

Analysis of New Media Marketing Strategies for Sports Brands - A Case Study of Nike

Dingfeng Ding¹, Zihan Yu^{2,*}

¹School of Information Management, Central China Normal University, Wuhan, China

²University of Toronto, Toronto, Canada

* Corresponding Author Email: zihann.yu@mail.utoronto.ca

Abstract. This study explores the significant changes in Nike's marketing approach in today's rapidly changing new media environment. With the rapid development of digital technology, traditional marketing models have gradually been replaced by more accurate, interactive, and efficient digital marketing strategies. Against this background, this paper deeply analyzes the opportunities and challenges faced by Nike in the digital transformation process, as well as the evolution and status of its business model. This study draws the following main conclusions through this in-depth and detailed analysis. First, although Nike has achieved remarkable results in digital transformation, especially the innovation and implementation of its digital marketing strategy, which has greatly enhanced its brand influence and market penetration, its over-reliance on the direct sales business model has, to a certain extent, limited the further growth of the company's overall revenue. Based on this, this paper puts forward targeted suggestions for the sustainable development of Nike, aiming to continuously optimize its marketing strategy and adjust its business structure to better adapt to market changes in the new media environment.

Keywords: Digital Transformation, Digital Marketing Strategy, Brand Influence, Market Penetration, Business Model Reliance.

1. Introduction

Driven by the digital wave, the marketing pattern of the sports industry is undergoing profound changes. The rise of new media, especially the platforms represented by Tiktok and Bilibili, has not only revolutionized the way of sports information dissemination but also brought unprecedented marketing opportunities and challenges to sports companies [1]. These new media platforms, with their strong user base, rich interactive features, and innovative content formats, have built a new marketing ecosystem for sports brands. However, in the face of this emerging trend, not all sports companies can quickly adapt to and effectively integrate new media resources, which highlights the necessity of studying the marketing strategy of sports companies and new media.

In this context, this study aims to explore how sports companies can effectively utilize new media platforms for marketing innovation, and the advantages of this new marketing strategy compared with traditional marketing methods. As a leader in the global sporting goods industry, Nike's excellent performance in digital transformation and new media marketing has set a benchmark for the entire sports industry. Nike actively combines its products with new media, which successfully attracts young consumers' attention and realizes the youth and internationalization of its brand image. Its marketing strategy undoubtedly plays an important role in demonstrating and leading the new media era [2].

Specifically, the differences between new media operations and previous marketing methods are mainly reflected in communication channels, audience positioning, interactivity, and content forms. The new media platform breaks the geographical and time restrictions of traditional media and realizes the instant dissemination and global coverage of information. At the same time, through big data and artificial intelligence technology, new media can more accurately identify the target audience and achieve personalized marketing. In addition, new media also emphasize user participation and interaction and stimulate consumers' interest and enthusiasm through diversified content forms, thus

enhancing brand loyalty These advantages make new media marketing an inevitable choice for sports companies in the new era.

To sum up, this study will deeply analyze Nike's marketing strategy combined with new media, sum up its successful experience, and explore the inspiration and impact of this strategy on the entire sports industry. It is hoped that this study can provide useful reference for other sports companies and jointly promote the prosperity and development of the sports industry in the new media era.

2. Nike's New Media Operations

Nike has demonstrated extraordinary foresight and innovation in the field of new media operations. It has kept pace with the times in an unprecedented way and reshaped the connection between the brand and consumers. In stark contrast to the traditional marketing model that relied solely on high-cost media advertising and celebrity endorsements, Nike has embraced cutting-edge digital and social media marketing tools, committed to establishing deep interactions with customers, strengthening brand connections, and building close community relationships. Nike innovatively uses today's new media social tools. In a recent ranking of 42 sportswear companies, digital consulting firm L2 gave Nike the title of "top genius" in "digital IQ". L2 commented that Nike uses social media platforms such as Facebook, Twitter, Instagram, and Pinterest to gather a large group of highly engaged and closely related users for the brand. For example, Nike's Facebook homepage has 16.4 million fans who like it. Nike's football page has another 21.6 million, Nike's basketball page has another 5.4 million, and Nike's running page has 1.8 million. Not only the number of members, Nike's social media has also attracted high customer participation and close interaction [3].

