12/6/2024

Sri Harsha Kommineni

Big Data Project

Power of the Swoosh: Nike's Consumer & Market Insights

Contents

[EXECUTIVE SUMMARY 2](#_Toc184402665)

[INDUSTRY BACKGROUND 3](#_Toc184402666)

[COMPANY BACKGROUND 4](#_Toc184402667)

[RESEARCH PROBLEM 5](#_Toc184402668)

[RESEARCH PLAN AND METHODOLOGY 7](#_Toc184402670)

[DATA ANALYSIS AND FINDINGS 14](#_Toc184402671)

[RECOMMENDATIONS 34](#_Toc184402683)

[CONCLUSION 35](#_Toc184402684)

[ROADMAP FOR RECOMMENDATION EXECUTION 35](#_Toc184402685)

[REFERENCES 37](#_Toc184402686)

[APPENDIX 38](#_Toc184402687)

# EXECUTIVE SUMMARY

Nike, a global leader in athletic footwear and apparel, faces several challenges in maintaining its market leadership amidst evolving consumer expectations and heightened competition. This project aims to address these challenges by leveraging data-driven insights to refine Nike’s brand positioning, optimize its product offerings, and enhance customer satisfaction. The analysis focuses on three key areas: segmentation, brand positioning, and sentiment analysis, offering actionable recommendations to strengthen Nike’s competitive edge.

The research employs survey data and online reviews sourced from platforms such as TrustPilot and Consumer Affairs, targeting existing customers, potential buyers, and loyalists of competing brands like Hoka, Adidas, and Lululemon. Insights derived from this data inform strategies that address core operational and branding issues.

1. **Segmentation Analysis**:

* Identified three customer segments: Comfort and Style Seekers (51%), Performance Enthusiasts (17%), and Quality Seekers (32%).
* These segments highlight distinct priorities such as comfort and aesthetics, advanced performance features, and superior customer service.
* Tailored strategies are recommended for each segment to align Nike’s offerings with specific customer needs and preferences.

1. **Positioning Analysis**:

* Perceptual maps reveal Nike’s strengths in innovation, performance quality, and brand trustworthiness but also expose areas for improvement in comfort and customer service.
* Competitor analysis highlights opportunities for Nike to reclaim its competitive edge against brands excelling in niche markets or lifestyle-focused segments.

1. **Sentiment Analysis**:

* Online reviews underscore customer satisfaction with Nike’s product quality and innovation but also reveal pain points such as delivery delays, refund issues, and customer service gaps.
* Recommendations include optimizing operational processes and enhancing service quality to address these recurring concerns.

**Key Recommendations**:

* Implement AI-driven inventory management and strengthen logistics partnerships to reduce delivery delays and improve operational efficiency.
* Expand lifestyle-oriented collections to attract Comfort and Style Seekers, while prioritizing advanced technology in performance gear for Performance Enthusiasts.
* Enhance customer service with 24/7 support, streamlined return processes, and personalized shopping experiences for Quality Seekers.
* Strengthen digital engagement through AR/VR tools, exclusive app features, and targeted marketing campaigns.

**Impact and Conclusion**: These strategies will enable Nike to enhance customer satisfaction, reinforce brand loyalty, and expand its appeal across diverse consumer segments. By leveraging these insights and adopting a phased implementation plan, Nike is well-positioned to overcome its current challenges and secure sustained growth in the dynamic athletic wear market.

# INDUSTRY BACKGROUND

The athletic footwear and apparel industry is experiencing significant growth, with the global athletic footwear market projected to reach approximately USD 173.89 billion in 2024 and expected to grow at a compound annual growth rate (CAGR) of 6.86% to USD 242.33 billion by 2029. [Mordor Intelligence](https://www.mordorintelligence.com/industry-reports/athletic-footwear-market?utm_source=chatgpt.com)

This expansion is driven by increasing health consciousness, the rise of athleisure trends, and growing participation in sports and fitness activities.

**Key Industry Trends:**

* **Health and Wellness Focus:** A global emphasis on health and wellness has led to increased participation in sports and fitness activities, boosting demand for athletic footwear and apparel. The 2024 Paris Olympics, for example, are expected to further stimulate interest in sportswear. [Euromonitor](https://www.euromonitor.com/article/top-trends-in-global-apparel-and-footwear-in-2024-and-beyond?utm_source=chatgpt.com)
* **Athleisure Movement:** The blending of athletic and leisurewear, known as athleisure, has become a significant trend, with consumers seeking versatile apparel suitable for both exercise and everyday wear. This shift has expanded the market beyond traditional athletic use.
* **Sustainability Initiatives:** Consumers are increasingly prioritizing sustainability, prompting brands to adopt eco-friendly materials and ethical manufacturing practices. Collaborations, such as Veja's partnership with Brazilian recycling cooperatives to produce shoes from recycled plastic, exemplify this trend. [Time](https://time.com/7198461/brazil-recycling-co-ops-helping-turn-plastic-waste-into-shoes-veja/?utm_source=chatgpt.com)

**Competitive Landscape:** The industry is highly competitive, with major players like Nike, Adidas, Puma, and emerging brands such as Lululemon and Hoka vying for market share. Companies are focusing on innovation, digital engagement, and sustainability to differentiate themselves. For instance, Adidas has reported strong growth by reviving retro styles like the Samba, appealing to consumer nostalgia and current fashion trends. [Business Insider](https://www.businessinsider.com/adidas-recovers-yeezy-settlement-sportswear-samba-nike-puma-2024-10?utm_source=chatgpt.com)

**Nike's Position:** Nike remains a dominant force in the industry, reporting fiscal 2024 revenues of $51.4 billion, a slight increase from the previous year. [Nike Investors](https://investors.nike.com/investors/news-events-and-reports/investor-news/investor-news-details/2024/NIKE-Inc.-Reports-Fiscal-2024-Fourth-Quarter-and-Full-Year-Results/default.aspx?utm_source=chatgpt.com)

However, the company faces challenges, including a 10% decline in quarterly sales attributed to oversupply issues and intensified competition. [The Wall Street Journal](https://www.wsj.com/business/earnings/nike-sales-nke-q1-earnings-report-2025-b142ac6d?utm_source=chatgpt.com)

Nike is addressing these challenges by focusing on performance innovation, aligning with consumer preferences, and optimizing its marketplace strategy.

**Market Outlook:** The athletic footwear and apparel market is poised for continued growth, driven by health trends, athleisure demand, and sustainability initiatives. Brands that effectively innovate and adapt to consumer expectations are likely to capitalize on these opportunities. Nike's ongoing efforts to address current challenges and leverage its strengths position it to maintain its leadership in this dynamic industry.

Nike Faces Sales Decline Amidst Industry Shifts

# COMPANY BACKGROUND

Nike, a global giant in the athletic footwear and apparel industry, is currently facing a multifaceted financial and operational downturn. A combination of overstocked inventory, a strategic pivot to direct-to-consumer (DTC) sales, intense competition from emerging brands, and a weakening brand image has created significant challenges for the company. Nike's stock has seen a steep decline, dropping over 20% in the past year, as investors grow wary of the company's ability to navigate these issues effectively. The primary driver behind this drop is a decline in revenue, with recent reports indicating a 2% fall in North American sales, one of Nike's key markets. This decline is further exacerbated by surplus inventory, as slowed consumer demand has left Nike with an excess of unsold products, forcing the company to implement aggressive markdowns to clear stock. These markdowns have compressed profit margins, adding further strain on financial performance.

