

Brand Assessment of the Adaptation of Nike to New Consumer Trends

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Abstract

This research paper delves into the different aspects of Nike's brand within the global market. It discusses current market trends, explores how Nike adapts to shifts in consumer preferences and industry developments and analyzes Nike's approach to catering to different consumer targets through various techniques and by examining the brand's diverse product categories. Additionally, by observing Nike's product strategy and brand purpose, it assesses how innovation, sustainability, and design contribute to the brand's appeal, making it one of the most well-known sportswear brands in the world and exploring how it aligns with societal values and environmental causes. This paper is divided into six main categories: Introduction, Assessing the Landscape (Category), Define "Who" Segmentation, Product Brand/Value Proposition, Consumers Relation to Brand, and Recommendations/Conclusion. Lastly, the paper evaluates competitive forces, considering how Nike navigates challenges in the athletic and lifestyle apparel market. Through a comprehensive analysis of these factors, this research paper aims to provide valuable insights into Nike's brand positioning and trajectory in a dynamic and competitive market environment. Additionally, it is meant to provide recommendations on expanding Nike's outreach. Some recommendations include strengthening the e-commerce platform, increasing sustainable practices, and engaging with more local/community causes instead of large celebrity profiles.

Keywords

Brand Assessment, Business, Business Management, Brand Analysis

1. Introduction

In an age characterized by actively changing consumer preferences and new technology and innovations, all businesses must understand constantly influenced

market dynamics to succeed. When inspecting and exploring the multifaceted landscape surrounding Nike, this paper will delve into the company's strengths and weaknesses it faces, and provide recommendations on how best to deliver growth in the next couple of years. As one of the most sought-after and innovative athletic brands, Nike has created a legacy for itself and a name brand that people register with high regard. Over the years, Nike's market cap (or market value) has steadily increased from approximately 25 billion in 2009 to 175 billion in 2023, experiencing an overall peak in 2021 at 280 billion, according to [macrotrends.net](https://www.macrotrends.net). Its primary focus is rooted in innovative and groundbreaking products, as it continues to commit to providing consumers with athletic excellence in apparel. This paper analyzes the current market trends, category, consumer target, product strategy, brand purpose, retail strategy, and competitive forces influencing Nike's position in the industry. The inspection of the various facets of Nike's market presence is meant to enable the provision of valuable insights and recommendations.

Understanding how Nike, a world leader in the sportswear sector, adjusts to changing consumer trends in a fiercely competitive market is made possible by this study report. The study offers insightful information on how a company like Nike sustains its success and relevance over time, given how quickly customer tastes are changing, especially in the sports and lifestyle domains. It also emphasizes how crucial it is to match brand values with social and environmental problems, which are becoming more significant to contemporary customers. The research findings hold significance not just for scholars but also for professionals in the sector who have an interest in consumer behavior, brand management, and strategic marketing. The first of the paper's main claims is Nike's flexibility in responding to changing consumer preferences. It demonstrates how the business stays ahead of the curve by consistently matching customer preferences with its product offerings and marketing initiatives. The report also covers Nike's commitment to innovation, which is essential to preserving its market leadership and is especially evident in product design, sustainability, and technology. The research also looks at Nike's market segmentation strategy, demonstrating the company's capacity to successfully target a range of customer groups. Regarding contributions, the study offers a thorough examination of Nike's approaches to innovation, sustainability, and customer involvement, providing a full picture of the company's marketing strategy. Strategic insights on market dynamics and competitive dynamics are also provided by the study, which may help Nike and related brands make decisions in the future. Crucially, the report provides doable suggestions that Nike can use to further solidify its brand presence, such as improving e-commerce platforms and raising community involvement.

The research does, however, have certain limitations. The study's scope may be limited by the information that is currently available, especially with regard to Nike's internal strategy and customer data. A further constraint is to the findings' generalizability; although the insights are very pertinent to Nike, they could not

be universally applicable to other brands, particularly those with a smaller or less established following. Furthermore, given how quickly the sportswear and fashion industries change, some of the advice and insights could be out of date as soon as new trends start to appear. Notwithstanding these drawbacks, the study presents insightful analyses of Nike's brand strategy and offers practical recommendations for the company's future growth.

