

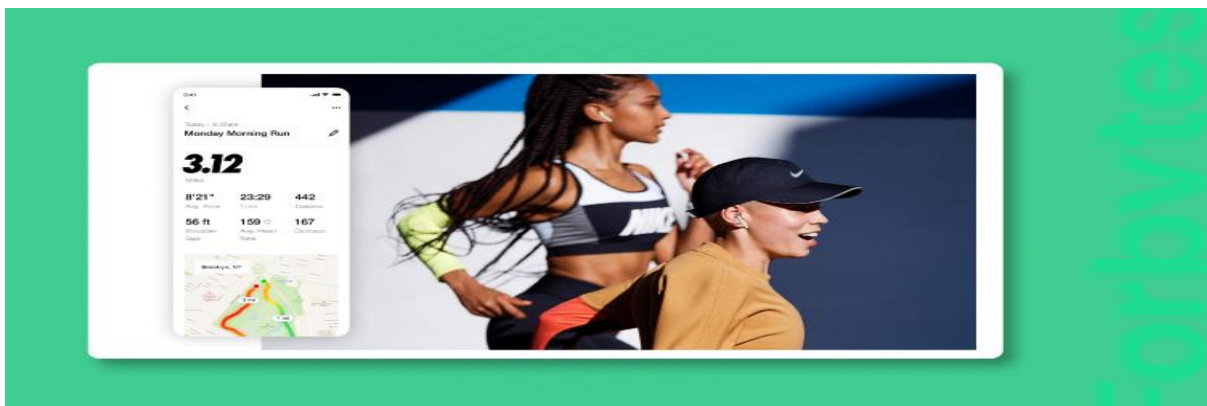
Case 3 – Nike

Nike

Context: Nike is one of the leading apparel manufacturers that always put innovation and client comfort in the first place. This is rooted in the very mission of the company and the digital transformation strategy they follow. When the pandemic started, the company fully realized the need to go digital and work on online audience engagement. The team saw the gaps that had to be covered to build a robust ecommerce strategy.

Challenge: Update the ecommerce strategy so that online retail becomes a robust revenue channel.

Solution: In 2017, Nike decided to move away from wholesale and build a strategy for directly connecting with their clients. Direct access to the target audience has become a priority for Nike's team. The decision to exit wholesale was tricky as 80% of Nike's profit came exactly from it. Other businesses probably wouldn't take such a risk. But Nike did. The company's desire to differentiate itself pushed them to build and improve their digital channels. To increase the significance of Nike's digital channels for a user, the brand needed to build an ecosystem. Like Apple's example, Nike used the capacity of business technology to build applications that extend the company's services. These are [Nike Run Club](#) and [Nike Training Club](#) apps that can be downloaded to mobile devices:



Users of these apps get access to various training programs. They become members of Nike's community. Clients now think of the company not as a retailer but as a brand cultivating a healthy lifestyle and making perfect clothes and footwear for doing sports.

Value: Ecommerce sales of Nike were estimated at [43% today](#). Though, the company expects them to reach 50% by the end of the year. Understanding client needs that go beyond primitive shopping habits lies at the core of Nike's recent success. The company managed to integrate business technology into building a direct and personalized connection with their audience.