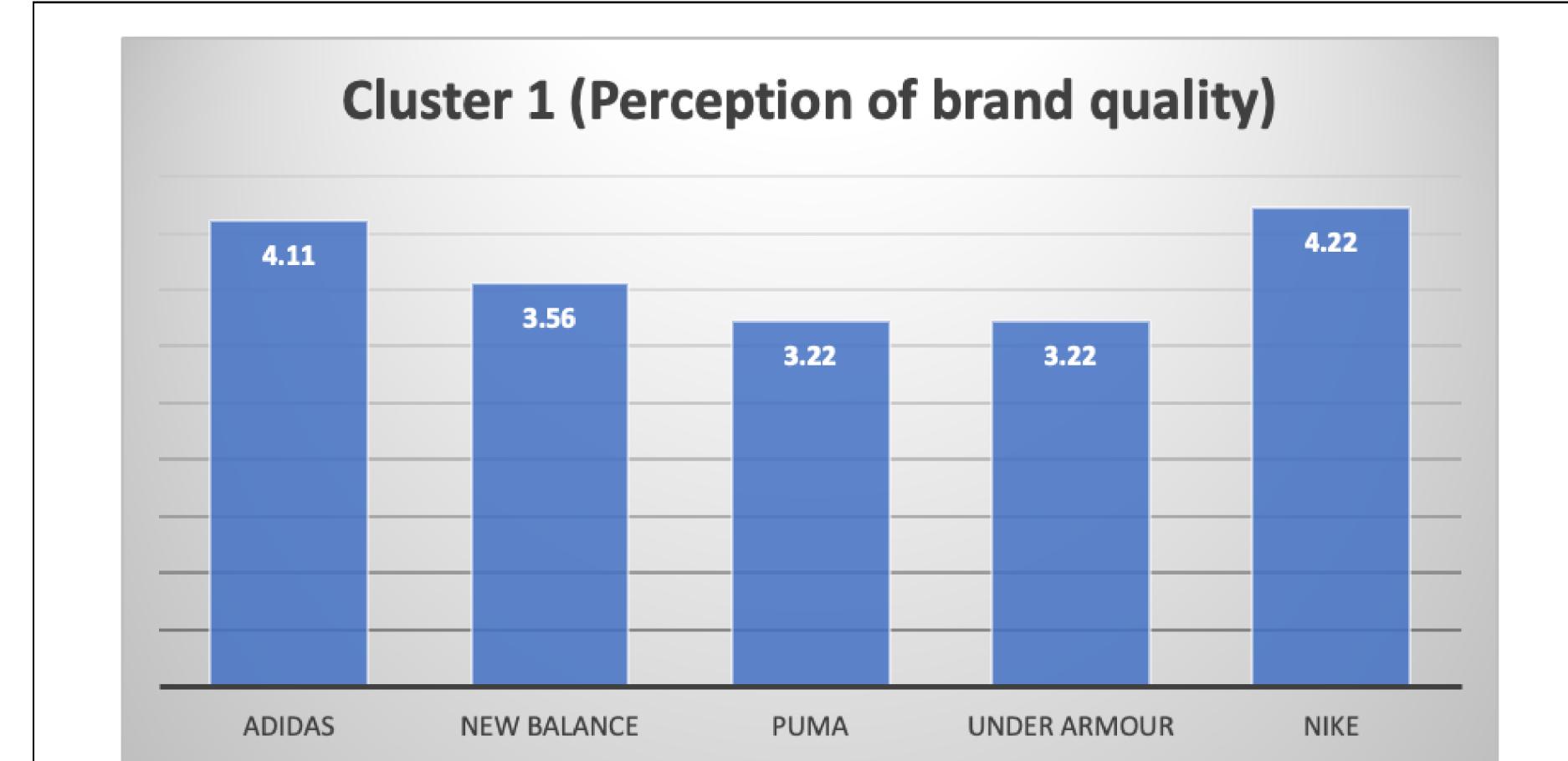
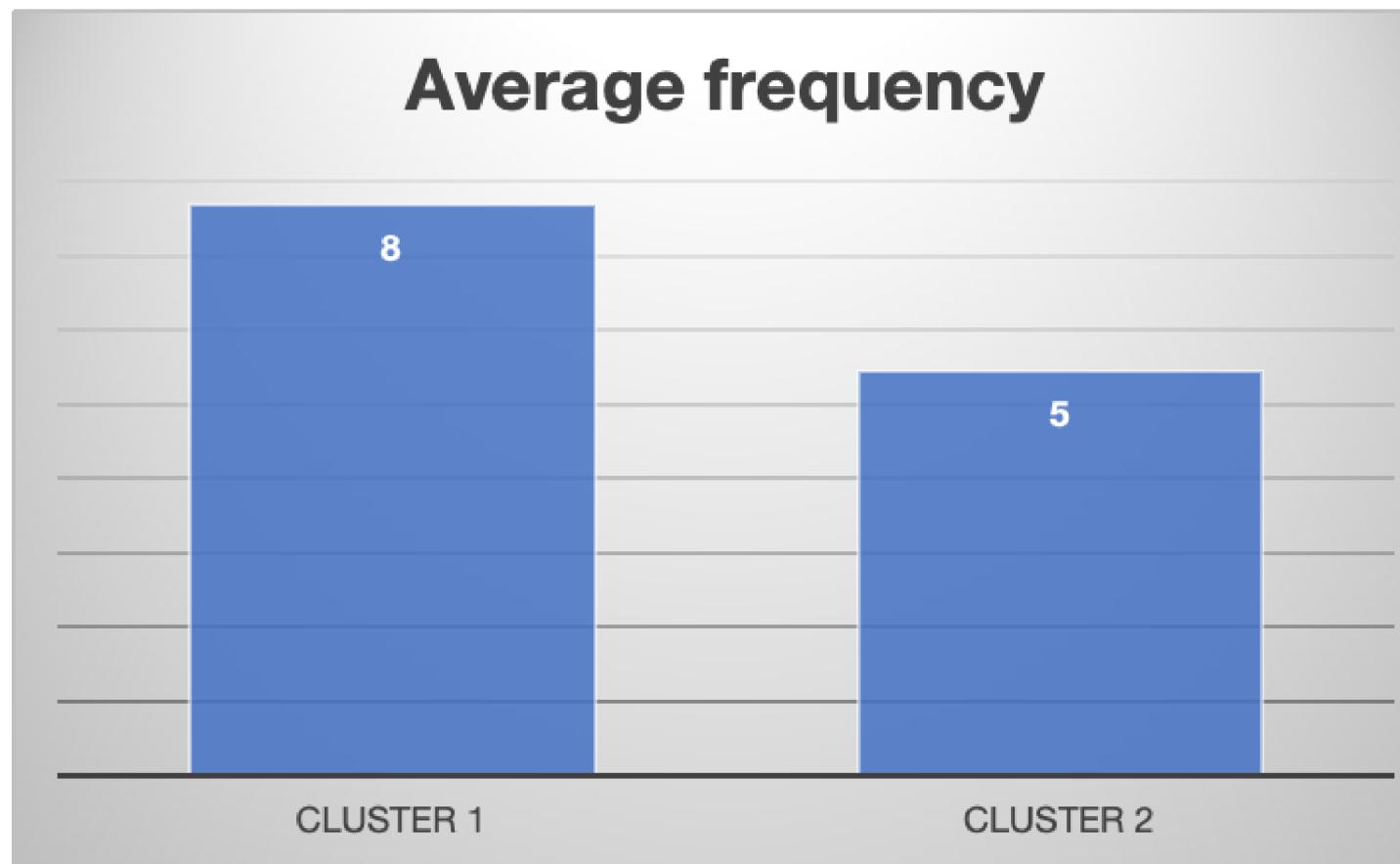
# BEHAVIOUR ANALYSIS