The remaining of the study is structured as follows Assessing the Landscape, Define "Who" Segmentation, Product Brand/Value Proposition, Consumer Relation to Brand, and Recommendations/Conclusions.

2. Assessing the Landscape (Category)

When assessing Nike's market dynamics, there must be a comprehensive evaluation of the athletic footwear and apparel category. The competitive landscape of the athletic apparel industry is defined by the constant change in consumer preferences, prevailing price points, and product performance differentials. The company is unrivaled in many factors, such as brand recognition, extensive product portfolio, and innovative designs. The brand's commitment to the factors above positions it as a market leader. Its weaknesses lie in assessing what consumers want as preferences rapidly change and trends appear and disappear. Nike strategically navigates the market by offering a diverse range of products that cater to different consumer segments, creating a balance between premium items and accessible pricing to maintain its immense recognition and appeal. In [Sher \(2023\)](#), various statistics arise from Nike's dominating performance. According to statistics collected in Sher's article, Nike holds a 38.23% total market share, with a market capitalization of \$197.8 billion; Nike proves that it is among the most valuable companies globally and one of the most popular sports brands. Additionally, in the second quarter of the 2022 fiscal year, sales for Nike Direct rose by 16%, and digital sales increased by 25%. The company's global revenue equaled approximately \$46.71 billion, an upward trend of over two billion compared to 2021, leading to a 17% increase in revenue, the company's best performance in 42 quarters, except for growth after the reopening of retail stores after the pandemic in the fourth quarter of 2021. Nike maintains an extensive portfolio of property, plant, and equipment (PP&E) of over \$5.19 billion. One of the main reasons Nike is a global athletic apparel leader is because of the significance of the brand recognition it carries. By working with celebrities and high-level athletes, the Nike brand is considered highly regarded compared to other name brands. One of the company's most influential partnerships was with Michael Jordan, as it gave the brand immense popularity and generated billions in revenue. Other notable partnerships include LeBron James, Cristiano Ronaldo, and Tiger Woods. Nike has also endorsed celebrities such as Travis Scott regarding sneaker collaboration. Nike's footwear revenue accounts for about 64% of total revenues. The swoosh symbol is another way the brand has maintained its status. The globally recognized Nike Swoosh became essential to the company's branding and success. It is a financially

valuable brand symbol, with an estimated worth of \$26 billion.

When observing the category that Nike is in, it is imperative to understand and be able to navigate the retail landscape. The category trends in athletic wear have evolved rapidly over the recent years. An essential aspect of the brand's market strategy is because of the strong ability to navigate various retail environments. Online sales have become increasingly prominent, demonstrating the always-evolving consumer preferences in an ongoing digital age. In [Patrick Wong \(2023\)](#), it states that "over the years Nike has accelerated its digital transformation by expanding its global supply chain and making 'significant investments in digital technologies and information systems' to power D2C e-commerce." D2C means direct-to-consumer, a business model or strategy directly selling products to consumers without relying on intermediaries. Because of its D2C strategy, Nike aimed to increase digital penetration by about 30% by 2023. In 2020, Nike brought about the Consumer Direct Acceleration, involving multiple initiatives. The first was to create the "connected digital marketplace of the future, which focuses on developing a premium and seamless brand experience wherever customers shop." The second initiative is to operate under a more direct consumer construct of categories since Nike's consumers are a range of diverse individuals and not one specific group. This broadening of categories also allows Nike to create products with greater specialization. The third is to invest in different technological foundations to speed up digital transformation. Nike maintains three e-commerce growth tactics. The first tactic is Investing in Key Technologies by utilizing predictive analytics, computer vision, and data integration. Nike obtained the data analytics Zodiak in 2018, which uses transaction logs to predict the behavior of individual customers and segments. The company also acquired Invertex Ltd. in 2018 and Datalogue in 2021. Datalogue assists in integrating data from different places into an easily accessible platform. The second tactic is to build a headless commerce platform by investing in custom software to make an e-commerce platform that runs on headless commerce, microservices, and cloud-native technology. The company has focused on many aspects of technology and realized it was a strategic priority to shift its focus on basing a lot of its retail and decisions on improving its technological foundations. These changes led to an increase in scale, speed, and stability. The third tactic was strengthening the supply chain, as most products are sold directly to consumers through Nike-owned digital platforms, retail stores, independent distributors, and more. As far as employees are concerned, according to Sher, the company endured an almost 8% increase in staff from 2021 to May 2022. The company maintains about 1000 retail stores worldwide.

