

Nike Strategic Positioning Report

Andrew Meeks, Nate Wright, Jorden Bajnath

Kennesaw State University

Principles of Marketing

Brian Rutherford, Ph.D.

Overview of Nike

Nike is world known company, as we're sure you've heard of them. They lead in athletic footwear, athletic clothing, accessories, and more! Nike was founded in 1964 originally known as "Blue Ribbon Sports", but the name Nike was taken on in 1971. The name Nike was inspired by the Goddess of Victory from Greek times. Based in Beaverton, Oregon, Nike currently operates in over 170 countries with roughly 1,000 retail stores globally". Nike currently has approximately 83,000 employees working to distribute product. This is spread out throughout owned retail stores, online shopping, and third-party retailers.

Purpose of Nike

Nike's purpose is to deliver performance and inspiration to athletes around the world by innovating, empowering, and supporting individuals through their chosen sports. This mission extends beyond athletics, as the company strives to push boundaries in technology, style, and sustainability. Nike's direction is anchored by two core statements: its mission and vision. The mission statement— "To bring inspiration and innovation to every athlete in the world" (with the added belief that "if you have a body, you're an athlete")—emphasizes inclusivity and advancement. The vision statement— "To remain the most authentic, connected, and distinctive brand"—highlights Nike's focus on identity, community, and originality (Nike, 2023). Together, these statements define Nike's approach to product development, marketing, and social impact. They serve as a strategic foundation that reinforces Nike's role as a leading force in both the cultural and athletic spheres.

NIKE SWOT Analysis

SWOT Matrix

Strengths	Weaknesses
<ul style="list-style-type: none"> • Global brand leadership—named world’s most valuable fashion brand in 2023 (Forbes, 2023). • Nike Direct sales reached \$21.3 b in FY2023, growing 14% YoY (PYMNTS, 2023; Nike, 2023). • Strong sustainability performance: 96% renewable energy usage and emissions reduction in FY2023 (Nike). 	<ul style="list-style-type: none"> • Inventory overstock of \$9.3 b in FY2023, leading to markdowns (Reuters, 2024). • Layoffs in 2024 disrupted operations and risked loss of institutional knowledge • DTC pivot strained wholesale relationships after cutting ~50% of retail accounts (Nike).
Opportunities	Threats
<ul style="list-style-type: none"> • Emerging markets: India footwear growth from \$17.9 b in 2024, forecast to expand. • Women’s athletic segment generates \$9 b annually and shows high potential (Nike). • Sustainability trends: global sustainable fashion market projected to \$33 b by 2030. 	<ul style="list-style-type: none"> • Intense competition from Adidas, Hoka, On, and New Balance. • Economic headwinds: Nike issued revenue guidance cuts in late 2023. • Supply chain labor issues persist (Nike).

Summary of Findings

Nike Inc.'s market leadership is built on its exceptional brand value—ranked as the world’s most valuable fashion label—and growing direct-to-consumer sales, which reached

\$21.3 billion in FY2023 (Forbes; PYMNTS). Sustainability remains a competitive advantage, with 96% renewable energy usage and emissions reduction in 2023 (Nike Impact Report). Operational challenges include \$9.3 billion in excess inventory requiring markdowns (Reuters) and workforce shifts due to 2024 layoffs, risking institutional knowledge loss. The aggressive pivot to DTC hurt wholesale relationships as Nike cut nearly half of its retail accounts (Nike Q4 Report).

Looking ahead, Nike has significant growth opportunities in emerging markets such as India—where the footwear industry is booming—and in expanding its women’s athletic lines (Nike investor data). Additionally, sustainable fashion is on the rise, with the global market expected to reach \$33 billion by 2030 (Forbes). However, intense rivalry from traditional and emerging competitors, economic uncertainty leading to revenue guidance cuts, and ongoing supply chain labor concerns pose substantial threats (Nike Q4 Report).

NIKE STP

Nike has established itself as one of the most prominent clothing brands in the world. This does not come without careful study of the market and trends. Nike is one of the best at this, as they are constantly changing and adapting to maximize their market. Nike also sticks to the basics; they use what has worked in the past and build it to ensure continued success. They do this in three ways.