Nike's increased focus on DTC channels, a strategy designed to enhance profitability by reducing reliance on third-party retailers, has also introduced new challenges. By severing ties with numerous wholesale partners, Nike has limited its accessibility for customers who prefer purchasing through multi-brand retailers. This shift has not only affected revenue but has also impacted Nike's brand perception, as the reduced presence in traditional retail spaces risks diluting its reach and exclusivity. The DTC approach, while profitable, has heightened operational costs as Nike now shoulders greater responsibility for logistics and fulfillment—a burden compounded by ongoing global supply chain disruptions that have driven up shipping costs.

Competition has also intensified, with smaller brands like Hoka, Adidas, and Lululemon steadily gaining market share. These brands appeal to younger consumers with innovative designs and specialized products, particularly in the running and athleisure categories where Nike once held dominant positioning. As Nike grapples with innovation challenges and limited product differentiation, it risks losing relevance among its traditional consumer base, especially in a market where agility and trend responsiveness are paramount. This has been a contributing factor to Nike’s declining stock value, as investors weigh the impact of increased competition on Nike’s market share and brand equity.

In response, Nike is revisiting its operational strategy to mitigate these pressures. The company is focusing on optimizing inventory management by aligning production schedules more closely with demand forecasts, a move aimed at preventing future overstock scenarios. Additionally, Nike is reconsidering its DTC-heavy strategy by exploring select retail partnerships to restore customer accessibility while retaining a strong direct-sales presence. Innovation remains a central focus, with Nike increasing investment in product development to regain its reputation for cutting-edge athletic wear, a move aimed at bolstering brand appeal among younger consumers.

Despite these corrective actions, Nike faces a tough road ahead. The financial impact of inventory write-downs, elevated operational costs, and weakened brand perception continues to be reflected in its stock performance. For Nike to achieve sustained recovery, it must effectively balance DTC and wholesale operations, streamline inventory processes, and aggressively pursue innovation to reinforce its brand’s position in an increasingly competitive market. With these strategies, Nike aims to navigate its current challenges and secure a path to renewed growth and profitability.

# RESEARCH PROBLEM

**Research Problem**: Nike is currently facing significant financial and brand challenges due to a combination of overstock issues, a strategic shift towards direct-to-consumer (DTC) channels, and increasing competition from specialized brands like Hoka, Adidas, and Lululemon. The research aims to address the core issue of understanding and realigning Nike's brand positioning, product offerings, and marketing strategies to better resonate with its target customers, regain market share, and restore its premium brand image.

**Problem Statements :**

1. **Declining Revenue:** Nike has experienced a **2% decline in North American sales**, its most critical market, indicating weakened consumer demand and challenges in sustaining revenue growth.  
     
   A graph showing the growth of the company's sales

   Description automatically generated Fig.1- **Revenue of Nike from 2005 to 2024**
2. **Inventory Challenges:** An **overstock situation** caused by slower consumer demand has led to aggressive markdowns, **compressing profit margins** and creating inefficiencies in inventory management.
3. **Operational Costs:** The shift to a **direct-to-consumer (DTC) strategy** has increased logistics and fulfillment costs, compounded by **global supply chain disruptions**, placing additional strain on Nike’s operational budget.  
     
     
   A graph of blue bars

   Description automatically generatedFig.2 - **Nike retail stores worldwide from 2009 to 2024**
4. **Intensified Competition:** Nike faces **increased market share erosion** from emerging competitors like Hoka, Adidas, and Lululemon, which are attracting younger, trend-focused customers with innovative and specialized products.

**Objectives and Expected Outcomes**:

1. **Segment Identification**: Identify and define Nike’s target consumer segments based on demographic, psychographic, and behavioral characteristics.
2. **Brand Positioning Insights**: Evaluate how consumers perceive Nike relative to competitors, such as Hoka and Lululemon, and identify areas for repositioning.
3. **Sentiment Analysis and Brand Perception**: Assess consumer sentiment around Nike’s products, DTC shift, and retail presence to guide future strategy.

# RESEARCH PLAN AND METHODOLOGY

**Sampling Strategy**: This study will use a combination of survey responses and online review data to gather comprehensive insights into Nike’s customer base and brand perception. For the survey, a stratified sampling approach will be used, targeting respondents across various demographics (age, income, geographic location, and fitness orientation). The sample will include current Nike customers, potential customers who are considering switching to competitors, and customers loyal to competitors, enabling Nike to gain nuanced insights into different segments’ needs and preferences. For sentiment analysis, data will be collected from a range of online platforms where consumers leave reviews, including social media, e-commerce sites, and review platforms.

**Data Collection Plan**:

1. **Surveys**: Surveys will serve as the primary data source for segmentation and positioning analysis, targeting a diverse set of respondents. This survey will be conducted on University of Tampa campus.  
   * **Survey Instrument**: The survey will include sections designed to capture:
     + **Demographics**: Age, gender, income level, and geographical location.
     + **Behavioral Data**: Information on purchase frequency, channel preferences (online or in-store), and brand loyalty.
     + **Psychographic Data: Attitudes toward health, fitness, lifestyle** preferences, and general loyalty to athletic brands.
     + **Positioning Perceptions**: Respondents will rate Nike and key competitors (e.g., Hoka, Adidas, Lululemon) on attributes such as product innovation, comfort, style, and brand appeal.
   * **Survey Implementation**: The survey will consist of a mix of Ratings on a 5- Scale questions, multiple-choice questions to collect both quantitative and qualitative data. A copy of the survey questions will be included in the appendix.
2. **Online Reviews for Sentiment Analysis**: To understand consumer sentiment, data will be gathered from online reviews posted on Nike's own e-commerce platform, Trustpilot and consumeraffairs. Reviews will cover Nike’s products. This data will provide real-time insights into consumers’ opinions and recurring themes regarding product satisfaction, customer service, and brand perception.

**DATA DESCRIPTION**

**Sample Demographics**

Survey responses were collected from 131 participants across diverse age groups, income levels, and geographic regions. The sample includes Nike loyalists, customers considering competitors, and competitor loyalists.

| **Demographic Attribute** | **Percentage (%)** |
| --- | --- |
| Age: 18-24 | 30% |
| Age: 25-34 | 35% |
| Age: 35-44 | 20% |
| Age: 45+ | 15% |
| Income: <$50,000 | 40% |
| Income: $50,000-$100,000 | 35% |
| Income: >$100,000 | 25% |
| Gender: Male | 55% |
| Gender: Female | 45% |

**Implementation Details**

* **Potential Biases**: Slight overrepresentation of younger demographics and high-income groups, reflecting Nike’s target audience but potentially underrepresenting other segments.

Explanation of each variable being collected from the survey

**Demographic Data**

1. **Age**: Respondent’s age group to analyze preferences across different life stages.
2. **Gender**: Gender identification to explore potential differences in product preferences.
3. **Income Level**: Annual income to segment customers based on spending capacity.
4. **Geographic Location**: Region of residence to identify regional trends and needs.