Nike functions differently than most companies regarding manufacturing and production as they outsource to contractors in the Philippines, China, Vietnam, Indonesia. Approximately 12% of revenue is received from emerging markets as the growth in regions like Latin America, China, and India has resurged. Two examples of how Nike incorporates technology and advancements within their retail stores are demonstrated in the venues at SoHo NYC and the Grove in Los Angeles.

The combined environment highlights the brand because the dynamic retail environment allows customers to experience the Nike brand beyond its products. They can develop a sense of Nike's brand identity and values through an immersive website or store experience. Many of Nike's retail spaces have interactive displays and in-store experiences, building a sense of trust and communicating the high level and cutting-edge performance and the technology advancement it has as an industry leader. In SoHo's store lies half of a basketball court with hoops and video screens, an enclosed soccer area, and a screen in front of a treadmill to simulate the running experience. There are also customization options for clothing, sneakers, and touchscreens in almost every corner. The store encourages customers to try products and gives them a unique and exciting experience inside the Nike store. This store offers experiences that consumers can't understand online, so combining their technological advancements with their retail motivates consumers to come physically to the store. The Nike store in the Grove contains the same soccer trial area filled with turf and an impressive grand central staircase; however, the most prominent feature within the space is the artistry. There are black-painted portraits of athletes on the glass between floors and local graffiti artists painted murals to showcase the diversity.

In the landscape of athletic wear, many disruptive innovations and emerging players can significantly affect market dynamics. When focusing on identifying and analyzing potential disruptors within the category, it may be noticed that disruptions are testing the resilience of Nike's supply chain. Container shortages, transportation delays, and other issues disrupted the inventory flow in 2022. There were also government-mandated COVID-19 lockdowns in Indonesia and Vietnam, which caused inventory issues. Additionally, the use of materials has had a global impact. In an article about Disruptive Innovation at Nike, the author noted that Nike in 2006 sourced materials from 700 factories in over 50 countries, creating an enormous international supply chain with a carbon footprint of 1.36 million tons (Sony, 2007). Nike's distinct position as a top worldwide brand with substantial resources, market power, and a convoluted supply chain limits the conclusions' applicability to other firms. Nike's substantial market prominence and strong financial position—a combination that many smaller or up-and-coming businesses might not possess—allow it to make significant investments in sustainable practices and promote change across the industry. Because of this, even while the article provides insightful analysis of sustainability strategies, not all brands will be able to directly benefit from these results, particularly those who operate on a smaller scale or in different market settings. As 60% of the footprint comes from the material used to make shoes (the majority of sales) and natural resources will soon deplete, the company will have to resort to other measures. However, Nike has shown that the company is committed to reducing the effects of climate change. The company created a Materials Sustainability Index, which analyzes materials based on their environmental impact, allowing Nike to make more educated decisions. Additionally, the company partnered with the MIT

Climate CoLab, which encourages designers to submit their ideas for a sustainable product. However, Nike should be aware that consumers might not want to purchase these newer items as much as the old ones since the quality is very different.

3. Define “Who” Segmentation

Nike’s strategic positioning within athletic footwear and apparel is based on the understanding of its target group of consumers. The “Why” behind consumer choices lies in evaluating and understanding their need states, which are affected by a myriad of factors ranging from lifestyle preferences to performance expectations. Nike’s segmentation strategy encompasses an extensive range of consumers with distinct needs and demographic factors that mold their preferences. Such factors, including age, gender, race, and income levels, are crucial identifiers for Nike. Nike emphasizes lifestyle and performative products to cater to fashionable teenagers and fitness-conscious adults. Additionally, geographical assessments and cultural nuances also have an essential role in determining the appeal of Nike products. Nike’s segmentation involves four categories: demographic, geographic, behavioral, and psychographic. The demographic segmentation concerns different age groups (typically between 15 and 60 years old), genders (men, women, and kids), financial status, and involvement in athletics. Regarding the geographical segmentation, Nike acknowledges that each country has diverse lifestyles and cultures. The company produces different products that meet each country’s consumer needs. Additionally, the advertisements in each country vary since sports popularity varies in other regions, and there are differences between international locations versus urban areas. The psychographic segment is the most important of the four as it covers diverse interests and caters to individual needs. This allows Nike to explore the preferences of every customer. This segmentation addresses all consumers’ lifestyles, personalities, activities, opinions, and interests. Lastly, Nike’s behavioral segmentation focuses on providing benefits to customers through apparel. The company creates versions of products to satisfy individual customer desires and builds engagement by offering a distinct product. Nike builds customer loyalty and continuous purchase frequency through the community in which they surround their customers with a personal experience. Nike is focused on strategically positioning its brand as a market leader for sports equipment and wear that provides advanced and innovative premium technology. The swoosh logo generates a lot of the recognition that comes to Nike. People who wear the Nike logo want to be recognized for their high performance or stylish sportswear. The “Just Do It” slogan aligns with the mentality of aiming for quality and innovation and a brand that embodies achievement and success. Lastly, the promotional initiatives and collaboration with the achievements of great athletes generate the high level and quality status Nike has gained over the years. By developing this appeal, having a trend-following fashion sense, and a personalized experience, Nike attracts individuals who strive for the best athletic wear.

