Analysis of Nike's Marketing Strategy in the Chinese Market Based on SWOT Analysis

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Abstract. The Chinese sports equipment market is undergoing profound changes. The rise of local brands and changes in consumer attitudes are reshaping the competitive landscape. Nike is a global leader in sports brands. The company is facing a dual challenge of declining revenue and shrinking market share in the Chinese market. This article takes Nike China as the research object. This article uses the SWOT analysis framework to systematically analyse its internal strengths and weaknesses, as well as external opportunities and threats. Research has found that Nike has advantages such as global brand influence, technological innovation capabilities, and top sponsorship resources. At the same time, the company has problems such as insufficient price competitiveness, overly aggressive DTC strategies, and a lack of phenomenal explosive products. Under the opportunities of the national fitness policy dividend, women's market expansion, and outdoor sports boom, Nike is facing dual pressures of comprehensive competition from local brands and segmentation from emerging brands. Based on this, this article proposes strategic recommendations for precise market segmentation, product matrix optimisation, differentiated pricing, and digital promotion innovation. These suggestions provide a reference for Nike China to regain growth momentum, and also offer strategic guidance for the localisation of multinational brands.

Keywords: Nike China, SWOT analysis, Marketing strategy, Localised operation, Sports equipment industry.

1. Introduction

The Chinese sports equipment market has continued to expand in scale over the past decade. The competitive landscape has also undergone profound changes. According to data from the General Administration of Sport of China, the total scale of China's sports industry exceeded 3.8 trillion yuan by 2025. This data is expected to reach 5 trillion yuan by 2030. ANTA Sports' revenue will exceed 70 billion yuan in 2024. This company has surpassed Nike for the first time in the Chinese market. Li Ning achieved steady growth through the China-Chic series. Emerging brands such as Angpao and HOKA quickly seized market share through differentiated positioning. In 2025, Angpao's revenue in Greater China increased by 47% year-on-year. In this context, Nike's revenue for the 2025 fiscal year in Greater China is approximately 7.52 billion US dollars. The data decreased by about 6% year-on-year. Nike has not met expectations for four consecutive quarters. The above changes indicate that China's sports equipment industry is shifting from "one dominant player" to "competing with others". Nike's dominant position is facing an unprecedented challenge

Scholars have conducted beneficial explorations on the marketing strategies of multinational sports brands. Lin analysed Nike's marketing and promotion strategies in the international tennis field [1]. This study suggests that event sponsorship and celebrity endorsements play a crucial role in brand value transmission. Wang and Liu discussed the path for domestic brands to build competitiveness through cultural identity [2]. This study believes that "China-Chic" consumption has significantly squeezed international brands. Chen pointed out that Nike's appeal has declined among Generation Z [3]. This phenomenon is closely related to the lack of local cultural depth in its marketing narrative. Zhang and Zhao found through empirical research that consumer purchasing decisions are shifting from "brand worship" to "product rationality" [4]. Li pointed out that Nike's DTC strategy has caused channel friction in China [5]. This strategy weakens the company's penetration ability in the sinking market. Zhou analysed the sustained damage to Nike's brand image caused by quality control issues in Vietnam [6]. The above research reveals the problems faced by Nike from different perspectives.

However, there are few studies that systematically examine internal and external factors within a unified SWOT framework. The academic community lacks suggestions for optimising integrated marketing strategies. Based on this, this article takes Nike China as the research object. This article uses SWOT analysis as the core framework to systematically review its competitive advantages and disadvantages, as well as external opportunities and threats. This article proposes a targeted marketing strategy optimisation plan based on this. On a theoretical level, this article enriches the application of SWOT tools in the context of localisation of multinational brands. On a practical level, this article provides decision-making references for Nike and similar multinational brands to cope with competition in the Chinese market.SWOT analysis of Nike China