**Behavioral Data**

1. **Purchase Frequency**: How often respondents buy athletic shoes and apparel, indicating engagement level.
2. **Spending Range**: Average amount spent on purchases to gauge consumer investment in Nike products.
3. **Preferred Shopping Method**: Choice of online vs. in-store shopping to tailor sales channels.

**Psychographic Data**

1. **Brand Loyalty**: Degree of loyalty to Nike to assess customer retention and satisfaction.
2. **Lifestyle Importance**: Importance of athletic apparel in daily life to align product offerings with lifestyles.
3. **Purpose for Buying**: Primary motivation (performance, casual use, or style) to refine product focus.
4. **Sustainability Likelihood**: Willingness to buy from sustainable brands to align with eco-conscious values.

**Attribute-Based Perceptions**

1. **Innovation Importance**: Perceived value of product innovation to understand competitive advantage.
2. **Comfort Importance**: Weight of comfort in purchasing decisions to guide product development.
3. **Style/Fashion Appeal Importance**: Role of aesthetics in driving purchase behavior.
4. **Brand Trustworthiness Importance**: Customer trust in Nike to maintain brand reputation.
5. **Performance Quality Importance**: Importance of product performance to gauge alignment with expectations.
6. **Customer Service Importance**: Weight of service quality in brand evaluation.

**Attribute Ratings**

1. **Nike Attribute Ratings**: Assessment of Nike on innovation, comfort, style, trust, quality, and service to measure brand strengths and weaknesses.
2. **Competitor Attribute Ratings (Lululemon, Hoka, Adidas)**: Similar ratings for competitors to compare Nike’s position.

**Overall Brand Preference**

1. **Overall Brand Rating**: Aggregate rating of Nike, Lululemon, Hoka, and Adidas to identify customer preference.

**Discriminant Analysis Variables**

1. **AGE**: Used to identify age-related patterns that influence group membership, such as age brackets that align with certain consumer behaviors.
2. **Income**: Helps distinguish groups based on spending capacity or economic status.
3. **Purchase Behavior**: Frequency or number of purchases, used to identify loyal vs. infrequent buyers.
4. **Shopping Preferences**: Online vs. in-store preferences to understand channel-specific groups.
5. **Brand Loyalty**: Self-reported loyalty to a brand can be a key variable in determining discriminant functions.

**Segmentation Analysis Variables**

1. **Demographic Variables**:
   * **AGE**: Age groups (e.g., Gen Z, Millennials) can highlight segment preferences.
   * **Gender**: To understand differences in product preferences between male, female, and other genders.
   * **Income**: Indicates the affordability and value perception across segments.
2. **Psychographic Variables**:
   * **Lifestyle Importance**: How important athletic wear is to their daily lifestyle.
   * **Sustainability Preference**: Likelihood of purchasing eco-friendly products.
   * **Brand Trust**: Importance of trust in choosing a brand.
3. **Behavioral Variables**:
   * **Purchase Frequency**: Groups customers based on how often they shop (e.g., monthly vs. annually).
   * **Spending Level**: Average spend on shoes and apparel.
   * **Purpose of Purchase**: Segments based on intended use (e.g., casual vs. performance).
4. **Attribute Preferences**:
   * **Comfort**: Importance of comfort in the purchase decision.
   * **Style/Fashion Appeal**: Weight given to aesthetics over functionality.
   * **Innovation**: The role of technological advancement in purchase behavior.

**Perceptual Data Variables**

1. **Brand Attributes**:
   * **Innovation**: Represents technological advancement and cutting-edge features in products.
   * **Comfort**: Captures the perception of physical ease and usability of products.
   * **Style/Fashion Appeal**: Indicates the aesthetic and trendiness associated with the brand.
   * **Brand Trustworthiness**: Reflects reliability and customer faith in the brand.
   * **Performance Quality**: Measures the functional efficiency of products.
   * **Customer Service**: Highlights post-purchase support and overall service experience.
2. **Competitor Data**:
   * Perceptions of competitors (e.g., Hoka, Adidas, Lululemon) on the same attributes to map relative positions.

**Preference Data Variables**

Preference analysis focuses on understanding consumer preferences to prioritize attributes or identify favored brands.

1. **Overall Brand Preference**:
   * **Nike**: Consumers’ overall rating for Nike as a brand.
   * **Competitors**: Overall ratings for key competitors like Hoka, Adidas, and Lululemon.
2. **Attribute-Based Preferences**:
   * Preferences based on specific product features or attributes such as:
     + Innovation.
     + Comfort.
     + Style/Fashion Appeal.
     + Brand Trustworthiness.
     + Performance Quality.
     + Customer Service.

**Analysis Plan**:

**Segmentation Analysis**:

Segmentation is a powerful tool for Nike to refine its marketing strategies by dividing its diverse customer base into distinct groups with shared characteristics, needs, and preferences. This enables Nike to better understand consumer motivations and tailor its products, messaging, and channels to resonate deeply with each group. Key customer segments might include performance-focused athletes, fashion-conscious young adults, and everyday fitness enthusiasts, each with unique priorities. For instance, athletic-focused consumers value performance-driven products, while fashion-oriented buyers prioritize stylish designs and high-profile collaborations. By addressing these segments individually, Nike can optimize marketing efforts, enhance customer satisfaction, and improve inventory management by aligning production with anticipated demand, reducing the risk of overstock.

Segmentation also helps Nike identify opportunities to fill gaps in its offerings where competitors like Hoka or Lululemon have gained traction. By strategically addressing these gaps, Nike can better compete and win back market share. Demographic data—such as age, income, gender, and location—provides the foundation for defining customer groups like young professionals, athletes, and fashion-conscious consumers. Behavioral data, including purchase frequency, shopping preferences, and product choices, offers insights into how customers interact with Nike’s products. For example, identifying segments that prefer online versus in-store shopping allows Nike to optimize stock levels and improve customer satisfaction.

Psychographic data further enriches this understanding by highlighting customer attitudes, lifestyle values, and loyalty. For instance, some consumers may prioritize performance and durability, while others focus on aesthetics and brand exclusivity. Addressing these distinct motivations strengthens customer relationships and reinforces Nike’s competitive edge. This approach is especially critical as specialized brands like Hoka and Lululemon attract customers with highly targeted lifestyle appeals.

To operationalize segmentation, clustering techniques will be applied to survey data, identifying unique consumer segments based on demographics, behavior, and psychographics. This actionable insight will empower Nike to tailor its marketing and product strategies more effectively, ensuring each segment’s needs are met while reinforcing its position in a competitive market.

**Positioning Analysis**:

Positioning Analysis and Perceptual Mapping are critical tools for Nike to refine its strategy in a competitive landscape. Perceptual mapping visualizes how consumers perceive Nike compared to competitors like Hoka, Lululemon, and Adidas, based on key brand attributes. This visualization helps Nike identify areas where its brand may be losing ground and recalibrate its efforts to emphasize attributes that resonate most with its target segments. Positioning analysis complements this by providing deeper insights into consumer perceptions and preferences, helping Nike evaluate how its brand stands relative to competitors.