The category’s pricing strategy principles are value-based pricing, segmentation,

and dynamic pricing. Firstly, the pricing of Nike products is based on the perceived value they offer consumers. This is aligned with the premium association of the brand. It is known for being high quality, trustworthy, and having cutting-edge technology and style. Secondly, Nike involves segmentation to address different customer segments. The brand is available to premium and mass market segments, offering various products at various price points. This allows Nike to have a diverse consumer base. Finally, dynamic pricing allows flexibility in adjusting prices based on different factors. This depends on demand, location, and product availability. Using a dynamic approach helps Nike remain competitive and responsive to changes in the market. The price relative to competitors is justified because of the premium name of the brand and the perception of Nike. It is often considered better than other sports apparel stores because of the consumer perception of the brand. Consumers will pay a high price if they know they receive a premium brand with aspirational values. Furthermore, Nike's innovation and technological advancements add to the pricing because it elevates performance. The marketing campaigns, consumer engagement, and retail environment add to consumers' overall emotional connection with the brand, gaining loyalty.

Assessing Nike's strengths, weaknesses, and threats is essential to understand their performance in the market. S. K. Gupta provides insight into Nike's SWOT analysis for the year 2023. Nike has some of the most influential strengths in their industry. They maintain a substantial brand value and a large customer base, aim for sustainability, and partner with influential athletes and celebrities. The manufacturing costs are significantly low since footwear is manufactured in foreign countries; in the fiscal year 2022, Vietnam produced 44%, Indonesia 30%, and China 20%. Additionally, Nike's marketing campaigns have been highly successful compared to other sports apparel advertisements. In 2022 and 2023, Nike spent \$3.8 billion and \$4.06 billion on ads, respectively. Nike is also a market leader in terms of market share in the footwear industry, as the company has taken control of about 39% of the worldwide athletic footwear market and 13% of the worldwide athletic apparel market. However, while Nike has many strengths, the company also faces many weaknesses. Although Nike is a profitable company, it faces many financial threats. Inspecting their balance sheets shows that Nike's total long-term debt is approximately \$11.7 billion, according to the Wall Street Journal Market data. The company has also undergone many recent lawsuits based on discrimination, toxic company culture, sexual harassment, and violation of the Equal Pay Act. Another weakness is that Nike depends exceptionally on North America, especially the United States Market. Most of Nike's revenue and sales come from the U.S. market. In the fiscal year of 2022, about 41% of Nike's sales were from North America. While the company gained attraction from customers and an increase in popularity globally, it still depends on the United States for any substantial growth. Nike also faces many threats, such as increased counterfeit products, functioning foreign exchange rates, and patent disputes against companies like Adidas and Lululemon. The company is facing increased competitive pressure as

there are continuously new emerging brands. With the higher competition ratio, Nike has to spend more money on products and advertising to overpower other brands. There are also issues in the supply chain as a surge in theft crimes has occurred. According to the National Retail Foundation, with an approximate cost of \$95 billion, retail theft is becoming an increasingly significant problem in the United States.