- Nike is the most popular brand for both Clusters
- Cluster 1 primarily obtains information about new shoes through social media
- Cluster 2 demonstrates a relatively balanced use of various information channels, although social media remains the most important source of information.



# BEHAVIOUR ANALYSIS

- For both Clusters, Nike is perceived as the best-in-class quality brand
- Cluster 1 has a purchase frequency of every 8 months, while Cluster 2 has a purchase frequency of every 5 months

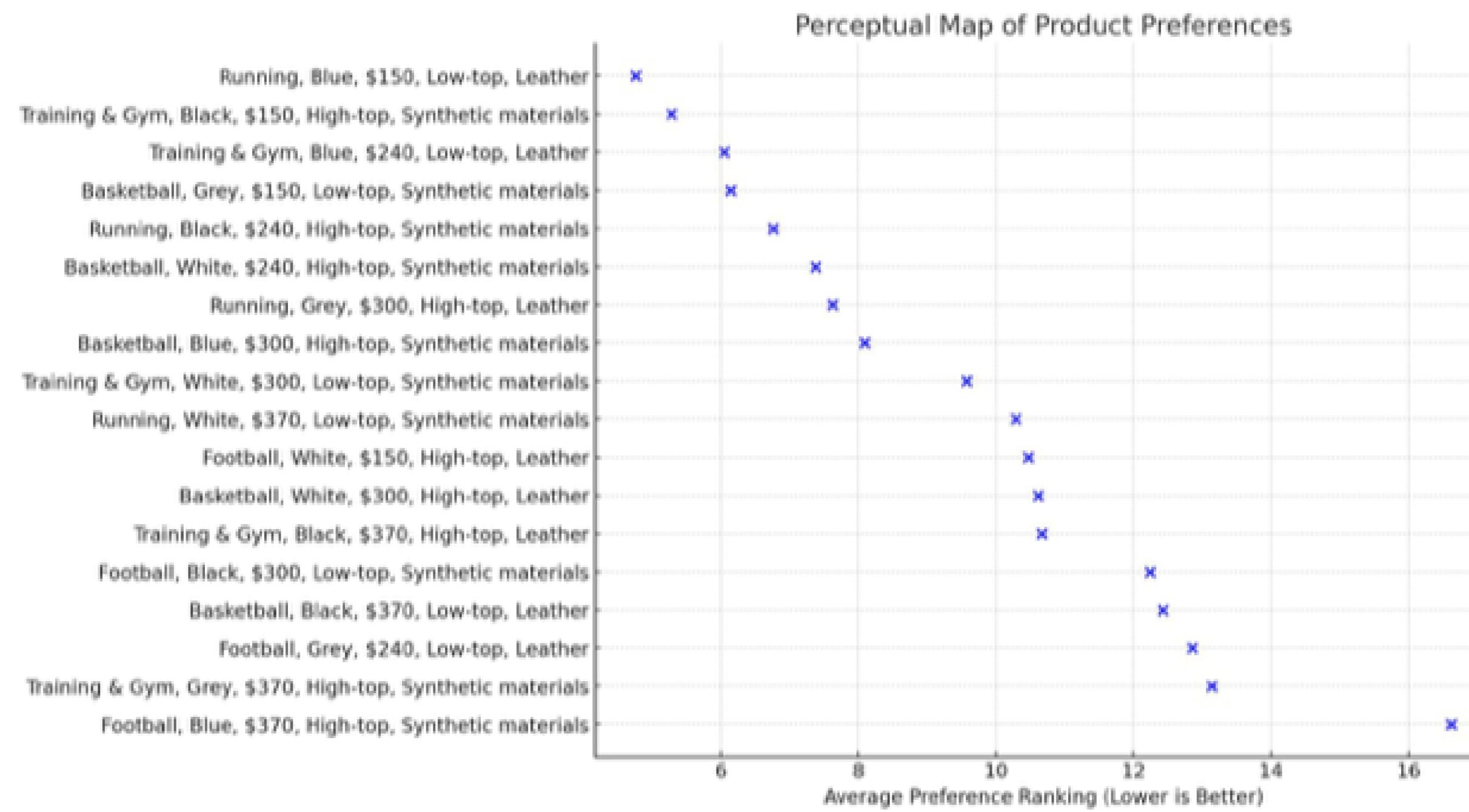


# SEGMENT TARGETING

- Cluster 2 is the most attractive segment.
- Nike has an equal competitive strength across these two segments