Nike's new media operation strategy is significantly different from the past in that it is good at cleverly integrating new media with traditional media tools to launch cross-media campaigns to build and strengthen brand communities. Take the "Find Your Greatness" campaign during the 2012 Olympic Games as an example. Nike kicked off the campaign two days before the opening ceremony, but instead of following the traditional practice of placing large-scale advertisements on traditional media, it released videos on YouTube, Nike's website, and other digital media. Then, during the opening ceremony, Nike released high-budget TV ads based on the video in 25 countries. However, instead of releasing these ads independently, consumers were urged to share their thoughts and feelings about "Find Your Greatness" through Twitter and other digital media with the hashtag #findgreatness. In just one month, Nike's video on YouTube received more than 5 million views.

Nike's marketing strategy is no longer just high-budget advertising and high-priced celebrity endorsements. Instead, Nike connects directly with customers. Nike is more than just a product for consumers to buy but become a part of their lives [4].

3. Problems with Nike's Digital Marketing

3.1. Over-emphasis on DTC

Last December, Nike announced its second-quarter financial report for fiscal year 2024. Data showed that the revenue for the quarter (September 1, 2023, to November 30, 2023) was US\$13.4 billion, a year-on-year increase of only 1%. Among them, the revenue of direct sales and brand digital business increased by 6% and 4% year-on-year respectively, but the revenue of wholesale business decreased by 2% year-on-year. Obviously, the boost of direct sales to overall revenue is very limited. In the third quarter of fiscal year 2024 (December 1, 2023 to February 29, 2023), Nike's overall revenue was US\$12.4 billion, a year-on-year increase of 0.3% and a month-on-month decrease of 7.16%; among them, direct sales revenue was US\$5.4 billion, an increase of only US\$100 million compared with the same period last year; at the same time, net profit was US\$1.172 billion, and there was a year-on-year decrease of 5.48% and a month-on-month decrease of 25.73%. (bloomberg.com) Nike's revenue has declined since the announcement of the adoption of DHC.

3.1.1. Bear more direct sales costs

Due to the reduced reliance on wholesale channels, Nike needs to invest more in its own channels to interact directly with consumers. The DTC strategy has brought Nike the trouble of returns and own inventory, increasing Nike's processing costs and logistics costs, which fell on wholesale retailers in the past [5].

3.1.2. Technology and logistics pressure

To support the DTC model, Nike needs to make a lot of investments in technology and logistics, including establishing an efficient supply chain, logistics system and customer service support. These investments are not only costly, but also require continuous optimization and upgrading to cope with the ever-changing market demand.

3.1.3. Challenges from competitors

As more and more brands adopt the DTC model, Nike needs to continue to innovate and enhance its competitiveness to cope with challenges from other brands. This not only increases the intensity of market competition but also increases the difficulty for Nike to maintain its leading position in the market.

4. Solutions

Inventory Management Optimization: Adopt advanced inventory management systems and forecasting tools to reduce inventory accumulation and return rates. **Logistics Efficiency Improvement:** Optimize delivery networks by establishing closer partnerships with logistics providers and reducing logistics costs. **Cost-Benefit Analysis:** Conduct regular cost-benefit analysis to ensure that investments in the direct channel deliver expected returns. **Technology Investment Return Assessment:** Conduct rigorous assessments of investments in new technologies and logistics systems to ensure that investments deliver significant benefits. **Supply Chain Optimization:** Improve the supply chain's response speed and flexibility by adopting automation and intelligent technologies, and reduce inventory accumulation. **Customer Experience Enhancement:** Enhance customer experience through technology, such as providing personalized recommendations and fast checkout, to increase customer satisfaction and loyalty. **Differentiated Competitive Strategy:** Differentiate from competitors through unique product designs, innovative marketing activities, and excellent customer service. **Market Segmentation:** Conduct in-depth research into the needs of different market segments and develop targeted products and marketing strategies. **Brand Collaboration:** Collaborate with other brands or influencers to enhance brand influence and market competitiveness through cross-border cooperation. **Integrating Online and Offline Channels:** Strengthen the integration of online and offline channels to provide seamless shopping experiences. **Multi-Channel Marketing:** Expand market coverage beyond direct channels by partnering with other channels and wholesalers. **Exploring Emerging Markets:** Explore emerging markets such as Southeast Asia and Africa by adopting localization strategies to attract new customers. **Optimizing Social Media Strategy:** Optimize content release timing and format by analyzing social media data to improve user eng.