Segmenting the Target Market

Firstly, is segmentation. Segmentation refers to the way they divide their priorities into the market. Nike understands their market appeals to younger people. According to recent statistics, the most popular consumers of Nike range from 9-25 followed by 26-41 ([Pereira](#)). Using this, Nike can target these audiences where they will find their content. Phones, TV, and advertising are some of the best ways to reach these audiences. Other factors include behavioral segmentation. Nike keeps track of their best-selling products and merchandise. Using this they will create more versions of the same thing to give more variety and take advantage of a product the consumers love. As mentioned, Nike is a universal brand. With this said, catering to the cultures and popular norms of the world takes a lot of diversity and effort. For example, hockey is more popular in Canada than Brazil so they may pour more money and resources into that market to maximize popularity.

Target Audiences and Market Expansion

With Nikes market being relatively young, it only makes sense that the primary targets more specific are physically active individuals. Of course, Nike has fashion merchandise, but most of their sales are on things young people would need to engage in physical activities like sports, running, and lifestyle. A potential untapped market for Nike is people who fall into the older age range as these people are generally not as active. Developing a new market to appeal to older people could be a game changer for them.

Lastly, Nike has some of the best positioning out there. They have become the first company a consumer thinks of when they think about fitness. This comes from their world renown slogans, sponsoring sports teams, and athletes' branding. Nike only continues to grow and with these three methods will continue to strive to be at the top of the market.

THE MARKETING MIX

Part One: Products/Services Offered

Brand Names and Brand Marks

Nike, Inc. is the world's leading athletic footwear, apparel, and equipment company. Its brand identity is the iconic Swoosh logo and the slogan 'Just Do It,' both of which symbolize movement and empowerment. The company's name itself is inspired by Nike, the Greek goddess of victory, reinforcing its mission to inspire athletic excellence and determination across the globe.

Types of Products Offered

Nike maintains a diversified product portfolio that consists of established brands like Nike Air, Nike SB, Nike Zoom, Jordan Brand, and Converse. Products include running shoes, basketball code and shoes, lifestyle sneakers, sports apparel, outerwear, training accessories, and footwear. The apps for the Nike Training Club and Nike Run Club provide valuable digital services for customers and opportunities for engagement.

Product Differentiation

Nike maintains product differentiation through innovative technologies like Nike Air, Flyknit, and Dri-FIT, as well as sustainability efforts under its Move to Zero initiative. Endorsements from elite athletes such as LeBron James and Serena Williams enhance the brand's credibility and global appeal. The Nike By You platform offers personalized footwear design, strengthening brand loyalty and supporting premium pricing. The company also

integrates digitalization through fitness apps, wearable tech, and AI-driven shopping recommendations, reinforcing its presence in tech-enabled retail. Sustainable innovation further sets Nike apart, as the brand uses recycled materials and promotes environmental responsibility. These combined efforts allow Nike to reach broader markets and maintain a competitive edge.

Part Two: Pricing

Premium and Segmented Pricing

Nike, Inc. uses a value-based pricing strategy that is supported through the use of premium pricing and segmented pricing strategies. Value-based pricing means that products are priced based on their perceived value; this allows Nike to apply premium pricing for limited editions and products that are influenced by elite athletes. Entry-level products are priced competitively to engage a wider audience. Nike's pricing strategy helps Nike maintain a premium brand identity while reaching and appealing to multiple market segments without sacrificing its brand identity.

Promotional and Regional Adjustments

Psychological price strategies are common as a tactic to frame affordable and value-based pricing, to have prices listed as \$129.99 instead of \$130. Discounting flagship items, such as the Jordans or exclusive collaborations with other brands, is rarely completed as Nike looks to preserve desirability and prestige. Seasonal promotions and sporadic sales usually involve less iconic product, as opposed to being framed as exclusive promotions that would be applied to flagship products. Nike is also looking to lean on dynamic regional pricing, as their pricing also tries to be based on location, consumer demand, and behavioral characteristics of consumers.

In addition, the brand takes advantage of direct-to-consumer (DTC) through Nike. com, SNKRS, and branded retail environments that enable Nike to exert some influence over pricing and to make more profit by eliminating the need for third-party retailers. The DTC model is an integral part of Nike's long-term growth strategy, coinciding with changing consumer preferences for digital shopping.

Part Three: Place

Multi-Channel Distribution

Nike's distribution strategy blends physical and digital channels to support global brand reach. The company emphasizes direct-to-consumer (DTC) platforms such as Nike-owned retail stores, Nike.com, and mobile apps like SNKRS. This model allows Nike to manage customer experience, pricing, and product presentation without relying heavily on third-party retailers.