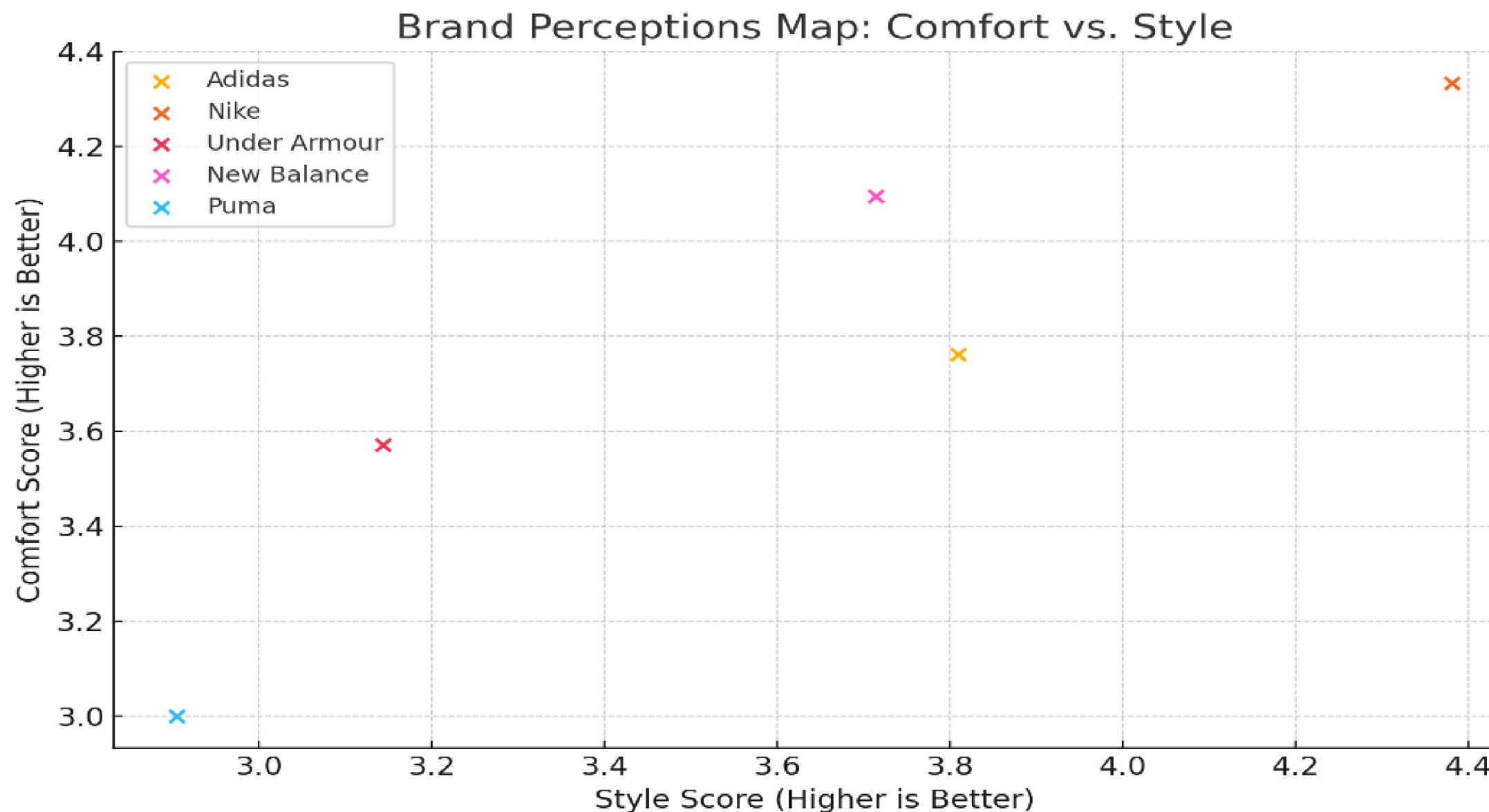
Relative Market Attractiveness Analysis						Relative Competitive Strength Analysis					
	Weight	Score-Cluster 1 (1-5)	Score-Cluster 2 (1-5)	Weighted Score-Cluster 1 (1-5)	Weighted Score-Cluster 2 (1-5)	1 = completely disagree; 2 = somewhat disagree; 3 = neutral; 4 = somewhat agree; 5 = completely agree	Weight	Score-Cluster 1 (1-5)	Score-Cluster 2 (1-5)	Weighted Score-Cluster 1 (1-5)	Weighted Score-Cluster 2 (1-5)
1. Large Served Available Market Size	0.2	2	4	0.4	0.8	1. Largest Market share	0.5	5	5	2.5	2.5
2. Strong Market Segment Growth Potential	0.3	2	4	0.6	1.2	2. Best-in-Class Product Quality	0.5	5	5	2.5	2.5
3. Profitable Market Segment Customers	0.3	2	4	0.6	1.2						
4. Absence of Strong Competition	0.2	1	1	0.2	0.2						
Totals	1	7	13	1.8	3.4	Totals	1	10	10	5	5

# POSITIONING STUDY: Market Overview and Product Preferences



- The perceptual map above illustrates consumer preferences for various product features such as type, design, and price.
- Products with lower average rankings are more preferred, indicating a stronger market demand for those specific features.
- Affordable performance shoes are favoured by 60% of surveyed consumers, especially those priced under \$200.

# POSITIONING STUDY: Brand Perception Analysis



- This map shows the relative perception of different brands in terms of comfort and style.
- Nike and Adidas are ahead in the lead with higher scores, which shows their stronger brand strength in these areas.
- Such insights could enable strategic decisions to be made about ways through which to make Air Jordan a better standing on those key attributes.

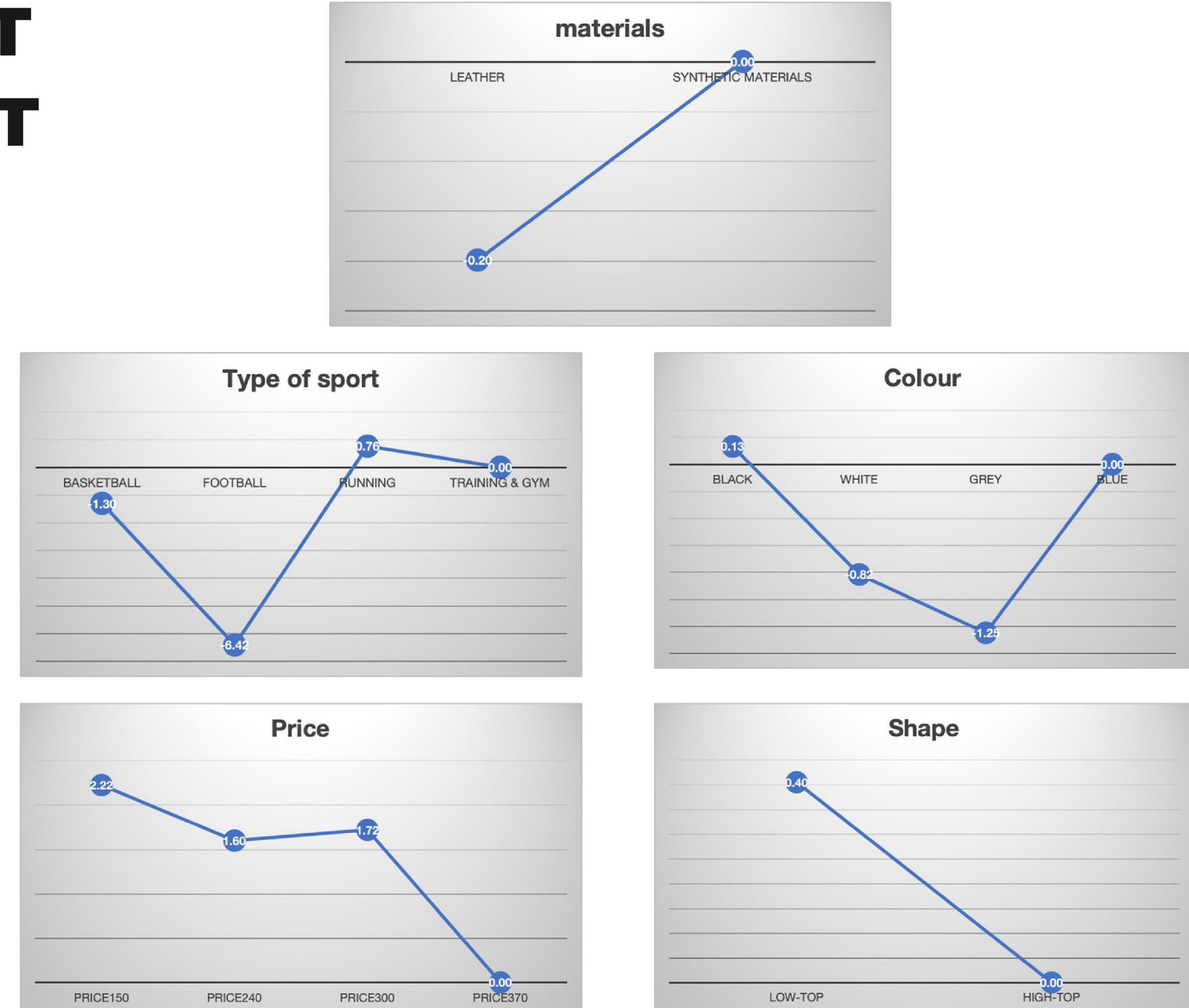
# POSITIONING STUDY: Strategic Opportunities and Recommendations