5. Nike's Future Strategic Development

5.1. Content

5.1.1. Brand story content innovation

Nike needs to continue deepening its brand story by using new media platforms to tell more about its brand philosophy, the athletes behind the brand, and the technical innovations behind its products, to enhance its emotional connection with consumers. Utilize short videos, live streaming, interactive H5, and other forms to make content more vivid, interesting, and easy to spread.

5.1.2. Product content innovation

Continuously increase product R&D investment and continuously launch new technologies and products to meet the needs of different sports scenarios and consumers. Pay attention to the latest developments in sports technology, such as wearable devices and smart sports equipment, and integrate technology elements into products to enhance product competitiveness.

5.2. Community

5.2.1. Differentiated community

Create a differentiated competitive advantage through unique brand stories, product innovations, and marketing strategies, and create a unique Nike community. Pay attention to the dynamics of competitors and adjust its strategy in time to maintain market leadership.

5.2.2. Create new user communities

As the global economy develops, the demand for sports brands in emerging markets is increasing. Nike should increase its investment in emerging markets, and through localization strategies and precision marketing, establish new user communities and expand its user base.

5.2.3. Strengthen ties between different communities and reduce conflicts

Enhance global market cultural sensitivity, and customize marketing strategies based on the characteristics of consumers in different regions and cultures to avoid public relations crises caused by cultural differences. Actively participate in and respect local sports culture, festivals, and celebrations, to enhance the brand's affinity in the local market.

5.3. Operation

5.3.1. Optimize digital experience for operations

Continue to optimize the DTC (Direct-to-Consumer) model, utilizing big data and artificial intelligence technologies to provide personalized shopping experiences and precise marketing pushes. Improve the online shopping platform, enhance the simplicity and practicality of the user interface, and enhance the convenience of shopping.

5.3.2. Optimize logistics and inventory management

Increase investment Nike collects customer data through customer surveys, social media interactions, etc. to create personalized product recommendation plans. This personalized marketing strategy can better meet the unique needs of customers and enhance their shopping experience.

5.3.3. Social media interaction

Nike fully utilizes social media platforms to interact with customers and communicate with them, such as releasing product information, responding to user feedback, and conducting marketing activities. This interactive approach not only enhances customer engagement but also strengthens customer identification with the brand and loyalty.

6. Conclusion

After analyzing Nike's new media marketing strategy, this paper concludes that although Nike has achieved significant success in digital transformation and innovative marketing strategies, enhancing its brand influence and market penetration rate, its excessive reliance on direct sales business model has limited revenue growth, brought about rising costs and competition pressure. Therefore, this paper suggests that Nike should further optimize its marketing strategy by utilizing big data and artificial intelligence technology for personalized marketing; adjust its business structure to explore diversified sales channels; enhance its supply chain and logistics management to reduce costs and improve efficiency; actively expand emerging markets and digital businesses such as eco-friendly products and metaverse consumption scenarios; always prioritize customer needs and strengthen social media

interactions; and emphasize social responsibility and sustainable development by using sustainable materials and shaping a positive brand image. Through these measures, Nike is expected to continue maintaining its market leadership position in the new media era and achieve long-term sustainable development. However, facing increasingly fierce market competition and constantly changing consumer needs, Nike still has many shortcomings, which still need to be continuously optimized in its marketing strategy and business structure. In the future, Nike should have a deeper understanding of market trends and consumer psychology, strengthen the emotional connection between its brand and consumers, and further consolidate its market position by providing more personalized and differentiated products and services. At the same time, Nike should also increase investment in supply chain management and production process control to ensure that product quality and delivery time meet market demand. In addition, Nike should actively explore new growth points, such as expanding into emerging markets and deepening its digital business, to address potential market risks and challenges. By continuously optimizing its business structure and enhancing its core competitiveness, Nike is expected to continue maintaining its leading position in future market competition and achieve more sustainable and robust development.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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