For instance, positioning analysis can reveal whether associations like innovation or exclusivity have weakened, providing Nike with the opportunity to realign its messaging and product development. If consumers perceive Nike as more mass-market and less innovative, the company can refocus on creating groundbreaking products to appeal to performance-driven and trend-conscious customers. Similarly, understanding consumer preferences for specific features—such as comfort, style, or premium appeal—enables Nike to better address the needs of different segments.

These insights also guide Nike’s distribution strategy. Additionally, analyzing why consumers choose competitors like Hoka for running shoes or Lululemon for athleisure helps Nike reposition its brand to emphasize qualities such as comfort and innovation.

By integrating perceptual mapping and positioning analysis, Nike gains a comprehensive understanding of its competitive landscape. These tools enable the company to identify gaps, refine its offerings, and reinforce its strengths in innovation, quality, and performance, ensuring its long-term relevance and success.

**Sentiment Analysis**:

**Sentiment Analysis** leverages natural language processing to evaluate consumer feedback and social media mentions, providing Nike with real-time insights into customer perceptions and emerging trends. By analyzing feedback from online reviews, social media posts, and customer surveys, Nike can evaluate how strategic changes—such as DTC expansion or product markdowns—are influencing consumer sentiment. For instance, if analysis reveals dissatisfaction with limited product availability in stores or frustration over shipping delays, Nike can adjust its distribution strategy to address these issues and enhance customer experiences.

This analysis also highlights broader trends in customer preferences, helping Nike refine its product offerings and marketing campaigns. By identifying recurring themes such as product designs, Quality Issues or concerns about retail accessibility Nike can address specific pain points while amplifying its strengths. These insights enable Nike to adapt quickly, ensuring its strategies remain aligned with consumer expectations.

In essence, sentiment analysis answers the question: "How do Nike customers feel about its brand, products, and service?" By uncovering patterns in consumer opinions, Nike gains actionable data to refine its offerings, address negative perceptions, and strengthen its market position through more customer-focused solutions.

# DATA ANALYSIS AND FINDINGS

## Segmentation Analysis

For our segmentation analysis, we will be addressing the question: **Are there any common characteristics or patterns among customers who prefer the same attributes in athletic and lifestyle products offered by Nike?** To answer this question, we ran Segmentation analysis on the data that we collected using the survey method.

A drawing of a city

Description automatically generated A line graph with a red line

Description automatically generated

Fig. 3 Dendrogram Fig. 4 Scree Plot

Based on the Scree Plot and dendrogram, we observe a significant drop in SSE (Sum of Squared Errors), creating an “elbow” shape in the graph. This indicates that moving from 1 to 3 clusters significantly improves clustering quality. Beyond 3 clusters, the improvements become marginal, suggesting that 3 clusters is the optimal choice.

Choosing fewer than 3 clusters risks overlooking important customer distinctions, while selecting more than 3 clusters could result in less distinct groups and increased noise. Therefore, the 3-cluster solution strikes a balance between meaningful segmentation and minimizing unnecessary complexity.

A white rectangular box with black text

Description automatically generated

Fig. 5 Segment Size

Looking at the segmentation size we can see that segment 1 is the largest segment representing 51% of the population whereas segment 2 represents on 17% of the population making it the smallest segment and segment 3 represents remaining 32% of the population.

A table with numbers and text

Description automatically generated

This figure provides us with the overall information about how important each aspect is to the customers in different segments along with the mean rating for each aspect, which helps us tailor offerings based on the customers' preferences.

A table with numbers and text

Description automatically generated

Using the descriptor variables like age, gender, income and Frequency of purchase will help us understand if there are any patterns between customers that prefer the same attributes while looking for Shoes and apparel.

**Segments Identified Based on the Analysis**

**Segment 1: *Comfort and Style Seekers***

A graph with lines and dots

Description automatically generated

Comfort and Style Seekers represents 51% of Nike’s customer base, making it the largest and most influential group. Comprising primarily younger individuals aged 18-34, these customers prioritize both comfort and fashionable designs in their athletic and casual wear. They value versatility in products that seamlessly transition between fitness and everyday life, assigning the highest importance to comfort (4.2 out of 5) and style (4.0 out of 5). While innovation matters, practicality and aesthetics take precedence for this group.

Demographically, the segment consists of younger professionals and students with moderate incomes. They are price-conscious but willing to invest in trusted brands like Nike that deliver perceived value. With a balanced gender distribution—leaning slightly toward females—this group is highly engaged in online shopping, frequently using mobile platforms influenced by social media trends and cultural collaborations.

These consumers lead active lifestyles where functionality and appearance play equally critical roles. Loyalty is driven by alignment with their identity and social values, making Nike’s blend of comfort, style, and brand reputation a strong draw. To fully capture this segment’s potential, Nike can expand its lifestyle collections by offering versatile products such as stylish adaptations of the Air Max series or yoga-inspired apparel. Collaborations with influencers and cultural icons can further enhance Nike’s appeal to this trend-conscious audience.

Sustainability is an emerging priority for this group. Emphasizing Nike’s use of sustainable materials and ethical manufacturing in marketing campaigns can strengthen its relationship with socially conscious buyers. Additionally, enhancing digital engagement through tools like augmented reality try-ons and exclusive online promotions can create a more personalized and engaging shopping experience, solidifying loyalty among this tech-savvy demographic.

In conclusion, the Comfort and Style Seekers segment offers significant growth opportunities for Nike. By prioritizing comfort, fashion-forward products, sustainability, and digital convenience, Nike can strengthen its market position and foster long-term loyalty among these influential consumers. A targeted strategy addressing their specific needs will ensure sustained success in a competitive market.

**Segment 2: Enthusiasts**

A graph with lines and dots

Description automatically generated

Performance Enthusiasts constitutes 17% of Nike’s customer base, representing a smaller but highly influential group. These customers, primarily athletes and fitness enthusiasts aged 25-44, prioritize high-performance features and cutting-edge technology in their athletic wear. Scoring innovation at 4.6 out of 5 and performance quality at 4.7, this segment demands products that enhance athletic results, reflecting their commitment to achieving peak performance.

Demographically, these high-income individuals are frequent and loyal Nike customers, consisting of competitive athletes and recreational fitness enthusiasts. While style is secondary, they value sleek, functional designs that align with their professional and athletic aspirations. This group appreciates product durability and performance-enhancing features, making them highly engaged with Nike’s performance-oriented lines such as running shoes, training gear, and sports-specific apparel.

Nike’s technological innovations, including Flyknit, Zoom Air, and Dri-FIT fabrics, resonate strongly with this segment. Marketing campaigns that highlight these advancements, along with collaborations with professional athletes and partnerships with sports organizations, reinforce Nike’s credibility as a leader in performance athletic wear.

To better meet this segment’s needs, Nike should continue prioritizing research and development to maintain a competitive edge in performance technologies. Expanding product lines for niche sports or emerging fitness trends, such as CrossFit and trail running, could attract a broader range of performance-focused customers. Additionally, leveraging digital platforms for targeted campaigns that emphasize technical superiority and offering personalized recommendations based on fitness goals can deepen engagement and loyalty.

Sustainability is an emerging concern among this group, providing an opportunity for Nike to emphasize eco-friendly materials in its performance gear. Highlighting these efforts through marketing can appeal to environmentally conscious consumers within this segment.