- These strategies are meant to exploit current market trends as well as consumer preferences.
- Utilising the strength of the Air Jordan brand to seek out new business opportunities and to build further on its market.
- 35% of consumers interested in custom footwear.
- Demand for eco-friendly options: Introduction of a production of a shoe range using recyclable material is projected to grow by 20%.
- Smart technology has a high interest level of 40%, presents promise for future ranges, and a market adoption of only 5%

# NEW PRODUCT DEVELOPMENT

- To better attract Cluster 2 and maximise our market share, we recommend that Nike design a running shoe priced at \$150, in black colour, low-top, using synthetic materials



# New product concept

## Concept 1 - Nike Air PLUS

- **Target Segment:** Performance Seekers
- **Key Features:**
  1. **Advanced Cushioning Technology:** Latest cushioning, maximum comfort, better performance.
  2. **Durable Materials:** High-quality, breathable, and durable materials designed for intense activities.
  3. **Ergonomic Design:** Optimized for athletic performance, supporting high-impact movements.
- **Market Positioning:**
  1. Positioned as the go-to choice for serious athletes and fitness enthusiasts looking for cutting-edge performance footwear.
  2. Competes with high-end performance brands by offering superior technology and durability.

# Concept 2 – Nike Future

- **Target Segment:** Generation Z
- **Key Features:**
  1. **Stylish Design:** Cool, fashion, eye-catching on social media
  2. **Comfort-Focused:** Soft, flexible materials for all-day comfort.
  3. **Sustainability:** Recycled materials, economic, and environmentally-friendly
- **Market Positioning:**
  1. Positioned as the ideal footwear for young generations, highlighting their unique identities.
  2. Targets consumers who pay attention to environmental issues.

# MARKET PREDICTION

Number of Options **5**

		Market Shares				
		NB	PUMA	UA	AD	NIKE
Market Shares		17%	0%	0%	25%	58%
Unit Sales		2.00	0.00	0.00	3.00	7.00
		NB	PUMA	UA	AD	NIKE

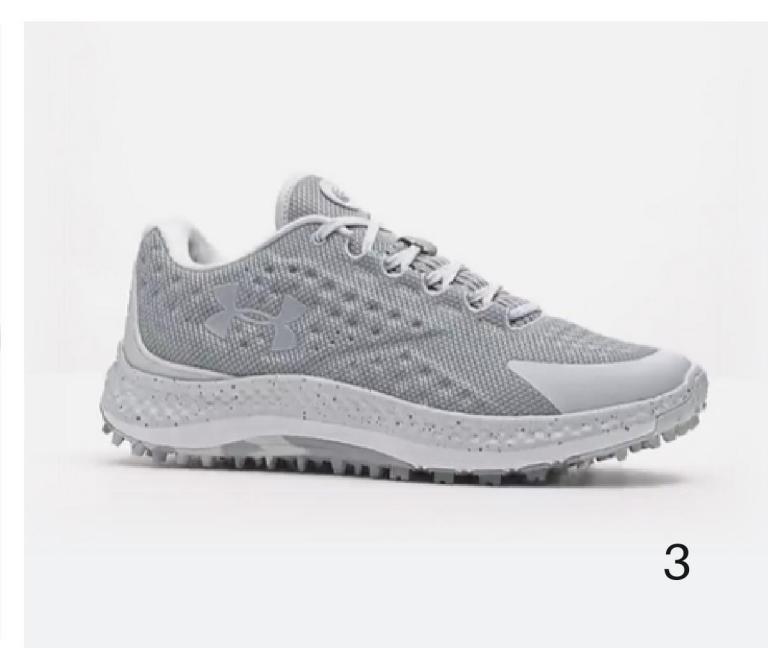
Attributes	Levels	1	2	3	4	5	Alternatives
Type of sport	Basketball				X		
	Football		X				
	Running					X	
	Training & Gym	X		X			
Colour	Black	X					
	White		X				
	Grey			X			
	Blue				X		
Price Range	150	X					
	240		X				
	300			X			
	370		X				
Shape	Low-top	X	X	X		X	
	High-top				X		
Material	Leather		X		X		
	Synthetic materials	X		X		X	



