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Assessment 2 – Individual report

A Portfolio on Brand Extension: Nike

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1. Introduction



Figure 1. Nike shoe

Source- (Nike, 2024)

1.1 Overview of the Nike

Nike Inc. is the world's leading company in the fields of athletic shoes, apparel, and accessories. Its origin dates back to the year 1964 when it was initially known as Blue Ribbon Sports, which changed its name to Nike in 1971 year and is located in Beaverton, Oregon (Nike, 2024). Nike is engaged in designing and selling, manufacturing, and marketing products such as sporting footwear, sportswear, and accessories. Nike Air Max, Air Jordan, and Nike Pro are some of the famous product lines through which Nike brand has gained popularity among athletes and consumers internationally. Nike's business strategy rests on the pillars of innovation, performance, as well as inspiration. The highly recognizable symbol of the world is a swoosh, combined with the encouraging phrase of 'Just do it' (Nike, 2024). Nike's connections with the premium athletes and sports teams contribute to establishing its all-rounder image.

1.2 Purpose of Report

The purpose of this report is to provide information on Nike's position within the international market, in terms of its business model, branding, and competitive advantage will be profiled (Nike, 2024). It will analyse how Nike has been able to uphold its position as the market leader in the sportswear sector and how the company has been innovative, digital, as well as environmentally conscious. The main idea of the research is to find out the mechanisms that Nike is based on to maintain a high level of sales and its capacity to respond to the constant changes of the market (Nike, 2024).

2. Analysing the Brand Extension

2.1 Purpose

Nike's proposed brand extension includes Nike Wellness, the new product and service line focused on corrosion health and fitness (Nia, 2023). It could, however be noted that this extension isn't necessarily linked with athletic performance and sportswear, which is Nike's specialty; but it brings attention to another aspect of fitness, not merely in body but also in mind. Nike's wellness collection would include wellness-related apparel such as recovery wear, comfortable wear, foam rollers, muscle massage machines, healthy tea, and nutritional supplements (Jinlin Gan, 2024). There would be installed a specific zone or an application for guided meditative practice, yoga, breath work, stress relievers, and sleep enhancement programs developed together with health and fitness specialists and athletes. Conceptually, this extension fits Nike's brand ethos quite well, innovation, and power for personal development. Nike brand's motto 'Just Do It' has always been a phrase related to challenging oneself. Nike Wellness continues from this point and complements it with the idea that greatness also means rest, clarity, and the ability to regain strength (Nia, 2023). However, Nike has extended its advertising scope to encompass the wide range of all human needs, and the support of athletic and physical well-being contributes to further attractive messages and the empowerment of its audience in more substantial, ordinary ways.

2.2 Alignment with the existing brand values and market position

Nike Wellness also complies with current trends in the market. We have witnessed that consumers pay keen interest to their health and general wellness, creating a market worth over \$ 5 trillion for wellness products and services (Jinlin Gan, 2024). Currently, people require a holistic health solution that includes both their fitness as well as their mental health, preferably for individuals from the millennial and generation Z (Jinlin Gan, 2024). It satisfies a lacuna that up until now, few athletic brands are covering affordable, integrated wellness support from a performance viewpoint.

2.3 Adding value to the brand, fills a market gap, or meets an emerging need

This is part of Nike's smart strategy, as Nike Wellness not only adds new types of products to the company's line of footwear but also lets the brand connect with consumers on a different level. It offers new occasions in the daily lives of consumers,

in a workout, relaxation, or when they are going to sleep (Nia, 2023). This also enhances brand association, hence customer loyalty, and attracts new customers who may not be athletes but need to live healthy lives.

3. STP Analysis for Nike Wellness – Brand Extension

The STP analysis will map out a clear strategy of how this new line should be introduced on the market (Goldsmith, 2024).