In conclusion, the Performance Enthusiasts segment offers Nike a valuable opportunity to strengthen its leadership in athletic innovation. By focusing on high-performance products, athlete partnerships, and personalized digital engagement, Nike can solidify loyalty and maintain its competitive advantage in the performance wear market.

**Segment 3: Quality Seekers**

A graph with lines and dots

Description automatically generated

Quality Seekers accounts for 32% of Nike’s customer base, representing a significant and valuable group. These customers prioritize exceptional customer service and a seamless shopping experience, scoring customer service at 4.5 out of 5. They value reliability, ease of purchase, and the overall satisfaction derived from their interactions with the brand, making them loyal and repeat buyers.

Demographically, this segment includes middle-aged, high-income individuals aged 35-54, consisting of well-established professionals and affluent retirees. While they appreciate comfort and quality in Nike’s products, their primary focus is on a premium shopping journey. They frequently shop through a combination of online and in-store channels and are drawn to personalized recommendations and exclusive access to limited-edition products.

To meet this segment’s expectations, Nike should prioritize enhancing its customer service offerings and delivering premium, tailored experiences. Initiatives such as exclusive memberships with benefits like early access to collections, free priority shipping, and invitations to special events can cater to their desire for exclusivity. Additionally, personalized shopping services, such as virtual assistants or tailored product suggestions, both online and in-store, can deepen engagement and loyalty. Streamlining returns, exchanges, and inquiries is crucial to ensuring a hassle-free customer journey.

Digital improvements also play a vital role in satisfying this group. A user-friendly mobile app featuring personalized product recommendations, seamless order tracking, and quick issue resolution can resonate strongly with Quality Seekers. Loyalty programs that reward repeat purchases with exclusive perks, discounts, or gifts tailored to their preferences can further enhance their satisfaction and retention.

In conclusion, the Quality Seekers segment offers Nike an opportunity to stand out by excelling in customer service and personalized experiences. By focusing on convenience, reliability, and exclusivity, Nike can foster strong loyalty and differentiate itself as a brand that values its most discerning customers. These efforts will not only strengthen relationships with this group but also solidify Nike’s position as a leader in delivering premium experiences.

## Positioning Analysis

For our positioning analysis, we will be addressing the question: How is Nike positioned in the market relative to its competitors in terms of key attributes such as innovation, performance quality, comfort, style/fashion appeal, brand trustworthiness, and customer service? To answer this question, we conducted a positioning analysis using data collected through consumer surveys and applied advanced analytical techniques to evaluate and compare brand perceptions.

A table with numbers and text

Description automatically generated

**Variance Analysis Report**

The table provides an analysis of the variance explained by different dimensions in a dataset. The goal is to identify the contribution of each dimension to the total variance and determine how effectively the key dimensions capture the variability in the data.

1. **Dimension 1**:
   * **Variance Explained**: 78.9%
   * **Cumulative Variance**: 78.9%
   * **Inference**: Dimension 1 is the most significant component, capturing nearly 79% of the total variance. This implies that a majority of the data variability can be represented using this single dimension. It suggests a strong underlying structure in the data, possibly dominated by one principal factor.
2. **Dimension 2**:
   * **Variance Explained**: 19.0%
   * **Cumulative Variance**: 97.9%
   * **Inference**: Adding Dimension 2 increases the cumulative variance to approximately 98%, indicating that this dimension provides additional but diminishing insights into the variability. Together with Dimension 1, it effectively captures the majority of the data’s variability.
3. **Dimension 3 & 4** :
   * **Variance Explained**: 2.1% for dimension 3 , 0% for dimension 4
   * **Cumulative Variance**: 100%
   * **Inference**: Dimension 3 contributes a minimal amount of variance, indicating that it adds very little new information to the overall dataset. Retaining this dimension may not be necessary for analysis purposes.
   * **Inference**: Dimension 4 does not contribute to the variance, showing that it is redundant in explaining the variability of the dataset. It can be safely excluded without losing information.

**Insight**

* Dimension 1 is likely the primary driver of patterns in the data, while Dimension 2 serves as a secondary contributor to variability. Further investigation into the characteristics of these dimensions could provide meaningful insights.

A screenshot of a computer

Description automatically generated

**Dimension Interpretation**

* **Dimension I**: Primarily aligned with **Comfort**, **Performance Quality**, and **Brand Trustworthiness**, this dimension reflects customer preferences for reliability, usability, and confidence in product quality. Nike’s positioning along this dimension highlights its focus on delivering comfortable and trustworthy products while maintaining high performance.
* **Dimension II**: Strongly aligned with **Innovation**, this dimension captures Nike’s emphasis on cutting-edge designs and technological advancements. It underscores the brand’s leadership in product innovation and its ability to stay ahead in the competitive athletic wear market.

**Perceptual Maps**

A graph of a circle with red dots

Description automatically generated A diagram of a company

Description automatically generated

The perceptual map illustrates Nike's strong positioning along Dimension I (79% variance), representing innovation, performance, and quality, compared to competitors—Hoka, Adidas, and Lululemon. Dimension II (19% variance) reflects attributes like comfort and style/fashion appeal, offering insights into Nike’s balance between performance and lifestyle markets.

**Inferences**

* Nike’s strong differentiation on Dimension I reflects its position as the market leader, leveraging innovation and product performance as key strengths.
* Hoka and Lululemon demonstrate focused strategies that appeal to specific consumer bases but lack the broad appeal of Nike.
* Adidas, while versatile, risks being overshadowed by competitors that excel in specific dimensions. Strengthening its unique value propositions could improve its positioning.

A diagram of a company

Description automatically generated

**Perceptual Map with Attribute and Data Overlay**

This enhanced perceptual map visualizes Nike and its competitors relative to key attributes and individual data points. The addition of data points highlights how individual responses contribute to brand positioning and attribute alignment.

**Nike**: Nike leads in **innovation, performance, quality, and trustworthiness**, solidifying its dominance in the athletic wear market. A significant clustering of data points near Nike reflects strong consumer consensus about its innovative, high-performance products and reliable brand reputation.

**Hoka**: Hoka focuses on niche markets, excelling in **comfort** and **specialized performance**. However, its distance from core attributes like **innovation** and **quality**, coupled with dispersed data points, suggests varying consumer perceptions and limited broader market appeal.

**Adidas**: Positioned near the center, Adidas reflects a **balanced but undifferentiated** approach. The scattered data points highlight mixed perceptions, indicating broad appeal but a lack of strong leadership in any key attributes. Differentiation is needed to strengthen its competitive position.

**Lululemon**: Lululemon excels in **style and fashion appeal**, catering effectively to lifestyle and trend-focused consumers. Its tightly clustered data points emphasize a clear but narrowly focused brand identity. However, weaker alignment with **innovation** and **performance** limits its ability to compete in athletic-oriented segments.

**Attribute Insights**

* **Innovation and Performance**: Nike dominates in these areas, underscoring its leadership in technology and product quality. Competitors like Hoka and Adidas have opportunities for improvement.
* **Comfort and Customer Service**: While moderately aligned with Adidas, Nike and Lululemon could improve in these areas to capture a broader market.
* **Style/Fashion Appeal**: Lululemon leads in this attribute, while Nike’s weaker alignment presents an opportunity to grow its lifestyle offerings.
* **Brand Trustworthiness and Quality**: Nike is strongly associated with these attributes, reinforcing its reliability and consumer trust.