1



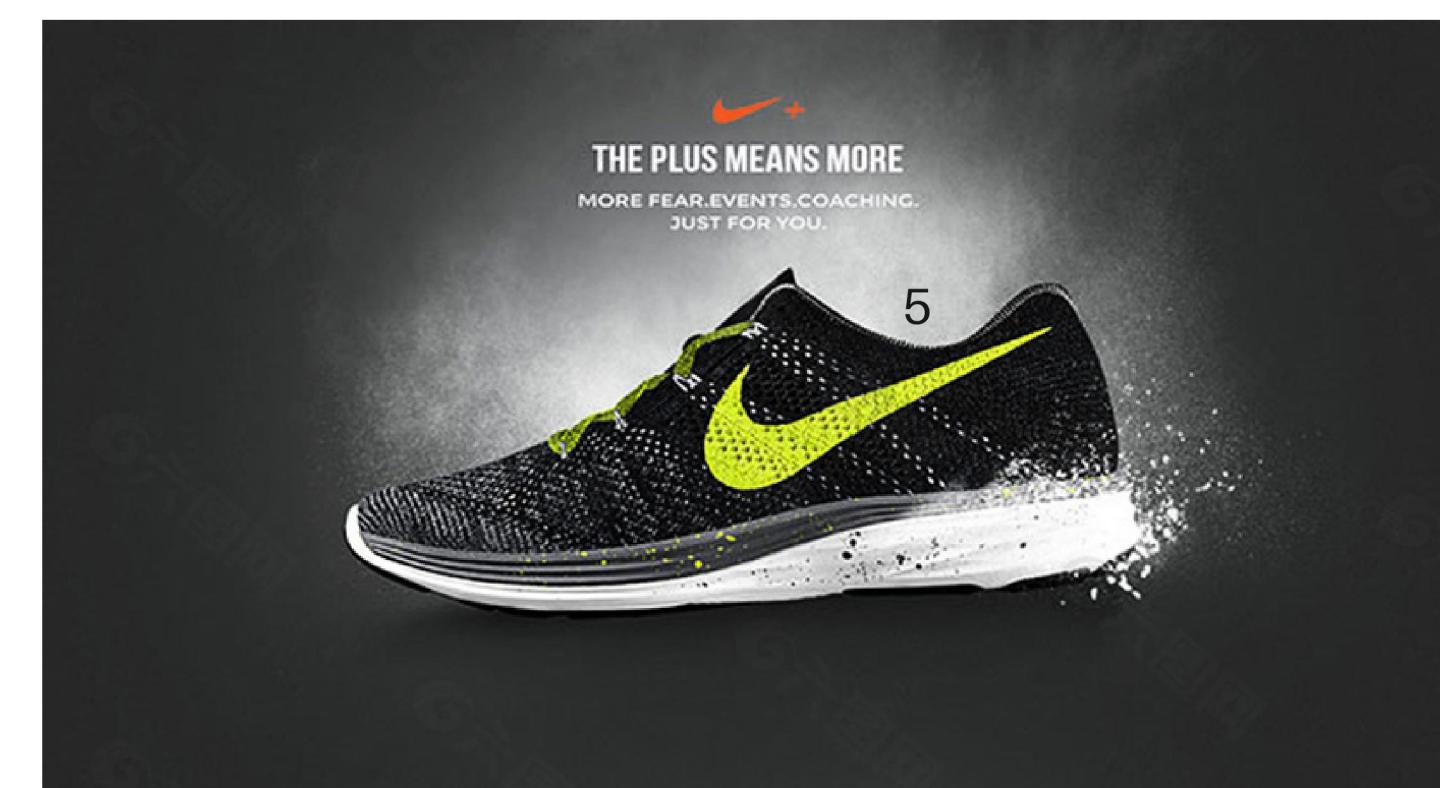
2



3

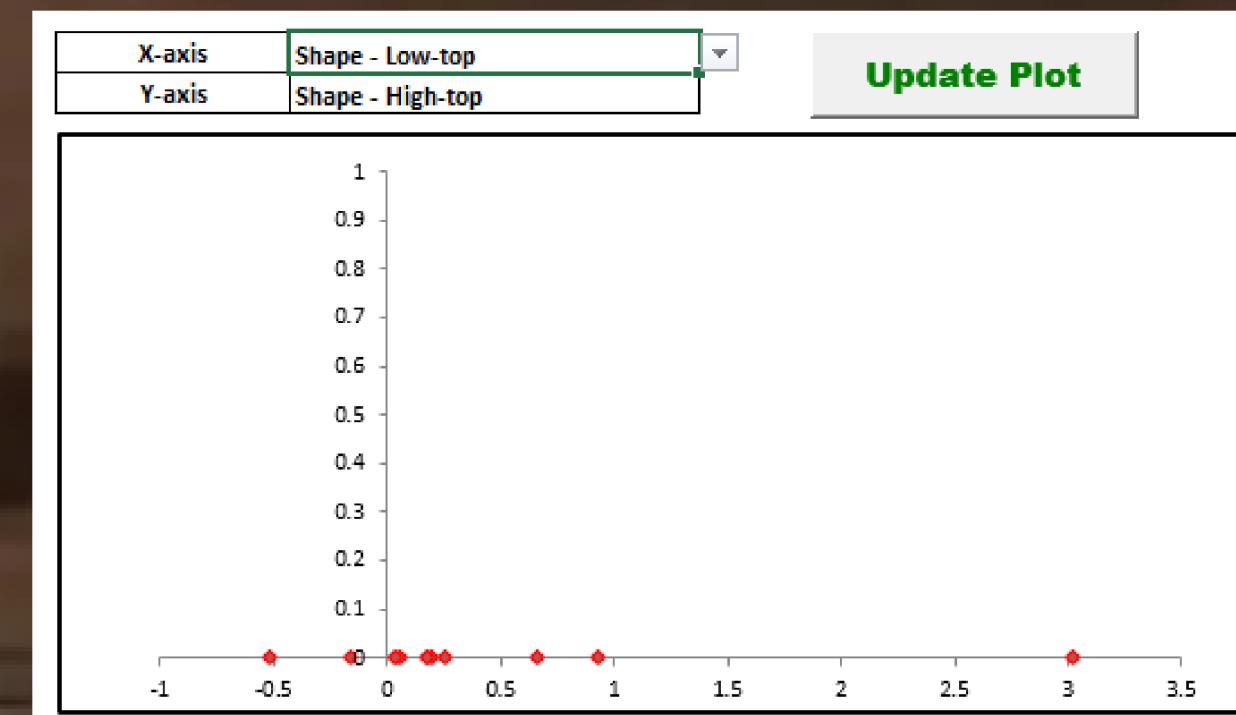
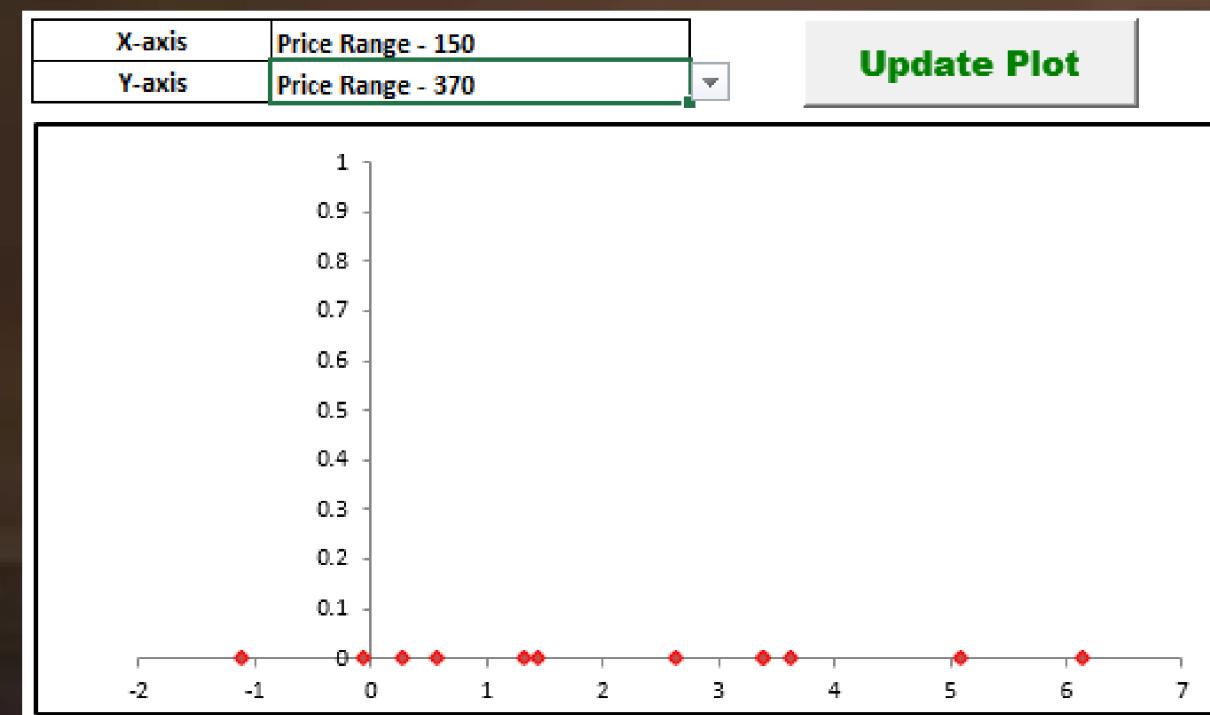
