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Nike-Leveraging Technology for Growth

CAPSTONE PROJECT

PRAMITA ADITYA

Nike Inc., a global leader in athletic apparel and footwear, recognizes the growing importance of technology in consumer products. To remain competitive and meet evolving customer demands, Nike aims to innovate by integrating smart technology into its footwear.

Despite strong annual revenue growth (reaching $46.7B in 2022), Nike faces pressure to maintain momentum and achieve its ambitious target of $50B in revenue, with a strategic focus on digital transformation and direct-to-consumer (DTC) channels — expected to reach 50% of their business by 2025.

To support this strategy, Nike is launching a project to design a Smart Shoe that leverages technology to enhance user experience. The goal is to target a tech-savvy consumer segment, identify their key footwear-related pain points, and design innovative features that align with Nike's vision of performance, empowerment, and digital leadership.

The project involves:

- Identifying the target user segment and their challenges
- Defining a product vision that aligns with Nike's brand
- Prioritizing features based on impact and feasibility
- Acknowledging potential pitfalls and trade-offs

Problem Statement

Nike is at a critical inflection point where evolving customer expectations and increasing digital competition requires the company to innovate beyond traditional footwear. Despite strong brand equity, Nike must integrate smart technology into its products to meet the needs of tech-savvy consumers, sustain growth, and maintain its leadership in a rapidly changing market.

Vision

“To bring inspiration and innovation to every athlete in the world.”

Customer Segments & their Key Pain Points

1. Urban Runners

- Poor shock absorption on hard surfaces like concrete
- Inconsistent comfort over long runs or varying terrain
- Lack of integration with fitness apps/wearables

2. Lifestyle & Wellness Users/Fitness Enthusiasts

- Seamless health tracking integration
- Style and comfort with tech
- Long battery life

3. Teenagers / Gen Z

- Customizable and fashionable tech
- Social sharing and gamification
- Durability for active lifestyles

4. Athletes / Sports Players

- Real-time performance and training feedback
- Injury prevention and recovery monitoring
- Comfort during high-impact activities

5. Older Adults / Seniors

- Balance and fall detection
- Comfort for sensitive feet
- Easy-to-use technology

6. Outdoor Enthusiasts / Hikers

- Durability on rough terrain
- GPS and tracking features
- Weather resistance

7. People with Foot / Mobility Issues

- Custom fit for medical needs
- Pressure monitoring to avoid sores
- Real-time gait feedback

8. Kids and Parents

- Durable shoes with activity tracking
- Safety features like location tracking
- Fun, gamified experience

Target User chosen for this project

- Who: Urban runners aged 20–40
- Where: Major cities across the globe
- Why: Tech-savvy, fast-paced lifestyles, performance-oriented
- Needs: Superior comfort, seamless app integration, adaptability, and durability

Key Pain Points

- Poor shock absorption on hard surfaces like concrete
- Inconsistent comfort over long runs or varying terrain
- Lack of integration with fitness apps/wearables
- Uncertainty around when to replace worn-out shoes
- Inability to adjust cushioning on the go (e.g., walking vs. running)

Core Features

- **Adaptive Cushioning System**
  Automatically adjusts sole support based on pace and impact, keeping your feet cushioned through every stride.
- **Fitness App Integration**
  Syncs seamlessly with platforms like Strava, Nike Run Club, and Apple Health—no extra gadgets needed.
- **Motion Mode Switching**
  Smart sensors transition cushioning and support based on whether you're walking, jogging, or sprinting.
- **Terrain Detection**
  Embedded sensors detect surfaces such as asphalt, gravel, or grass—and adapt grip and response dynamically.
- **Wear Sensor Tracking**
  Monitors sole compression in real time and notify you when it’s time to swap in a fresh pair.

Solution Design

A **sample mobile app wireframe** has been created to showcase the user experience. The app includes features such as performance tracking, battery life, terrain recognition, and customization options. It also includes an **in-app purchase feature**, allowing users to order new smart shoes directly when notified by the wear sensor, making replacement seamless and timely.

Nike Capstone Project Wireframe.pdf

Potential Challenges

- Sensor inaccuracy or false triggers when pace or terrain shifts abruptly
- Battery needs or requirement for future charging (wireless or otherwise)
- Higher price points could limit early adopter interest
- Syncing reliability across multiple app platforms
- Ensuring technology enhances rather than distracts from the running experience

Why It Works for Nike

- Reinforces Nike's core values: performance, innovation, and empowerment
- Opens a new, tech-integrated footwear category
- Appeals directly to Gen Z and millennial runners looking for smart upgrades
- Leverages and enhances Nike's existing digital ecosystem