2. SWOT analysis of Nike China

2.1. Advantage Analysis

Nike's competitive advantage is rooted in years of brand asset accumulation and strategic layout. Firstly, global brand influence constitutes its core advantage. According to Brand Finance's 2025 data, Nike's brand value is approximately 38.5 billion US dollars. The brand value ranks first in the clothing industry. The recognition rate of the "Swoosh" logo and the slogan "Just Do It" in China exceeds 90%. The brand has successfully created a brand image of "professional sports" and "innovative spirit" in the minds of consumers. Secondly, the spiritual and cultural identity of athletes constitutes their profound moat. Nike transforms concepts such as "hard work," "breakthrough," and "excellence" into core brand values. The brand has deep collaborations with local athletes such as Liu Xiang, Li Na, and Su Bingtian. These collaborations provide a localised carrier for the brand spirit. During the 2024 Paris Olympics, the "Just for Better" marketing campaign was exposed over 500 million times online. This campaign has strengthened the emotional bond between the brand and Chinese consumers. Furthermore, the product innovation capability is in a leading position in the industry. From Air cushion technology to Flyknit woven shoe uppers, Nike continues to drive product iteration with technology. The Nike Air Max Dn, released in 2025, is equipped with a new Dynamic Air cushion system. The product sold out on the day of its debut in China. In addition, the Nike By You customisation platform provides consumers with personalised product experiences. Finally, Nike has the world's largest pool of top sports stars and event sponsorship resources. From international superstars like Cristiano Ronaldo, LeBron James, and Mbappe, to local new generation athletes like Zheng Qinwen and Zhang Zhizhen, Nike's signed lineup covers top figures in mainstream sports. Nike also sponsors core events such as the NBA and the Chinese Football Association Super League. These sponsorships continue to provide strong exposure momentum for the brand in the Chinese market.

2.2. Disadvantage Analysis

Nike faces many internal weaknesses in the Chinese market. The primary issue is insufficient price competitiveness. Nike's main racing product, the Alphafly Next 3%, is priced at 2299 yuan. The same-level domestic competitor, Anta C202 6th generation, is priced at 1299 yuan. The price difference between the two is as high as 40% to 75%. High pricing leads to a significant loss of price-sensitive consumers. According to market intelligence data from Magic Mirror, Nike's sales of running shoes will decrease by 18% year-on-year during the "618" promotion period in 2025. During the same period, ANTA and Xtep saw growth of 23% and 31% respectively in the same category. Secondly, high brand premiums encounter a rational return from consumers. Generation Z's consumption decisions prioritise cost-effectiveness over brand awareness. According to the 2025 report by iResearch Consulting, consumers aged 18 to 30 are more concerned about "performance and price matching" when purchasing sports shoes and clothing. This factor accounts for 67%[3,4].This change has shaken the foundation of Nike's business model that relies on brand premium. Thirdly, the product line is too complex. Nike has over 3000 SKUs on sale in the Chinese market. However, the brand lacks phenomenal hot-selling products. Angpao achieved an 11%

wearing rate at the 2025 Shanghai Marathon with the Cloudboom Strike racing shoe. HOKA's Clifton series holds over 20% market share in the Chinese off-road running market. Nike lacks similar core products. The brand's voice in segmented markets is being diluted by emerging brands. Fourthly, the quality control issues of Vietnamese contract factories continue to affect their reputation. By 2025, the Vietnamese factory will undertake approximately 52% of Nike's global footwear production capacity. However, the craftsmanship and quality control of Vietnamese factories are inferior to those of Chinese contract factories. According to data from the Black Cat Complaints Platform, Nike's quality complaints will increase by 34% year-on-year in 2025. These complaints focus on issues such as delamination, shoe upper cracking, and air cushion leakage. The negative public opinion that 'Vietnamese products are inferior to Chinese products' has weakened consumers' trust in Nike's quality. Finally, the DTC strategy is too aggressive. The proportion of Nike's direct sales revenue has increased from 38% in 2020 to 57%. This shift has squeezed the profit margins of dealers. Some dealers have switched to competing brands such as Angpao. To maintain the high-end image of the brand, Nike will prioritise supplying best-selling products to its direct stores. This practice has led to a significant decrease in sales for dealers. At the same time, this strategy weakens the channel coverage capability of third- to fifth-tier cities. By 2025, the growth rate of sports consumption in third-tier cities will reach 14.6%, higher than the 7.2% in first-tier cities.