4. Product Brand/Value Proposition

A global dominator in athletic apparel and footwear, Nike presents a product portfolio that transcends simple merchandise and encapsulates a distinctive value proposition that resonates with consumers worldwide. Known for cutting-edge technological innovations and stylish designs, Nike's products symbolize performance and style. The fusion of function and fashion forms the foundation of Nike's brand identity and emphasizes its commitment to empowering individuals to reach their full athletic potential. Former Nike CEO Phil Knight responds to the change in Nike's perspective of themselves in an interview with Harvard Business Review as he states, "For years, we thought of ourselves as a production-oriented company, meaning we put all our emphasis on designing and manufacturing the product. But now we understand that the most important thing we do is market the product. We've come around to saying that Nike is a marketing-oriented company, and the product is our most important marketing tool... We used to think that everything started in the lab. Now we realize that everything spins off the consumer. And while technology is still important, the consumer has to lead innovation. We have to innovate for a specific reason, and that reason comes from the market." Beyond its tangible products, Nike's brand purpose is meant to serve as a way to resonate deeply with consumers on a motivational level. The "Why" of Nike is entrenched in their relentless pursuit of excellence and the belief that everyone is an athlete capable of pushing boundaries. Knight further delves into excellence and how Nike discovered what its purpose was. "We were missing an immense group. We understood our 'core consumers,' the athletes who were performing at the highest level of the sport. We saw them as being at the top of a pyramid, with weekend jocks in the middle of the pyramid, and everybody else who wore athletic shoes at the bottom. Even though about 60% of our product is bought by people who don't use it for the actual sport, everything we did was aimed at the top. We said, if we get the people at the top, we'll get the others because they'll know that the shoe can perform." He states that positioning Nike as an achieving brand was a catalyst for inspiration and empowerment. By delving into the nuances of how Nike's brand purpose influences consumer perceptions, loyalty, and the emotional connection that extends beyond the transactional nature of a typical consumer-brand relationship, it will explain how Nike has framed itself as a high-achieving athletic company and been considered of elevated status for such an extended period. Knight expands on how Nike connected consumers with the brand and how the company influenced their decisions in the market.

“Understanding the consumer is just part of good marketing. You also have to understand the brand. That’s really the lesson we learned from casual shoes. That whole experience forced us to define what the Nike brand really meant, and it taught us the importance of focus. Without focus, the whole brand is at risk. Just because you have the best athletes in the world and a stripe everybody recognizes doesn’t mean you can take that trademark to the ends of the earth. The ends of the earth might be right off that ledge!... Ultimately, we determined that we wanted Nike to be the world’s best sports and fitness company and the Nike brand to represent sports and fitness activities. Once you say that, you have focus, and you can automatically rule out certain options.”

Nike’s value proposition is distinguished by its brand benefits that stand out in the competitive landscape. According to Yahoo Finance, Nike reported \$13.39 billion in revenue for the quarter ending November 2023 earnings, which shows a year-over-year increase of 0.6%. Earnings per share are \$1.03 compared to \$.85 a year ago. Additionally, Nike outranked Adidas in terms of the American customer satisfaction index score of 81 for its athletic shoes in 2022. The company has made groundbreaking innovations such as Nike Air and Dri-FIT technology to sustainable initiatives. Nike Air technology emerged in the late 1970s as a revolutionary running shoe. It consisted of pressurized air inside a solid yet flexible bag, providing more flexibility and spring without hurting the structure. This was just the beginning of Nike’s innovative journey. Soon, they came out with Dri-FIT, a creative and “unique high-performance microfiber construction that supports the body’s natural cooling system by wicking away sweat and dispersing it across the fabric’s surface to evaporate faster.” After the Dri-FIT technology came out, there was an increase in concern for athletes and consumers about climate change’s relationship to the manufacturing of athletic apparel. After observing the comments above, Nike developed Forward. Forward is an innovation as a substitute for fleece, which doesn’t involve the traditional knit and woven processes. In a press release, the company said, “Nike Forward revolutionizes apparel creation by hacking punch-needle machines to make premium, sustainability-minded products.” The company spent years researching and trying to develop Forward as they tried to find a new material that would be more sustainable and better for the earth. Nike Forward makes fiber directly through needle-punch instead of the usual multistep process. The simplification means less energy consumption is used, contributing to an “average of 75% reduction in the carbon footprint for this first generation material compared to traditional knit fleece...and the finished product is 70% recycled content by weight.” This new material will drastically reduce their carbon footprint. Forward embodies Nike’s commitment to meeting the performance requirements of athletes while simultaneously addressing their apprehensions regarding sustainability and environmental impact.