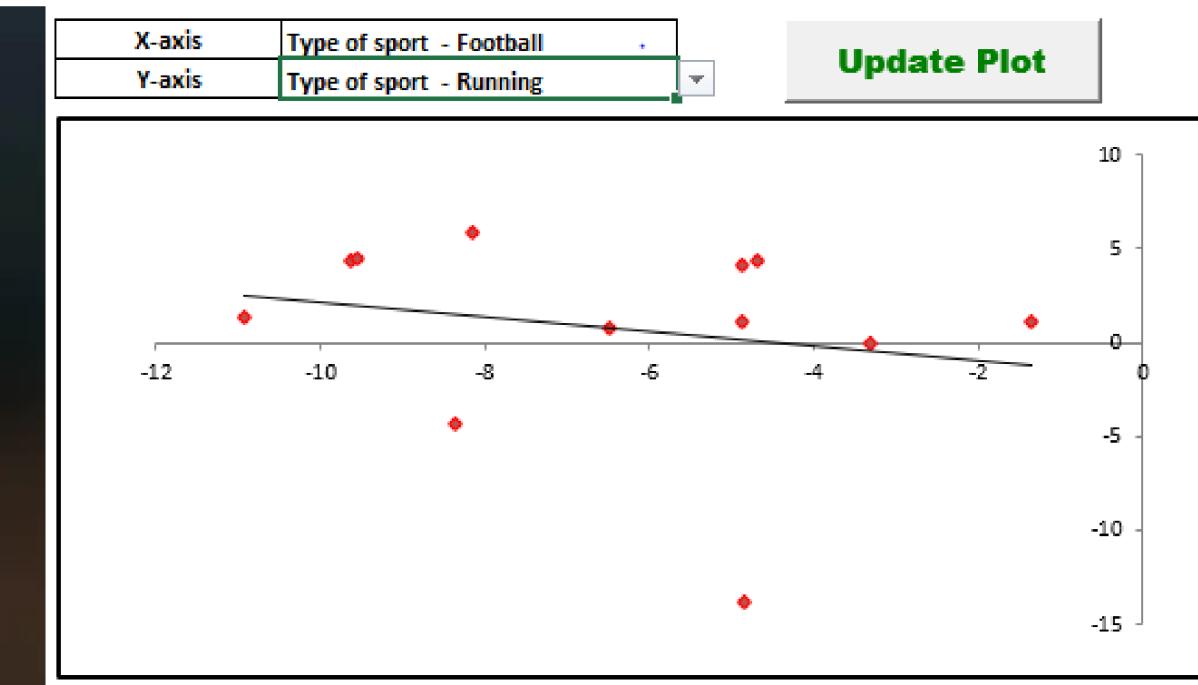
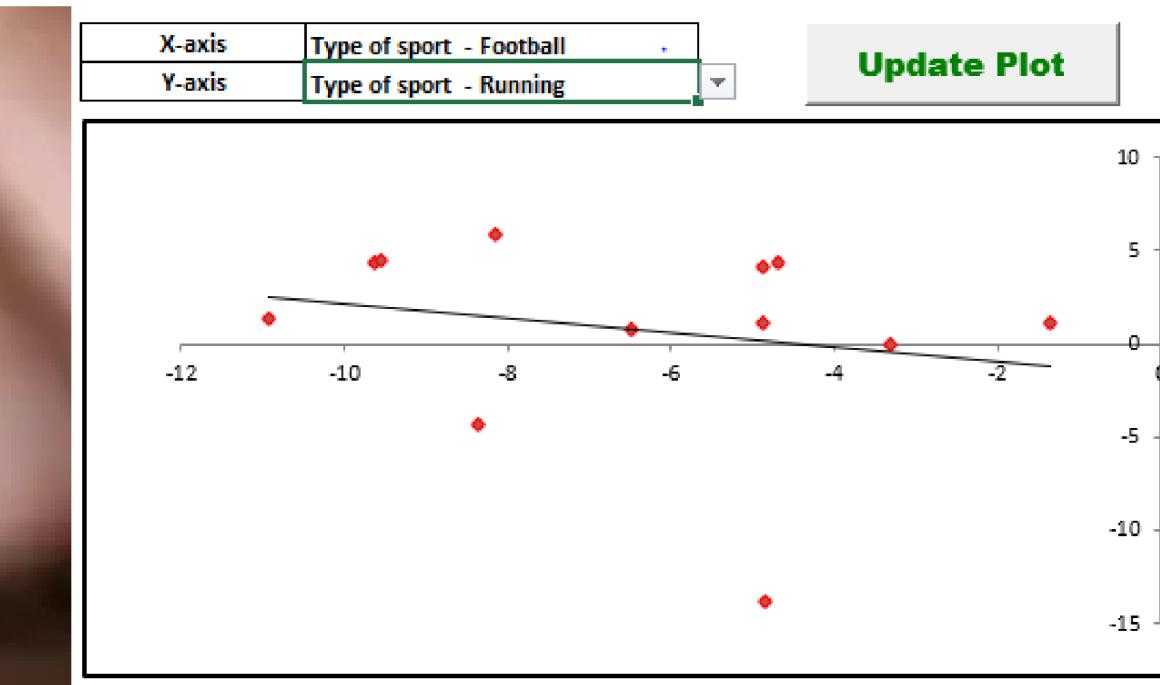
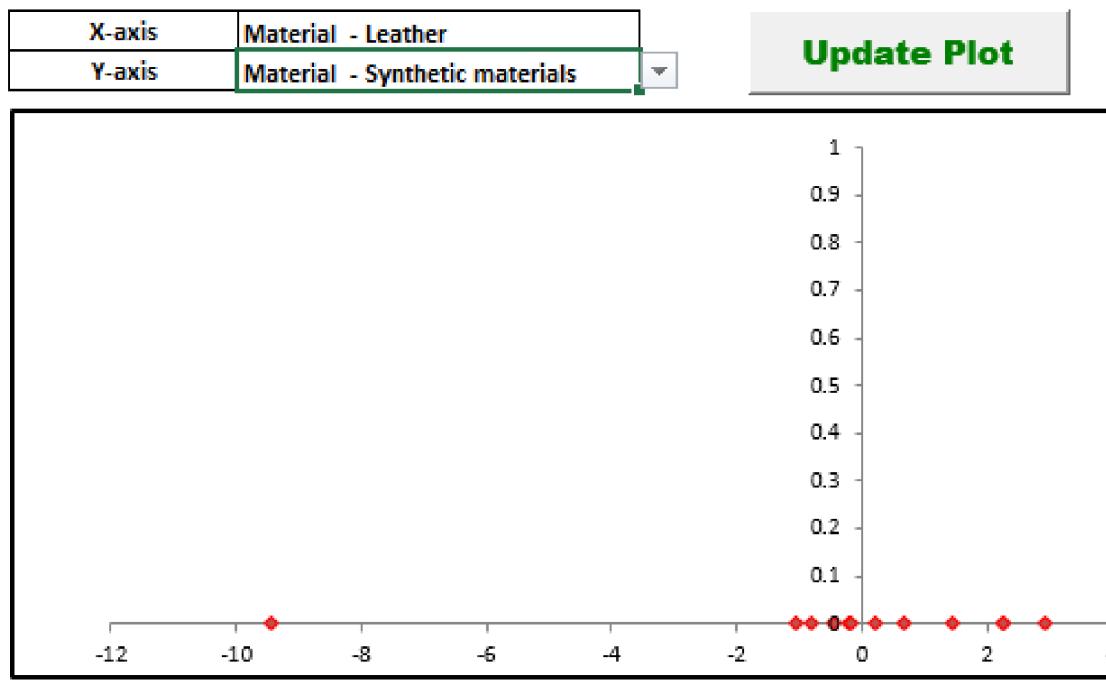