2.3. Opportunity Analysis

Despite facing many challenges, Nike still has development opportunities in the Chinese market. Firstly, the national fitness policy continues to be strengthened. In 2025, the State Council issued the "National Fitness Plan (2025-2030)" [7]. The plan aims to reach 42% of the population who exercise regularly by 2030. The population of runners in China has exceeded 450 million. There were 2200 marathon races. These data indicate that there is incremental demand in the sports shoe and apparel market. Secondly, the women's sports market is rapidly expanding. By 2025, the market size will reach 480 billion yuan. This data shows a year-on-year increase of 22%. The growth rate of the female market is 1.8 times that of the male market. The unit price for female customers is 15% higher than that for male customers. The Nike Zenvy leggings and Motiva running shoes have received a good response. Deeply cultivating the female community is expected to help Nike seize the opportunity. Thirdly, the trend of outdoor sports continues to heat up. The market size of outdoor products will reach 380 billion yuan by 2025. This data shows a year-on-year increase of 28%. The Nike ACG series has advantages in urban light outdoor scenarios. The search popularity of ACG in autumn and winter of 2025 will increase by 65% year-on-year. The potential of this product line is promising

2.4. Threat Analysis

External threats are equally severe. Firstly, local brands have emerged strongly in the all-round competition. ANTA Group covers the entire price range market through a multi-brand matrix. By 2025, ANTA's main brand running market share will reach 22.3%. This share exceeds Nike's 19.7% [8]. Li Ning competes head-on in the field of basketball shoes with "BENG" technology. In 2025, the sales of Li Ning basketball shoes increased by 31% year-on-year. Its "Wade's Way" series of China-Chic designs forms a cultural appeal. The consumer psychology of "domestic products self-improvement" has led consumers to lean towards domestic brands. This cultural barrier is difficult to overcome. Secondly, emerging brands are precisely cutting into segmented tracks. Angpao achieves differentiated positioning with "Swiss Seiko+Cloud Technology". By 2025, the brand will have over 120 stores in China. Its monthly average floor area efficiency will reach 28000 yuan, higher than Nike's 21000 yuan. HOKA will explore the market with its "off-road+thick bottom" product genes. By 2025, the brand's revenue in Greater China will exceed 2 billion yuan. These brands adopt a 'vertical cultivation' strategy. They excel in a single category. These brands form a "one to many" asymmetric competition against Nike. The advantages of traditional big brands are gradually crumbling in fragmented markets [9].

3. Optimisation of Nike's marketing strategy in China based on SWOT analysis

3.1. Market Strategy

Nike China should deepen its localisation transformation. This transformation is not limited to incorporating Chinese elements into product design. Enterprises should also cover the deep adaptation of brand operations to the Chinese market environment and consumer habits. In the Taki market, Nike may consider incubating mass cost-effective sub-brands independent of the main brand. This sub-brand can compete head-on with ANTA and Xtep. At the same time, this approach can avoid diluting Nike's high-end image. In terms of geography, first-tier cities should strengthen flagship stores and Nike Rise experience scenarios. This approach can maintain the brand's high ground. The applicability of DTC should be re-evaluated in the sinking market. Enterprises should establish a "joint operation and benefit sharing" relationship with distributors. In terms of population, TikTok, Xiaohongshu, Station B and other content investment should be increased for Generation Z. Enterprises should integrate local design elements. For female consumers, scenarios such as yoga and comprehensive training should be segmented. Enterprises should strive to increase the proportion of female revenue from 35% to over 45%. In terms of psychological dimension, Nike should bind identity labels such as "serious runner" and "elite basketball player" with "light outdoor enthusiast". This approach can create a differentiated communication context.

3.2. Product Strategy

The core of product strategy is "streamlining SKUs" and "optimising price system", "improving quality control" and "integrating into the local market". Firstly, enterprises should implement the strategy of "focusing on large orders". This strategy will compress the on-sale SKUs to 6 to 8 core series. Enterprises should concentrate their resources on creating a phenomenal product every year. Secondly, enterprises should establish a "China Special Supply" mid-range product line, priced between 599 and 899 yuan. This product line should adjust shoe lasts based on Chinese consumer foot shape data. Enterprises should adopt mature technology that balances cost-effectiveness and brand tone. Third-party enterprises should strengthen their quality control and traceability systems. Enterprises should introduce an independent third-party sampling mechanism. Enterprises should transfer their high-end product production capacity back to China. Enterprises should use blockchain traceability technology to rebuild consumer trust [10].