A critical aspect of Nike’s market presence is determined by the emotional and performance-related equity it has cultivated over the years. According to the database Statistica, about 43% of sports and outdoor online shoppers in the United States claim they are likely to use Nike again. When set to the 48% usage share of

the brand, it translates that about 90% of their customers show loyalty to the brand. Nike's products are seen as tools that empower individuals to perform at their best. Beyond performance, customers hire Nike for self-expression and style. The brand is associated with transformation and trendsetting designs, allowing customers to share their identity and fashion choices. Nike's marketing brand strategy is potent in that it inspires customer loyalty from people worldwide. Nike uses the story of the typical hero as it focuses on an internal enemy, laziness, or whatever stops individuals from reaching their full potential and shows how Nike can assist someone in overcoming their battles. By putting on a Nike product, individuals will go beyond what they think is possible and "Just Do It." By using this emotional marketing, it inspires absolute customer loyalty. Fueling Nike's appeal, their marketing strategy illuminates why so many people choose Nike as a brand over others. Their innovation revolves around a dynamic combination of technology, design excellence, and an intricate understanding of consumer preferences and market trends. Nike anticipates consumer wants by integrating innovation into their products like Nike Air and Dri-FIT. Also, listening to consumers about sustainability and acting on it justifies their sense of community building. The company's ability to deliver emotional experiences along with products and its adaptability to changing trends gives Nike a competitive edge.

5. Consumer Relation to Brand

Nike's approach to mass communication plays a pivotal role in shaping consumer perceptions of the brand and driving loyalty to the brand. Nike strategically circulates its brand messages through various channels, such as television, print, and digital platforms. Nike's accounts on social media platforms garner millions of followers and observers throughout, with Instagram holding the most at 306 million as of December of 2023. According to a report by [Katarzyna Dereń \(2024\)](#), it is noted in February of 2023, on Instagram—when the account had 196 million, the average amount of reactions to the profile was 234 thousand likes and 5.7 thousand comments resulting for a 0.12% average engagement. For Twitter, the average number of retweets was 1.9 thousand, resulting in a 0.13% average engagement. Twitter and Instagram generate the most interaction with consumers for Nike, and social media is one of the best ways Nike can communicate with many customers. The company has also created many different and successful advertising campaigns as a way to communicate. Some notable ones include Nike: How We Do (attempts to encourage young people to overcome obstacles in sports, showing the sport should fit them, not vice versa), Nike: Play New (meant for ordinary people with motivation—a significant number of Nike's customer base, strengthening the bond between the brand and the customer even more), and Nike Air Jordan and Facebook Messenger Bot Collaboration (utilized social media to assist Nike create new ways to incorporate their products into the lives of their customers). Additionally, understanding Nike's assets involves assessing owned, earned, and paid media, which is essential. The owned assets, like the

official website and social media platforms, are crucial for consumer engagement. Earned media, such as customer reviews, shares, and press coverage, reflect the brand's reach. Paid media, sponsored content, and advertising show the investments made to emphasize the brand's purpose and visibility. According to Statista, in October 2023, nike.com was visited by users over 150 million times. When compared to September 2023, there was a 10 million user increase.

The visual and physical aspects of Nike's packaging and product design are a significant part of the consumer experience. Nike is constantly changing designs and products to keep up with consumer preferences, and they are incredibly gifted at adapting to them. By utilizing its advanced technology, the company can remain ahead of other companies for now by using 3D product configurators. The digital tool allows customers to customize their product's features (style, color, materials). The options for customization are extensive in Nike By You. Using 3D product configurators, Nike continues creating a personalized relationship between its consumers and products. However, as more and more corporations enter the industry with similar levels of technology, Nike will have to find new ways to stay ahead.