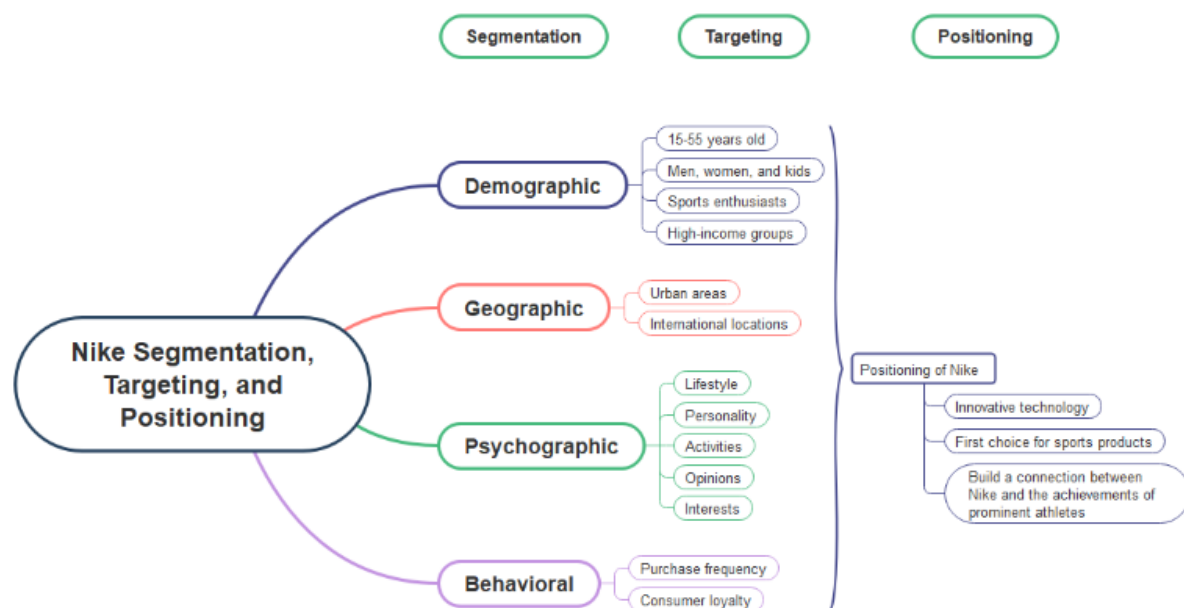


Figure 1. Nike market segmentation, targeting, and Positioning

Source- (Edrawmind, 2024)

3.1 Segmentation

Nike Wellness' market segmentation criteria are demographic, geographic, psychographic, and behaviouristic.

Demographic: Nike Wellness is targeted to be specific on people within the age of 15 to 55 years with no gender bias. That is, it comprises young working people, students who are active sportspersons or athletes, and health-conscious abdominals or individuals who engage in physical exercises to improve their bodily features (Goldsmith, 2024). They are dynamic, knowledgeable and most times; are in a quest of ways to improve their standard living through' the products they use.

Location/ territorial: The major emphasis and operations will be in the NA region, WE, and selected APA regions. This is especially true in these parts of the world also exhibit increased health conscious, better off in terms of personal per capita income and are savvy when it comes to wellness technology (Wells, 2021). Lifestyle brands also primarily target urban markets because cities set trends, thus making them suitable markets of initial penetration.

Psychographic: These are persons with perceived fitness and Wellness being a part of themselves. They are conscious of their well-being and always aim at optimizing the performance, while at the same time, they attend to their well-being (Goldsmith, 2024). That is why the presentation of Nike will easily fit in this audience; the audience believes in innovation, being mindful of oneself, and being an improved version of who you were yesterday.

Behavioural: It will cater for those early consumers in health tech and frequent users of fitness and meditative apps as well as Nike's loyal consumers. These consumers are looking for value-added services and preferably tracking, specific programs, and compatibility with wearables (Wells, 2021).

3.2 Targeting

Nike's market is the male and female individuals of the ages 15 to 55 years for primarily middle to high-end income earners (Edrawmind, 2024). This segment consists of students, youths, working professionals especially networking and technology related personnel, effective trainers, and other people who engage in almost every form of activity as this carriage is for the active people with fashion consciousness and whom the appearance matters and prefer both fashion like an attire for personalities and comfort in passion like sports and training activities (Boardmix, 2024). These people even wear sportswear as casual wear and mix elements of sports and fitness with those, that are fashionable. Such people may be undergoing their university education or holding responsible professional jobs in the vibrancy of today's urban centres. Nike has used a focused targeting strategy of subdividing the Market according to each different Nike brand including Nike Running, Nike Training Nike Sportswear and Nike Jordan (Edrawmind, 2024). The given approach helps Nike to create a strong and close association with the target consumer base and offer solutions for different

requirements, encourage the development of novelties, and strengthen the well-established concept of a sports lifestyle company.