4



# MARKET PREDICTION

The results of the market prediction are very close to the previous conclusions.



1-48 of over 30,000 results for "sports shoes"

Sort by: Featured

Amazon Prime

- ✓prime | Ships from Australia
- ✓prime | International Shipping

Eligible for Free Delivery

- Free Delivery by Amazon

All customers get FREE Shipping on orders over \$59 shipped by Amazon

Delivery Day

- Get It Today
- Get It by Tomorrow
- Get It Within Two Days

Department

< Any Department

Clothing, Shoes & Accessories

Women's Fashion

Men's Fashion

Girls' Fashion

Boys' Fashion

Baby Clothing, Shoes & Accessories

Novelty & Special Use

Uniforms, Work & Safety

Shoe, Jewellery & Watch Accessories

Luggage & Travel Gear

World Apparel

Sport Specific Clothing

Customer Review

< Clear

★★★★★ & Up

★★★★★ & Up

★★★★★ & Up

★★★★★ & Up

Featured Brands

< Clear

adidas

New Balance

FILA

PUMA

ASICS

Nike

Skechers

▼ See more

Price

## Results

Price and other details may vary based on product size and colour.

Amazon's Choice



● ● ● ●

FILA

Men's Memory Workshift Cross Trainer

★★★★★ ~ 19,416

\$65<sup>00</sup>

✓prime

FREE Delivery by Amazon



● ● ● ● ● +23

New Balance

Men Fresh Foam Arishi V4 Running Sport

★★★★★ ~ 1,544

\$140<sup>00</sup>

✓prime

FREE Delivery by Amazon



● ● ● ● ● +16

Nike

Men's Downshifter 12

★★★★★ ~ 762

\$79<sup>00</sup> RRP: \$109.00

✓prime

FREE Delivery by Amazon



● ● ● ●

adidas

Performance Pureboost 23

★★★★★ ~ 33

\$84<sup>00</sup> RRP: \$200.00

✓prime

FREE Delivery by Amazon



● ● ● ● ● +1

Nike

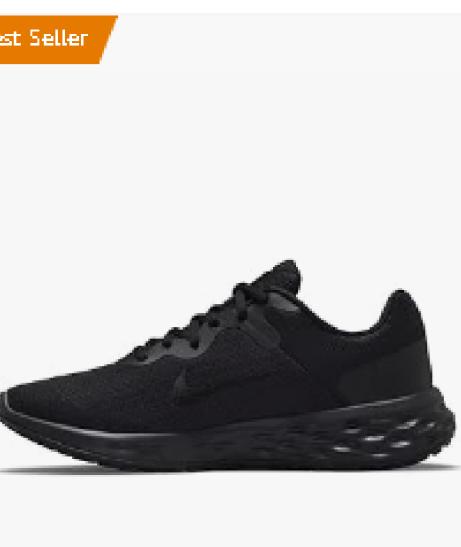
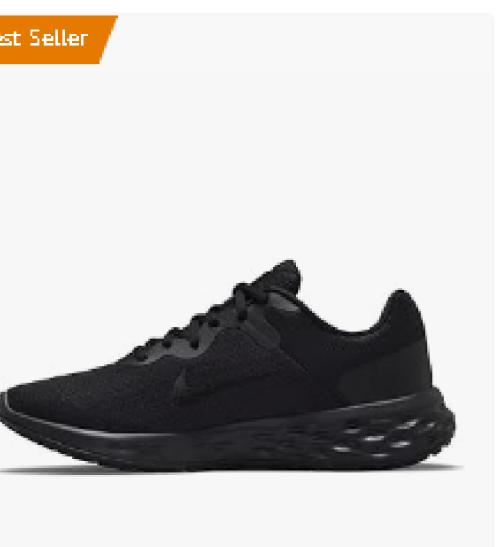
Women's Downshifter 12 Sneaker

★★★★★ ~ 435

\$65<sup>00</sup> RRP: \$100.00

✓prime

FREE Delivery by Amazon



Best Seller

# RECOMMENDATIONS & ADVERTISING IDEAS:

Gen Z: "Nike Future - Your Shoes, Your Story" on Instagram and TikTok.

Performance: "Unleash Your Potential with Nike Air Plus" through sports networks and YouTube.