The company's public relations efforts are essential in shaping the brand's narrative and managing its image. This covers crisis management, strategic partnerships, and social responsibility initiatives. According to Statista, Nike invests billions of dollars a year in public relations. A notable public relations act associated with women was in 1995 in their "If You Let Me Play" campaign, which encouraged daughters to play sports. They continued targeting women over the years (Nike is known for targeting specific audiences), which resulted in women making up about 20% of Nike's global revenue, according to Statista. Nike also uses public relations to establish loyalty with their customers. One of their most famous campaigns was the 2018 "Dream Crazy," featuring Colin Kaepernick. Through 2016, Kaepernick protested police brutality against black Americans and ended up losing his position with the NFL. In 2018, he partnered with Nike, creating the famous tagline "Believe in something. Even if it means sacrificing everything." Nike kept Kaepernick after the controversy because he appealed to the demographic Nike wanted to target: urban youth. While many people boycotted the ad, "Dream Crazy" resulted in Nike's stock adding \$6 billion of value to Nike's brand and boosting sales by 31%, according to [Globe Media Group \(2022\)](#). More people want brands focused on current events and issues, and Nike's primary purchasers were the demographic they targeted. According to The National Retail Federation, 74% of people's purchases during that time would be affected by how companies responded to Black Lives Matter. A public relations crisis management that Nike endured was when Duke University basketballer Zion Williamson's Nike show burst on live television. The unfavorable portrayal was incongruent with the brand identity of a company committed to top-tier sports apparel. Despite facing criticism for a delayed reaction, Nike successfully navigated the situation by conducting meticulous research to pinpoint the shortcomings. The Nike team subsequently

provided Williamson with enhanced and more proficient footwear, prompting him to express gratitude publicly.

6. Literature Review

By reviewing the amount of research on market segmentation tactics, sportswear industry innovation, sustainability in branding, and the effect of social responsibility on brand perception. In order to find trends, gaps, and areas that warrant more investigation, this evaluation will examine how these ideas have been examined in relation to Nike and other brands that are comparable.

6.1. Adaptation to Consumer Trends

Studies on brand adaptation frequently emphasize how crucial it is to be flexible and sensitive to changing consumer demands. Several studies have looked at how companies in a variety of sectors, especially fashion and sportswear, need to change all the time to satisfy customers who are more and more influenced by social media, trends, and technology improvements. The literature regularly references Nike's adaptation tactics as a standard for other companies. For example, it is well known for its capacity to incorporate new technology into marketing campaigns and product offers, such as through individualized customer experiences and digital platforms (Zhang & Kim, 2019). Still, there's more research to be done on how Nike particularly designs its adaptation tactics for various international markets.

6.2. Innovation in the Sportswear Industry

In the sportswear sector, innovation is essential to preserving competitiveness. Research has examined how well-known companies like Nike spend money on R&D to produce innovative goods that satisfy customers' expectations for both functionality and style. Examples that are frequently cited in the literature are Nike's Flyknit technology and the advancement of eco-friendly materials (Caniato et al., 2012). Product innovation is focused on aligning with wider consumer ideals, such sustainability, as well as improving performance. Despite the extensive documentation of Nike's innovation endeavors, extant literature indicates that further investigation is imperative to appraise the enduring consequences of these breakthroughs on consumer allegiance and brand value.

6.3. Sustainability in Branding

The prominence of sustainability in branding has grown, especially with the growing environmental consciousness of customers. Nike's efforts, including its Move to Zero campaign, are frequently cited in the literature on sustainable branding as examples of how big businesses may shift to more environmentally friendly operations without sacrificing profits (Huynh, 2023). Nevertheless, some criticisms in the literature cast doubt on the breadth and sincerity of these sustainability initiatives, arguing that additional empirical study is required to assess whether or not

these programs are really having a positive environmental impact and aren't just promotional tools.

6.4. Impact of Social Responsibility on Brand Perception

The impact of corporate social responsibility (CSR) on brand perception is a well-researched topic, with Nike frequently cited as a key example. Studies have shown that Nike's involvement in social causes, such as its support for racial equality and gender diversity, has significantly influenced consumer perceptions and brand loyalty (Rasmussen, 2021). However, the literature also indicates a need for more nuanced research into how different demographic groups perceive these CSR initiatives, as well as how these perceptions translate into actual consumer behavior.

6.5. Conclusion

The existing literature provides a comprehensive overview of Nike's strategies in adapting to consumer trends, driving innovation, promoting sustainability, segmenting markets, and engaging in social responsibility. However, there are still gaps that warrant further research, particularly in understanding the global applicability of these strategies, the long-term impact of sustainability initiatives, and the effectiveness of market segmentation in diverse cultural contexts. Future studies could also explore the authenticity and consumer reception of Nike's CSR efforts, as well as the role of digital transformation in shaping the brand's future trajectory. By addressing these gaps, researchers can contribute to a deeper understanding of how global brands like Nike can navigate the complexities of a rapidly changing market environment.