Flagship stores in major cities such as New York and Shanghai are designed to deliver immersive brand experiences. These locations feature personalized services, interactive displays, and limited product drops to strengthen customer engagement. Nike also operates smaller stores and pop-ups to support regional demand and market testing.

Logistics and Sustainability

To support efficient delivery, Nike uses regional distribution centers and strategic logistics partnerships. These systems allow the company to offer fast shipping, including same-day and next-day service in select markets, and help reduce fulfillment costs while meeting consumer expectations. These systems allow the company to offer fast shipping, including same-day and next-day service in select markets, and help reduce fulfillment costs while meeting consumer expectations.

Selective distribution maintains product exclusivity. High-demand releases are often restricted to Nike's platforms or trusted partners, helping preserve brand prestige. Meanwhile, the company partners with major retailers to extend its controlled market presence without oversaturating availability. Sustainability is built into Nike's distribution network. The company incorporates recycled packaging and more efficient transportation methods as part of its Move to Zero initiative, reducing environmental impact while enhancing long-term operational efficiency. The company incorporates recycled packaging and more efficient transportation methods as part of its Move to Zero initiative, reducing environmental impact while enhancing long-term operational efficiency.

In summary, Nike's distribution strategy balances reach, control, and sustainability. This multi-channel model helps Nike maintain leadership while adapting to evolving customer expectations and market dynamics. This multi-channel model helps Nike maintain leadership while adapting to evolving customer expectations and market dynamics.

Part Four: Promotion

Overview of the Company's IMC

A big part of Nikes IMC is their slogan "Just Do It". It is probably one of the most recognizable slogans in all marketing. It culminates in their mission for athletes and empowerment that connects people worldwide. Nikes brand of marketing goes far beyond the usual means. They are recognized in movies, tv shows, songs, and many other media that make them unmatched to opponents. Nikes message is communicated in a very nonverbal way just as well as when it is intentionally advertised. When people see the Nike logo or hear their slogan, they think of the quality of their products as well as what they stand for.

Advertising

Nike advertises in all sorts of ways. Social media, commercials, posters, Nike does it. What makes them unique is how they partner specifically with athletes who fit their message, and sign branding deals with them. This is one of the best marketing strategies because people love athletes and when they can connect with them on an emotional level, they then connect with Nike on the same level as it becomes a part of the Nike brand. Nike also has introduced augmented reality to enhance buyers' experience when discerning between products. All these things contribute to Nikes' success when it comes to advertising.

Public Relations/Publicity

With Nike being such a large company, of course consumers care about what the company supports in terms of public relations. Obviously, you cannot please everyone, but Nike does an excellent job of keeping relations with influential figures and companies. They have gotten celebrities like Serena Williams and Lebron to support them and help them with their outreach. They donate large sums of money to different organizations and do a fantastic job of taking a stand when needed. This quality of care and showing support is a huge indicator of their success and relations.

Sales and Sales Promotions

Sales and sales promotion are two huge deals when it comes to marketing. We have covered a lot of diverse ways Nike does this. A unique campaign is their seasonal promotions. They use slogans that integrate with their original but put a seasonal twist on them. Whether that

be Christmas or Halloween, they always keep things fresh. Personalization is a huge factor as well. They are some of the best at working with customers to get exactly what they are looking for. Overall, Nike has an excellent promotion strategy and some of the best resources to do it. There is no doubt Nike will continue to change the game when it comes to promotion, and it is extremely exciting to see them grow.

SOCIAL RESPONSIBILITY AND ETHICS

Part One: The Issue

Nike is an exceptionally large and prominent company and with this comes a lot of responsibility. Nike is doing its part in combating the journey to zero carbon waste and zero waste in general with their “Move to Zero” program (Nike.com). In summary, the program focuses on diverting all their waste away from landfills by recycling and reusing materials. They have set up distinct categories within this program to ensure they are creating and disposing of products in the most environmentally safe way possible. They have made great strides in achieving their goals as well as particularly in diverting 100 percent of materials away from landfills (Nike.com).