3.3. Price Strategy

Pricing should shift towards a refined hierarchical system. Enterprises should build a price pyramid. The tower's top layer is a flagship product priced at over 2000 yuan. This level of product maintains a high-end image and technological benchmark position. The upper layer of the tower is the main performance product priced between 899 and 1599 yuan. This level of product adds value through celebrity endorsements and brand collaborations. The middle layer of the tower is equipped with Chinese special products and classic replicas priced between 499 and 899 yuan. This level of product is aimed at the general consumer. A brand new entry-level product line should be established for the tower foundation layer. This level of product attracts price-sensitive groups. At the same time, enterprises should dynamically adjust promotional discounts. Enterprises should push targeted discounts based on user data. Enterprises should offer more competitive supply discounts and rebates to distributors. Enterprises should implement the strategy of offering the same product at the same price both online and offline. These measures can maintain the stability of the price system.

3.4. Promotion Strategy

The promotion strategy focuses on five major directions: repairing channel relationships and strengthening digital marketing, deepening event endorsements and strengthening the membership system, and promoting online and offline integration. In terms of digital marketing, Nike should build a local content factory. The enterprise should launch a UGC topic challenge on the TikTok platform.

The company should focus on female content on the Xiaohongshu platform. The enterprise should co-create technology interpretation videos with UP hosts on Bilibili. In terms of deepening events and celebrity endorsements, Nike should allocate its budget to grassroots events and campus sports. The company should expand the scale of the "Nike College Elite Challenge". The company should deeply participate in domestic marathon events. The enterprise should set up NRC speed controllers and product experience areas. In terms of strengthening the membership system, Nike should fully utilise the Nike App to build a membership ecosystem. The company binds member points with offline event registration and priority purchase rights for limited edition products. The company pushes personalised content by analysing users' exercise preferences. In promoting the integration of online and offline, Nike should implement the "Channel Partner Revitalisation Plan". The company should publicly adjust the DTC pace and control the proportion of direct sales within 50%. The enterprise should provide digital upgrade funds for distributors. The enterprise should implement online coupon collection and offline experiential purchasing models, as well as O2O models such as online ordering and in-store pickup. In addition, Nike should use the "Move to Zero" sustainable development plan as a public relations pivot. The enterprise should promote recycled material products and old shoe recycling activities. These practices can enhance brand reputation.

4. Conclusion

This article systematically analyses the competitive situation of Nike China through the SWOT analysis framework. Research has found that Nike has advantages such as global brand influence, innovation capability, and top resources. However, the company has internal disadvantages such as insufficient price competitiveness, channel friction, lack of product focus, and declining quality control reputation. These disadvantages are becoming increasingly prominent. In the external environment, the national fitness policy and the women's market and outdoor craze provide opportunities for Nike. However, the comprehensive catch-up of local brands and the segmentation of emerging brands pose a serious threat. Nike China is shifting from an "absolute leader" to a "fierce competitor". The original growth model of the enterprise is difficult to sustain. Nike urgently needs a systematic marketing restructuring.

Based on the analysis results, this article proposes that Nike China should optimise its strategies around precise market segmentation, product explosion logic, flexible tiered pricing, channel partner relationship repair, and deepening local digital marketing. Specific suggestions include: joint penetration of light assets by distributors in the sinking market; Launch mid-range "China Special Supply" products; Strengthen supply chain quality control and traceability; Intensify efforts in women's and outdoor racing tracks; reshape cultural closeness through local grassroots competitions and KOL co-creation. Looking ahead to the future, Nike China needs to practice deep localisation of "in China and for China" while maintaining its global brand DNA. The enterprise should transform price competition into value competition. The headquarters should give greater decision-making autonomy to the Chinese market. Multinational brands must establish a fusion model of "global resources and local wisdom". Only in this way can multinational brands achieve sustainable development in emerging markets with deep localisation.

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