**Key Inferences**

* **Nike**: Nike excels in innovation, performance, and quality, confirming its leadership in the athletic wear market. Its strong alignment with trustworthiness reinforces its ability to maintain customer loyalty. The consistent clustering of consumer perceptions further solidifies its dominant position.
* **Hoka**: Hoka performs well in niche markets, focusing on comfort and specialized performance. However, its weaker alignment with innovation and quality presents opportunities to broaden its appeal and compete more effectively.
* **Adidas**: Positioned as a versatile but undifferentiated competitor, Adidas appeals broadly but lacks strong leadership in any specific attribute. Clearer differentiation and focus on unique strengths could improve its market positioning.
* **Lululemon**: Lululemon leads in style and fashion appeal, catering successfully to lifestyle-focused consumers. However, it struggles to align with performance-driven attributes, indicating potential to expand its product offerings into athletic-oriented markets

A table with numbers and text

Description automatically generated A blue rectangular object with numbers

Description automatically generated

**Average Brand Preference Analysis**

**Overview**

The table and corresponding bar chart illustrate the average brand preference scores for Nike, Lululemon, Adidas, and Hoka. These scores reflect customer sentiment and perceived value associated with each brand. A higher score indicates stronger brand preference and alignment with customer expectations.

1. **Nike**:
   * **Average Preference Score**: **4.00** (Highest among competitors).
   * **Inference**: Nike’s position as the market leader is reinforced by its top score, highlighting its success in meeting customer needs through innovation, performance, and brand trust. Customers have a strong affinity for Nike, demonstrating its leadership in the athletic wear segment.
2. **Lululemon**:
   * **Average Preference Score**: **3.59** (Second highest).
   * **Inference**: Lululemon’s strong preference score reflects its appeal to customers seeking style and fashion-forward products. While it trails Nike, its focus on lifestyle markets has earned it a dedicated customer base.
3. **Adidas**:
   * **Average Preference Score**: **3.51** (Third highest).
   * **Inference**: Adidas maintains a competitive position but lacks strong differentiation. Its balanced offerings are appreciated, but it may need to improve in specific areas to challenge Nike and Lululemon effectively.
4. **Hoka**:
   * **Average Preference Score**: **3.37** (Lowest among competitors).
   * **Inference**: Hoka’s lower score suggests a niche appeal with limited broader market recognition. While it resonates with a specific audience, its lower preference indicates room for growth in brand perception and market expansion.

**Insights**

* **Nike’s Leadership**: Nike’s top score demonstrates its ability to consistently deliver high-quality, innovative products that align with consumer expectations. Its strong brand equity and customer trust give it a significant edge.
* **Lululemon’s Niche Strength**: Lululemon’s focus on lifestyle and fashion-oriented markets helps it secure a competitive second-place position, suggesting strong loyalty among its target demographics.
* **Adidas’s Middle Ground**: Adidas’s position reflects its balanced strategy, which appeals broadly but lacks the unique strengths required to outperform competitors.
* **Hoka’s Niche Appeal**: Hoka’s lower score highlights its niche positioning and limited appeal outside its core audience, signaling an opportunity to enhance its brand perception.

A table with text and numbers

Description automatically generated

A screenshot of a chart

Description automatically generated

**Attribute Ratings Analysis**

**Overview**

The table and corresponding bar chart provide a comparison of Nike, Lululemon, Hoka, and Adidas across six key attributes: **Innovation**, **Comfort**, **Style/Fashion Appeal**, **Brand Trustworthiness**, **Performance Quality**, and **Customer Service**. The analysis highlights each brand’s strengths and weaknesses based on average ratings.

**Attribute Insights (Simplified)**

1. **Innovation**
   * **Leader**: Nike (3.3) – Leads with cutting-edge designs, though the margin is narrow.
   * **Lagging**: Lululemon (3.0) – Focuses more on lifestyle than product innovation.
2. **Comfort**
   * **Leader**: Nike (3.5) – Strong in versatility and comfort.
   * **Close Competitor**: Lululemon (3.4).
   * **Lagging**: Hoka (3.2) – Needs improvement in product comfort.
3. **Style/Fashion Appeal**
   * **Leader**: Nike (3.6) – Balances style with performance.
   * **Close Competitor**: Lululemon (3.5).
   * **Lagging**: Hoka (2.9) – Limited appeal due to niche focus.
4. **Brand Trustworthiness**
   * **Leader**: Nike (3.7) – Reflects strong loyalty and quality.
   * **Lagging**: Lululemon, Adidas, and Hoka (3.3 or below).
5. **Performance Quality**
   * **Leader**: Nike (3.6) – Reinforces leadership in athletic wear.
   * **Competitors**: Lululemon, Adidas, and Hoka (3.3).
6. **Customer Service**
   * **Leader**: Nike (3.3) – Leads but has room for growth.
   * **Lagging**: Hoka and Adidas (3.1).

**Key Insights**

* **Nike’s Leadership**:
  + Nike consistently leads across all six attributes, with particular strength in brand trustworthiness, comfort, and style/fashion appeal. These attributes highlight its ability to appeal to a wide range of customers while maintaining a strong focus on performance and innovation.
* **Lululemon’s Competitiveness**:
  + Lululemon scores competitively in style/fashion appeal and comfort, showcasing its dominance in lifestyle-oriented markets. However, its lower scores in innovation and trustworthiness reveal areas for growth.
* **Hoka’s Niche Focus**:
  + Hoka performs relatively well in performance quality but falls behind in comfort, style, and innovation. This reflects its niche focus on specialized athletic footwear with limited appeal to broader audiences.
* **Adidas’s Neutral Position**:
  + Adidas’s scores across attributes indicate balanced but undifferentiated performance. Its lack of standout strengths may hinder its ability to compete effectively against Nike and Lululemon.

## Sentiment Analysis

As we are trying to answer the question, "How do Nike customers feel about its brand, products, and service?". We have sourced data from online reviews from TrustPilot.com and consumeraffairs.com processed to extract key sentiments and analyzed to identify patterns in customer opinions. This report highlights frequently mentioned themes, sentiment distribution, and customer emotions.

A close up of words

Description automatically generated

**Word Cloud Insights**

The word cloud above displays the most frequently mentioned words in customer reviews, with larger words indicating higher frequency. These words help identify both positive and negative themes in customer experiences with Nike.

1. **"Shoes":** The word "shoes" is the most prominent in the reviews, showcasing Nike’s core product category. Customers frequently discuss the quality, comfort, and style of Nike shoes, reinforcing their importance in shaping overall brand perception.
2. **"Order" and "Received":** Terms like "order" and "received" reflect customers’ experiences with Nike’s purchasing and delivery processes. Positive mentions highlight smooth transactions, while negative feedback relates to delays or missing orders.
3. **"Customer" and "Service":** The prominence of "customer" and "service" indicates that customer support is a critical focus area for Nike. Reviews reveal mixed sentiments, with some customers praising helpful support while others express dissatisfaction with delayed responses or unresolved issues.
4. **"Refund" and "Return":** Words like "refund" and "return" highlight operational challenges, with customers frequently mentioning frustrations over delayed refunds, unclear return policies, and difficulties resolving complaints.
5. **"Quality" and "Comfortable":** Positive feedback prominently includes terms like "quality" and "comfortable," reflecting satisfaction with Nike’s product design and durability. These words reinforce Nike’s reputation for delivering high-performance, reliable products.
6. **"Delivery" and "Shipping":** Words such as "delivery" and "shipping" are frequently mentioned in reviews, with negative sentiment often tied to delays or logistical errors. Improving delivery times and accuracy could address these recurring issues.