In terms of ethics, you can say Nike has made progress when it comes to the environment and standing up for pressing causes, but what about a more recent issue? Nike has been accused of a lot of unethical acts, but one refers to wages being paid below the smallest requirement. It was reported in 2022 that more than 400,000 workers spread over 1000 companies in Karnataka were being paid below the minimum wage requirement (Ethical Consumer). Nike responded at once with a statement saying that everyone should be met by everyone. Nike is making progress,

but there are still concerns they have not done all they can when it comes to protecting people and ethics.

Part 2: The Assessment

Nike has made efforts particularly in the social responsibility category in making a difference. The “Move to Zero” program has certainly been a remarkable success. They have also branched out into other categories like equality, career growth, fostering, and expanding leadership opportunities (Nike.com). All of this is good by the assessment on ethics varies in opinions. As mentioned, wage concerns need to be addressed. Some of these concerns go all the way back to the start of the company when workers would work in unsafe conditions and get little pay as well. They have made ethical efforts, but there is room for improvement. Overall, Nikes assessment on ethics and social responsibility is clear. They have made large impacts on the community and the world with their initiatives and programs. Ethics, however, continue to raise concerns, and if Nike wants both categories to be seen positively, they need to close the gap by addressing these issues more effectively and purposefully.

PERFORMANCE AND EVALUATION

Part One: Performance

Sustained Financial Expansion

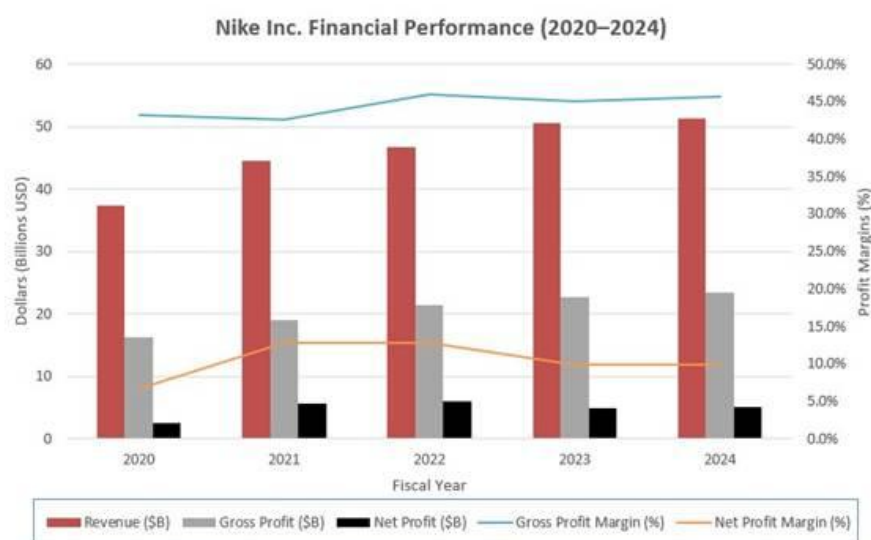
Nike Inc. has demonstrated strong financial growth over the past five years, maintaining its leadership in the global athletic apparel and footwear market. From fiscal year 2020 to 2024, the company consistently increased its revenue and remained resilient despite macroeconomic

headwinds such as supply chain disruptions and inflationary pressure. In fiscal 2024, Nike reported a revenue of approximately \$51.4 billion, up from \$37.4 billion in 2020 (Nike, 2024). Gross profit and net income also showed consistent increases over this period, reflecting sound cost management and global brand strength.

Key Profitability Metrics

Gross profit climbed from \$16.2 billion in 2020 to \$23.5 billion in 2024. Net income followed a similar trend, rising from \$2.5 billion in 2020 to \$5.1 billion in 2024. While gross profit margin fluctuated slightly due to shifts in manufacturing and logistics costs, it remained strong overall—ranging between 43.3% and 46%. Net profit margin, a key indicator of overall profitability, improved from 6.7% in 2020 to 9.9% in 2024 (WSJ, 2024). These indicators suggest Nike has been able to efficiently control operating expenses and leverage its economies of scale.

Figure 1: Nike Inc. Financial Performance (2020–2024), data sourced from SEC filings



Part Two: Evaluation

Nike's position in the global market remains strong, supported by its financial stability, innovation-driven strategy, and global brand power. The company has leveraged its direct-to-consumer model to deepen customer engagement and enhance profit margins (Statista, 2024). Its continued investment in sustainability and digital innovation has improved both operational efficiency and consumer loyalty. Nike's brand valuation, ranked among the most valuable apparel brands globally, reflects its cultural relevance and marketing strength (Forbes, 2024). Despite rising competition, Nike's diversified supply chain and scalable infrastructure position well for sustained leadership. As Nike continues to expand into emerging markets and invest in advanced technologies, its long-term competitive edge appears both durable and strategically positioned for future growth.