3.3 Positioning

Positioning Statement: As for Nike Wellness, athletes, as well as those who are conscious about their health and well-being, can discover intelligent equipment for recovery and diet that are backed by science and can assist in one's fitness journey, whether on the field or not, all facilitated with Nike's innovation and reliability (Edrawmind, 2024).

Competitive Differentiation: In particular, it can be noted that Nike Wellness combines a large number of features for users and is not limited to certain segments like WHOOP, Headspace, or Thera body (Boardmix, 2024). Supported by Nike's power of performance and sports, this extension throws out not only individual implements but a wholesome way of living.

4. Analyzing Customer Personal Profile – Nike Wellness

4.1 Demographic Overview:



Name: Jack Thomas

Age: 28

Gender: Male

Income: €55,000 annually

Occupation: Marketing Executive

Education: Bachelor's Degree in Business Administration

Location: Manchester, United Kingdom

4.2 Psychographic Overview:

Jack is a highly active guy, a young man, who has an active job and a very active social life in a big city. He works a full-time job as a creative and in his leisure, he exercises, plays football, or goes for outdoor activities. He has a high occupational, self-actual and fashion awareness (Lethinjabulo Mngadi, 2020). Jack is fashionable and combines sporty and casual clothing in his everyday wearing. He also has more accounts on social networks, where he watches athletes and other role models; In addition, he often uses the Internet to buy the latest equipment. Jack also stands as an inspired Nike consumer on account of performance quality as well as associational quality that he finds suitable to his values as a motivated, resilient and self-optimizing individual. He gets attracted to campaigns that are a call to diversity, to women's and others' emancipation, and to the protection of the environment (Lethinjabulo Mngadi, 2020). His goal is to live a healthy and active life, on a daily striving to improve oneself in physical, professional as well as mental levels. That is why Nike 'Just Do It' phrase perfectly suits his approach to life.

5. Analysing Marketing Mix Strategy 7P's

Nike – the world's leading athletic shoe and apparel maker needs no introduction, and it has relied on a marketing mix strategy to create Nike Wellness.

Using the internet to vary the marketing mix						
Product • Quality • Image • Branding • Features • Variants • Mix • Support • Customer service • Use occasion • Availability • Warranties	Promotion • Marketing communications • Personal promotion • Sales promotion • PR • Branding • Direct marketing	Price • Positioning • List • Discounts • Credit • Payment methods • Free or value-added elements	Place • Trade channels • Sales support • Channel number • Segmented channels	People • Individuals on marketing activities • Individuals on customer contact • Recruitment • Culture/ image • Training and skills • Remuneration	Process • Customer focus • Business-led • IT-supported • Design features • Research and development	Physical evidence • Sales/staff contact experience of brand • Product packaging • Online experience

Figure 3. Market mix strategy

Source- (Li, 2023)

5.1 Product

Nike Wellness is Nike's health and fitness cluster that encompasses the company's line of services and commodities related to do with human physique and the mind. Continuing with the product line, it presents smart recovery wearables, various guided mobile applications offering meditation and wellness, functional nutritional supplements, as well as compression wear, and sleepwear (SINGH, 2021). As usual, all products are equipped with Nike's innovation, appealing design, and characteristics related to sports. Besides, the digital services offer personal wellness management, keep track of sleep and mindfulness, and behavioural coaching supported by artificial intelligence. It assists Nike in creating not only a sports company image but a wellness partner image (SINGH, 2021).