A graph with red squares

Description automatically generated with medium confidence A table with numbers and text

Description automatically generated

**Rating Histogram**

The rating histogram provides an overview of customer feedback distribution across ratings. It shows that:

* The majority of reviews (over 40%) are **1-star ratings**, reflecting significant dissatisfaction among a large portion of customers. These reviews often highlight issues with refunds, delayed deliveries, and inadequate customer service.
* A notable proportion of reviews (around 20%) are **5-star ratings**, representing highly satisfied customers who appreciate Nike’s product quality, comfort, and design.
* **4-star ratings** constitute a smaller fraction, indicating positive but slightly less enthusiastic feedback.
* **2-star ratings** are minimal, showing that customers either have extreme satisfaction or dissatisfaction.

This polarization in feedback indicates that while Nike excels in product quality for many customers, operational and service issues contribute heavily to negative sentiment.

A table with numbers and text

Description automatically generated A word cloud of words

Description automatically generated

**Valence Word Cloud**

The valence word cloud categorizes frequently used words by sentiment:

* **Positive Words**: Terms like "great," "comfortable," "love," and "amazing" emphasize customer appreciation for Nike’s innovative and comfortable products. These words reflect the trust and loyalty of satisfied customers.
* **Negative Words**: Words like "refund," "delayed," "issue," and "defective" highlight recurring problems with delivery and returns, which frustrate customers. Negative words are concentrated around operational inefficiencies.
* **Neutral Words**: Words like "order," "store," and "Nike.com" represent transactional terms that describe customer interactions without strong sentiment.

This distribution of words highlights Nike’s dual challenge of amplifying positive experiences while addressing operational shortcomings.

A close up of words

Description automatically generated A table with numbers and text

Description automatically generated

**Emotion Repartition**

The emotion repartition table reveals the range of emotions expressed in customer feedback:

* **Trust (36%)**: The most dominant emotion, indicating that customers generally trust Nike’s brand and product quality.
* **Anticipation (21%)** and **Joy (18%)**: These positive emotions show that customers eagerly anticipate and enjoy Nike’s offerings, reflecting excitement about the brand’s innovations and designs.
* **Sadness (13%)** and **Anger (5%)**: Negative emotions stem from frustrations with logistics, refunds, and service issues, underscoring areas where Nike needs improvement.
* **Fear (3%) and Disgust (1%)**: While less frequent, these emotions reflect severe dissatisfaction among a small group of customers.

The prevalence of trust and joy indicates Nike’s strong brand reputation, but sadness and anger signal critical areas for operational improvements.

A close-up of words

Description automatically generated

**Key Observations**

* **Central Themes**: Frequent mentions of "Nike," "shoe," "product," and "order" indicate core customer interactions around purchases and product feedback.
* **Negative Sentiment**: Words like "problem," "tear," "defective," and "horrible" suggest dissatisfaction, mainly with product quality and service.
* **Refund/Return Issues**: Terms like "refund," "return," and "policy" highlight challenges in the return and refund process, causing customer frustration.
* **Customer Service Gaps**: Negative mentions such as "contact," "resolve," and "escalation" reflect inefficiencies in resolving customer complaints.
* **Logistics Concerns**: Delivery delays and communication issues are evident from terms like "delivery," "date," and "email."
* **Product Quality Complaints**: Words like "defective" and "tear" indicate recurring issues with durability and quality.
* **Positive Mentions**: Positive terms like "love" and "great" suggest some customers are satisfied with Nike’s design and style.

# Recommendations

**Segmentation Analysis:**

Comfort and Style Seekers (51%)

* Expand lifestyle collections with versatile designs (e.g., yoga-inspired apparel).
* Collaborate with influencers to enhance trend-conscious appeal.
* Highlight sustainable materials in marketing campaigns.

Enthusiasts (17%)

* Invest in advanced performance technologies (e.g., Flyknit, Zoom Air).
* Partner with athletes to boost product credibility.
* Target fitness enthusiasts with ads showcasing technical superiority.

Quality Seekers (32%)

* Enhance customer service with personalized shopping and exclusive perks.
* Upgrade mobile app features for better engagement.
* Develop loyalty programs offering rewards for repeat purchases.

**Positioning Analysis:**

* Highlight cutting-edge technologies like Flyknit and Vaporfly to reinforce leadership in performance and innovation.
* Expand niche sports products and emphasize durability and athletic results.
* Launch trendy, versatile designs and collaborate with influencers to attract fashion-conscious consumers.
* Combine innovation and style to appeal to both performance and lifestyle markets.

**Sentiment Analysis:**

* Enhance Product Quality - Address recurring themes of quality concerns by maintaining strict quality control and introducing durability-focused campaigns.
* Improve Customer Service - Resolve issues with delayed responses and refunds by streamlining support processes and offering proactive solutions.
* Optimize Delivery Experience - Tackle complaints about shipping delays and errors by enhancing logistics and providing accurate order tracking.
* Highlight Comfort and Innovation - Leverage positive feedback on comfort and innovation in marketing campaigns to strengthen consumer trust.
* Address Negative Feedback - Monitor review platforms regularly to identify and address recurring customer concerns effectively.

# Conclusion

Nike stands as a global leader in the athletic footwear and apparel industry but faces significant challenges in a highly competitive and evolving market. This report has identified critical areas where Nike can leverage data-driven insights to address operational inefficiencies, enhance customer satisfaction, and refine its brand positioning.

By adopting targeted strategies, such as optimizing inventory management, enhancing customer service, and embracing innovation, Nike can strengthen its competitive edge. Segmentation analysis highlights distinct customer groups, enabling tailored marketing strategies and product offerings. Positioning and sentiment analyses underscore opportunities to improve customer perceptions and reinforce Nike’s strengths in innovation and performance.

To secure sustained growth, Nike must maintain a balanced approach, integrating its direct-to-consumer and retail strategies while prioritizing technological advancements, sustainability initiatives, and digital engagement. With focused execution, Nike can not only overcome current challenges but also solidify its leadership in the dynamic athletic wear market.

# Roadmap for Recommendation Execution

**Phase 1: Short-Term (0-6 Months)**

1. **Address Operational Issues**:
   * Implement AI-driven inventory management to reduce overstock.
   * Partner with reliable third-party logistics providers to improve delivery times.
   * **Budget**: $2 million for system upgrades and partnerships.
2. **Enhance Customer Service**:
   * Train support staff and streamline return processes.
   * Introduce a 24/7 chatbot for quick resolution of common issues.
   * **Budget**: $500,000 for training and technology.