ADJUSTMENTS

Part One: The Issue

Profit Margin Pressure and Brand Dilution

Nike's recent financial performance has signaled concern over declining revenue and tightening profit margins. These trends directly threaten the company's ability to sustain its innovation programs, premium branding strategy, and large-scale investments in marketing and sustainability. If unchecked, shrinking margins limit Nike's capacity to fund forward-thinking initiatives like Move to Zero or continued innovation in product design and technology. The increased reliance on promotional discounts to boost short-term sales is also contributing to a dilution of the brand's prestige, which Nike has historically guarded through exclusivity and premium positioning. Addressing this issue is essential to maintaining long-term profitability,

brand equity, and the company's ability to disrupt and lead in the highly competitive global athletic market.

Part Two: Steps and Processes

1. Optimize Supply Chain and Inventory Management

Nike should implement advanced automation and analytics across its supply chain to improve demand forecasting and inventory control. This would reduce overproduction and the need for heavy discounts, protecting gross margins. Collaborating with suppliers to share cost savings—especially in sustainable materials sourcing—would further reduce costs while maintaining environmental goals. As global demand fluctuates, dynamic supply chain modeling will allow Nike to scale production smartly and avoid excessive markdowns, especially in apparel lines tied to seasonal cycles or performance trends.

2. Enhance Direct-to-Consumer Experience

Nike must strengthen its DTC channels using personalized digital tools like the SNKRS app and Nike Training Club. These platforms should offer exclusive content, early access to product releases, and localized promotions. Offering bundled gear plus app-based coaching can justify higher price points and encourage repeat engagement. Additionally, Nike can leverage user data from app interactions to drive intelligent cross-sells, limited edition drops, and loyalty incentives tailored to user behavior. This strategic move would allow Nike to boost customer lifetime value while reducing its reliance on retailer discounting.

3. Refine Marketing and Promotions Strategy

Transition away from broad discount campaigns toward targeted, data-driven promotions using push notifications, geo-targeting, and personalized offers. Nike should also expand its use of athlete-generated and micro-influencer content to maintain visibility and relevance while reducing traditional ad spend. By allocating promotional spend toward digital personalization and influencer-based outreach, Nike can reduce overall marketing expenses while improving ROI. Smart segmentation—based on app behavior, purchase history, and regional trends—would allow Nike to further tailor campaigns that resonate without discounting brand value.

4. Streamline Product Catalog

Nike should evaluate its catalog to eliminate low-performing SKUs and focus on high-margin products. This would optimize marketing spend and operational focus. Excess inventory could be redirected through outlet channels in a brand-safe, transparent way that prevents brand equity erosion. An executive oversight committee—pulling from Supply Chain, Finance, Marketing, and Analytics—should coordinate implementation and report quarterly using a live dashboard. KPIs should include gross margin %, markdown %, DTC order volume, and SKU efficiency. Running test markets in North America before broader rollout would reduce risk and ensure the strategy is validated before global implementation.

Part Three: Determining Success

Key Metrics for Financial and Operational Impact

Success will be measured by restoring the gross margin to 44–46% and improving the net margin to 10–12%. Operationally, Nike should see improved inventory turns, reduced reliance on markdowns (target <7%), and higher average order values driven by bundle sales. In the DTC space, Nike should aim for 45–50% of total revenue to come from direct channels, with


improved app engagement (weekly active users, personalized feature use, and Nike.com conversions). Performance will be monitored through quarterly operations reviews and real-time dashboards. Annual financial updates and consumer sentiment data will round out the evaluation to ensure alignment with brand value and long-term market leadership.

Appendix


The following visual mockup supports Nike's strategy by illustrating a bundled product concept aimed at increasing average order value while reducing dependence on discounting. It also reflects Nike's potential use of digital platforms and app-based exclusives to deliver personalized; high-margin offers.

Figure 1: Premium Bundle Promotion – Nike Training Club DTC Strategy


NIKE TRAINING BUNDLE



Metcon 9



Dri-FIT Shirt



1-Month

\$189
Bundled cost

\$230
If purchased separately

**Increased AOV
Customer Loyalty**

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