7. Methodology Section

The study provides a thorough examination of Nike's brand adaption to new consumer trends by utilizing a combination of primary and secondary data sources. The writers' personal observations and understandings from studying Nike's new releases, marketing plans, and customer involvement techniques are included in the primary data. Secondary data on branding, consumer behavior, and the sportswear business is gathered from credible websites, industry publications, academic journals, and published books.

7.1. Data Sources

1) Primary Data: The author closely examined Nike's product launches, marketing initiatives, and user reviews on a range of media. This entails keeping an eye on Nike's official platforms, including their website, social media pages, and commercials. To get firsthand knowledge of Nike's brand perception and strategy, the writers may have also held casual conversations with customers or industry insiders.

2) Secondary Data:

a) Published publications and Journals: The study draws on academic writings

and publications on consumer trends, brand management, and innovation in the sportswear sector.

b) Industry Reports: Competitive positioning, consumer demographics, and Nike's market performance are all quantified in reports from industry analysts and market research agencies.

c) Websites: Current information about Nike's latest projects, product launches, and CSR efforts is gathered from reliable websites and news sources.

7.2. Data Collection and Analysis

Thematic Analysis: Using this method, the writers were able to methodically examine how Nike adjusts to market trends by finding recurrent themes in the data they had gathered. To comprehend how each topic influenced Nike's brand strategy and market positioning, a thorough examination of each theme was conducted.

7.3. Ensuring Trustworthiness

1) Triangulation: By using a variety of data sources (books, journals, reports, and websites), the findings were more thoroughly investigated and the conclusions were backed by a range of evidence rather than just one.

2) Credibility of Sources: Reputable and authoritative sources provided secondary data that the writers carefully chosen. Peer-reviewed publications were considered the best source for intellectual insights. Reputable market research organizations provided industry reports, and reliable websites were the only sources of up-to-date information.

3) Peer Review: In order to verify accuracy even more, the study has gone through a peer review procedure wherein other.

4) Peer Review: The research went through a peer review procedure, wherein additional subject-matter experts examined the methodology and conclusions of the paper before it was published, to further assure correctness.

8. Recommendations/Conclusion

Focusing on digital expansion is imperative to drive growth in the next 2 - 3 years. Strengthening the e-commerce platform, investing in a more seamless online experience, and maximizing data analytics for personalized marketing can enhance customer engagement. Technology is constantly changing and advancing, and as more and more companies enter the market, Nike needs to continue to grow its leadership in the technology sector of sportswear. Nike can incorporate augmented reality features for virtual product try-ons and extend its reach by delving into products with wearable technology that monitors physical activities. Combining technology with athletic wear can be beneficial, as much of the fashion industry has yet to experiment with fabrics and technology. Additionally, Nike can invest in small companies or startups to expand online sales, such as Celect, a predictive analytics platform it acquired to predict customers' purchasing behavior.

In response to the increasing concern and emphasis on sustainable practices, Nike can continue to drive growth by continuing its commitment to eco-friendly initiatives. By incorporating sustainable materials in product design and packaging, Nike can increase sales by communicating to their audience and customers about their focus and environmental efforts. Suppose they establish clear sustainability goals, such as reducing water usage and their carbon footprint. In that case, Nike's brand purpose can reach environmentally conscious consumers and place Nike as a leader in responsible corporate practices.

Nike can also collaborate with local communities and strengthen its connections with ordinary people instead of athletes and celebrities. Investing in sports programs or sponsoring local events can significantly impact individuals and make authentic connections with consumers. Combining the brand into the foundations of local communities will allow Nike to create a sense of belonging and loyalty.

Finally, optimizing the supply chain is necessary for Nike's growth. If Nike can implement advanced technologies like artificial intelligence to drive demand forecasting and robotics in distribution centers, this will ensure quick product delivery and reduce risks associated with disruptions. An efficient and flexible supply chain will allow Nike to quickly adjust to shifts in the market, resulting in shortened lead times and allowing the company to meet consumer demands with accuracy.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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