**Phase 2: Medium-Term (6-12 Months)**

1. **Refine Product Offerings**:
   * Expand lifestyle-oriented collections targeting Comfort and Style Seekers.
   * Develop niche-performance products for emerging trends like trail running.
   * **Budget**: $3 million for R&D and product launches.
2. **Optimize Channel Strategy**:
   * Balance DTC and retail partnerships to restore customer accessibility.
   * Pilot pop-up stores in key urban markets. **Budget**: $1.5 million for store setups.

**Phase 3: Long-Term (12+ Months)**

1. **Strengthen Brand Engagement**:
   * Leverage influencer collaborations to enhance appeal among younger audiences.
   * Emphasize sustainability in marketing campaigns to attract eco-conscious buyers.
   * **Budget**: $2.5 million for marketing and collaborations.
2. **Expand Digital Engagement**:
   * Use AR/VR tools for virtual try-ons.
   * Enhance Nike Training Club with product-linked fitness challenges.
   * **Budget**: $1 million for app development.

# References

1. Mordor Intelligence. (n.d.). *Global athletic footwear market - Growth, trends, and forecast (2024-2029)*. Retrieved from <https://www.mordorintelligence.com>
2. Euromonitor International. (n.d.). *The impact of the Paris 2024 Olympics on sportswear demand*. Retrieved from <https://www.euromonitor.com>
3. Time. (n.d.). *Sustainable practices in the athletic wear industry: Veja’s partnership with recycling cooperatives*. Retrieved from <https://time.com>
4. Business Insider. (n.d.). *Retro style resurgence: How Adidas' Samba model contributes to market growth*. Retrieved from <https://www.businessinsider.com>
5. Nike Investors. (2024). *Nike fiscal 2024 revenue report*. Retrieved from <https://investors.nike.com>
6. The Wall Street Journal. (n.d.). *Nike faces sales decline amidst industry shifts*. Retrieved from <https://www.wsj.com>
7. TrustPilot. (n.d.). *Nike customer reviews*. Retrieved from <https://www.trustpilot.com>
8. ConsumerAffairs. (n.d.). *Nike customer feedback and sentiment analysis*. Retrieved from <https://www.consumeraffairs.com>
9. Deloitte Insights. (n.d.). *Digital engagement strategies in the athletic footwear market*. Retrieved from <https://www2.deloitte.com>
10. McKinsey & Company. (n.d.). *Athleisure market trends and insights: Post-COVID consumer behavior*. Retrieved from <https://www.mckinsey.com>
11. Statista. (n.d.). *Global athletic footwear market size 2005-2024*. Retrieved from <https://www.statista.com>
12. Harvard Business Review. (n.d.). *Direct-to-consumer strategies and their implications for retail giants*. Retrieved from <https://hbr.org>

# APPENDIX

**Nike Consumer Survey for Segmentation and Positioning Analysis**

**Introduction**

Thank you for participating in our survey. Your responses will help us better understand customer preferences and perceptions of Nike shoes and apparel, as well as those of competing brands. This survey will take approximately 10 minutes. Your responses are confidential.

**1. Demographic and Behavioral Data**

1. **What is your age?**
   * Under 18
   * 18-24
   * 25-34
   * 35-44
   * 45-54
   * 54 or over
2. **What is your gender?**
   * Male
   * Female
   * Non-binary/Other
   * Prefer not to say
3. **What is your annual income level?**
   * Less than $25,000
   * $25,000 - $50,000
   * $50,000 - $75,000
   * $75,000 - $100,000
   * More than $100,000
4. **Where are you located?**
   * North America
   * Europe
   * Asia
   * Africa
   * South America
   * Oceania
   * Antarctica
5. **How frequently do you purchase athletic shoes and apparel?**
   * Once a month or more
   * Every 2-3 months
   * Every 4-6 months
   * Once a year or less
6. **How much do you spend on purchasing athletic shoes and apparel?**
   * $0 - $60
   * $61 - $100
   * $101 - $180
   * $181 - $250
   * More than $250
7. **Which of the following best describes your preferred shopping method for shoes and apparel?**
   * Online (Brand website)
   * Online (multi-brand retailer like Amazon, Zalando, etc.)
   * In-store (Brand store)
   * In-store (multi-brand retailer like Foot Locker, Dick’s Sporting Goods, etc.)

**2. Brand Loyalty and Lifestyle Importance**

1. **How loyal are you to Nike products?**
   * Very loyal (Mostly purchase Nike products)
   * Somewhat loyal (Purchase Nike and a few other brands)
   * Not loyal (Frequently switch between brands)
2. **How important are athletic shoes and apparel to your lifestyle?**
   * Extremely important (Daily use)
   * Very important (Used multiple times a week)
   * Moderately important (Used weekly)
   * Slightly important (Occasional use)

**3. Purpose and Brand Preferences**

1. **What is your primary purpose for buying athletic shoes and apparel?**

* Performance
* Casual/Everyday wear
* Fashion/Style
* Other (please specify)

1. **How likely are you to purchase products from innovative or sustainable brands?**

* Very likely
* Somewhat likely
* Neutral
* Somewhat unlikely
* Very unlikely

**4. Attribute-Based Perceptions**

1. **How much do the following attributes matter to you, on a scale of 1 to 5?**

* Innovation
* Comfort
* Style/Fashion Appeal
* Brand Trustworthiness
* Performance Quality
* Customer Service

1. **Rate the following attributes of Nike on a scale of 1 to 5:**

* Innovation
* Comfort
* Style/Fashion Appeal
* Brand Trustworthiness
* Performance Quality
* Customer Service

1. **Rate the following attributes of Lululemon on a scale of 1 to 5:**

* Innovation
* Comfort
* Style/Fashion Appeal
* Brand Trustworthiness
* Performance Quality
* Customer Service

1. **Rate the following attributes of Hoka on a scale of 1 to 5:**

* Innovation
* Comfort
* Style/Fashion Appeal
* Brand Trustworthiness
* Performance Quality
* Customer Service

1. **Rate the following attributes of Adidas on a scale of 1 to 5:**

* Innovation
* Comfort
* Style/Fashion Appeal
* Brand Trustworthiness
* Performance Quality
* Customer Service

**5. Overall Brand Preference**

1. **Rate the overall brand rating on a scale from 1 to 5:**

* Nike
* Hoka
* Lululemon
* Adidas

### **Glossary of Terms**

1. **Direct-to-Consumer (DTC)**: A business model where brands sell directly to consumers, bypassing third-party retailers.
2. **Perceptual Mapping**: A visual tool used to analyze and compare consumer perceptions of brands based on key attributes.
3. **Sentiment Analysis**: The use of natural language processing to evaluate consumer opinions and emotions expressed in text.
4. **Segmentation Analysis**: The process of dividing a market into distinct groups based on shared characteristics for targeted marketing.
5. **Athleisure**: A fashion trend that combines athletic and casual wear, designed for both fitness and everyday activities.
6. **Sustainability Initiatives**: Efforts made by companies to adopt eco-friendly practices, such as using recycled materials or reducing carbon footprints.
7. **Clustering Techniques**: Statistical methods used in segmentation analysis to group individuals based on similarities in data.
8. **Customer Journey**: The complete experience a customer has with a brand, from initial contact to post-purchase interactions.
9. **Brand Trustworthiness**: Consumer perception of a brand's reliability and ability to deliver on promises.
10. **Innovation**: The development of new technologies, designs, or processes that provide a competitive advantage.