5.2 Price

Nike Wellness will sell its products at higher prices based on certain values since it is a brand of a higher brand hierarchy (Li, 2023). It is recommended that products and services be positioned at mid-to-premium since they are high quality, often technologically-based, and come with additional value such as customisation or artificial intelligence training programs. The pricing strategies will involve subscription services for the digital services offered, thus having basic, premium, and elite pricing strategies. Customers will prefer bundled pricing of the product and the app subscription, which comes with it, such as for the wearable and the app (Li, 2023). Nike Membership has Room for promoting the company's products through stocking different items once in a while or through customer loyalty, discounts.

5.3 Promotion

Nike chooses the approach of brand integration through digital marketing with SME focus on social; social media, influencer collaborations, content, and Nike's own applications (Emily, 2024). Nike Wellness will be popularized by figures affiliated with wellbeing, sports personalities, and fitness trainers through training, success stories, and streaming. It will also popularize the collaborations with mindfulness apps or health professionals for the purpose of gaining credibility. It will also be necessary to note that storytelling will be based on real-life achievements, rehabilitation processes, and improvement of the effectiveness (Emily, 2024). In-app advertisements will be used for brand recognition, while YouTube ads and podcasts will be used for the

general population, and sales and marketing emails will be used for selling, retaining, and engaging the clients.

5.4 Place

Nike Wellness will be accessed online on Nike's official website and mobile apps, in selected Nike stores, and wellness pop-up shops. This will also involve selling in key marketplaces like Amazon and collaboration with health and wellness marketplaces (Mayank, 2025). Merchandising of the products in the stores will also show the premium nature of this brand with the establishment of wellness zones that include product trials, recovery demonstrations, and consultations. Services are going to be delivered through Nike digital channels, through the Nike Wellness App with connections to Apple Health, Google Fit, and the current Nike digital services NYTC.

5.5 Process

Nike Wellness will have a fully digitized process for the purchase of products and services to provide a fully personalized experience for the customer (SINGH, 2021). They can start off with a few questions in the application, which helps them enter their wellness plans, integrate their wearables, and adjust them depending on effectiveness or objectives. The subscription and order that the users will be making will be smooth and easy to accomplish. Regarding the physical products, Nike has provided timely and efficient delivery solutions for its products, its customers can return or exchange the products (SINGH, 2021). For services, changes in application availability and the constant support, as well as the opportunity to track the progress in the application, strengthen the customers' engagement.

5.6 People

Key constituents for the brand will comprise wellness coaches, customer support, the retail crew, and our webpage social community managers. Both male and female employees will embody Nike's employee values such as employee engagement, superior performance, and diversity (Mayank, 2025). The workers in retail shops will also be educated not only about product details but also about such aspects of wellness education as helping the clients. Expert knowledge in the delivery of the services will be provided through professionally accredited and experienced coaches, therapists, and health-care personnel.

5.7 Physical Evidence

To maintain the identity of Nike Wellness, Nike will ensure that the branding message is consistent, for instance, packs will be well-branded, stylish app, effective wellness placed displays in Nike stores, and wellness information containing the Nike brand (Mayank, 2025). The layout of the application will be easy to find, stylish, and correspond to the identity of Nike Limited. Therefore, impact is evident in the feedback from endorsers, user opinions, and updates on results achieved within the App. Services will include feels such as live product demonstrations and experience, recovery room and tracking kiosks, and other related aspects that will make the experience as real as possible (Mayank, 2025).

6. Conclusion

Nike's move in this manifold and establishing Nike Wellness is a logical progression of the company that is possible and consistent with Nike strategic direction. This extension addresses a growing global consumer need for combined health solutions that require the coordination of the physical and the psychological aspects of an individual. By segmenting in this way, correctly identifying the needs of the consumer and orienting its brand and marketing mix towards that, Nike Wellness is poised to capture the market of consumers interested in health-conscious, technological integration into their daily life. This practical breakdown of the STP shows that there is a definite market for intelligent product and service solutions aimed at high-performance athletes and the upwardly mobile young people. Thus, anchoring in a well-established brand of Nike, it is possible to distinguish between the offered wellness market as a unique system that encompasses a recovery and mindfulness, as well as nutrition, all aimed to improve daily life. Thus, this brand extension not only fits Nike into a constantly changing environment, but also strengthens Nike's focus on supporting the athlete both before, during, and after motion.

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