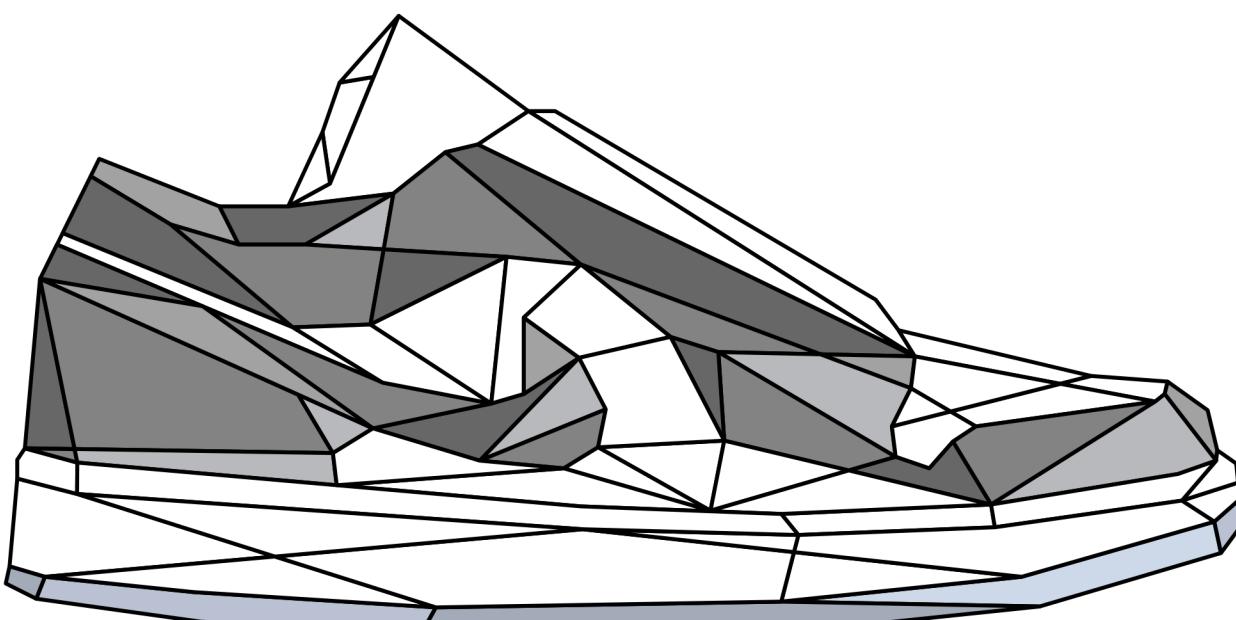
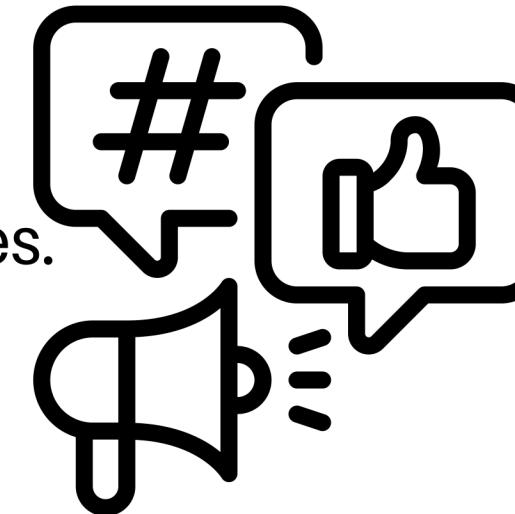
## New Product Launch:

Nike Future: VR launch event, customization contests.

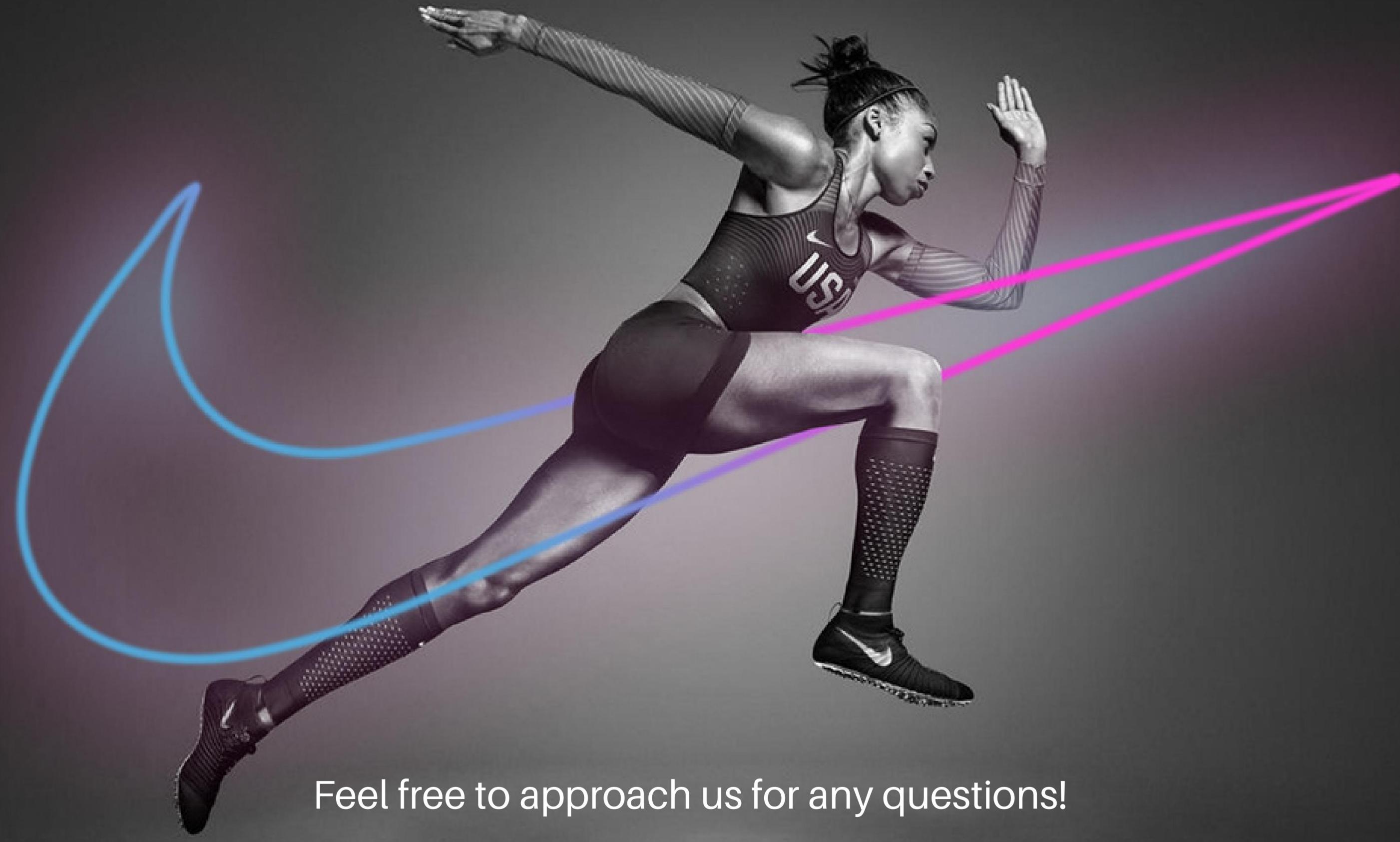
Nike Air Plus: High-profile athlete events, performance challenges.

## Strategic Actions:

- Embrace sustainability and customization.
- Highlight performance innovations.
- Leverage digital and social media for engagement.
- By targeting these segments with tailored products and strategic marketing, Nike can maintain its market leadership and drive growth.



# THANK YOU FOR LISTENING!



Feel free to approach us for any questions!

