

Nike and Millennial Customer Market Segment

FTM382: Brand Management in Textiles and Apparel

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## **Personal and Psychological Characteristics**

Millennials are a generational group between the ages of twenty-eight to forty-one years old and born from 1981 to 1996. They are entering a time in their lives where they have navigated out of adolescence and into full adulthood (Burn-Murdoch, 2023). In this time of entering their late twenties to early forties, Millennials are becoming well established in building their dream lifestyle. Their aspirations for the future vary as stereotypes and expectations of this generation are held to more accepting standards compared to previous generations. Millennials now have more freedom in taking a less traditional path than their parents and grandparents.

The progression of Millennials crafting their ideal lifestyle is attributed to their participation in the workforce. In this stage of their adulthood most have finished their education and are settled into their full-time careers. It is said that Millennials make up 53.5% of the workforce, thus dominating the job market (Dahle, 2024). As older generations start to retire, Millennials will continue to move up in their jobs and become more financially stable.

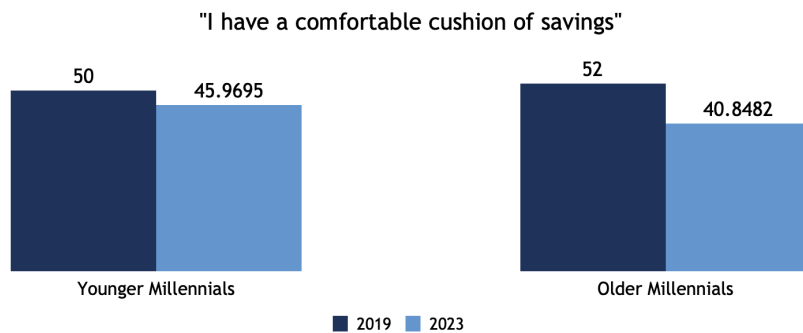
As of 2019, Millennials have also become the largest adult population at seventy-two million individuals. Throughout their rise to the top, Millennials have not had the easiest time growing up. In their early stages of life, the United States was richer and more powerful every year. This pattern soon vanished as events like 9/11, the 2008 Stock Market Crash, and a series of other traumatic events presented themselves, changing Millennial's environment as they knew it (Zelazko, 2024). While the shifts to Millennials' lives came at an already difficult time with them as teenagers and young adults, the struggles they faced morphed them to be adaptable and resilient. Milestones like having children, making investments, and other impactful moments have been crafted carefully to accommodate when they feel is the right time. Their ability to

pivot allows Millennials to make better decisions. Not only do they have good problem solving skills, but they also are more likely to live life on their own terms.

### Buying Power and Apparel Buying Behavior

Since Millennials have understood what it is like to be financially unstable, their buying habits are mature and practical. The generation sits as one of the wealthiest groups due to their smart investments and have a spending power of 2.5 trillion dollars (Bedgood, 2023). When making purchasing decisions Millennials analyze the quality of the product and if it will last. The reason to focus on the lifespan of products is so there can be more room to budget and build an economic cushion. When asked about savings, 45% of Millennials felt comfortable with their money in 2019. The same question was asked in 2023, resulting in 40% of Millennials

responding that they have comfortable savings (Bryant, 2023). The decline shows that extending



the dollar to its highest potential is important to Millennials. They are in the stage of life that requires large financial decisions like buying a house and planning for retirement.

In regard to making everyday purchases, Millennials focus on health-oriented choices. The top priorities of this generation range in things like eating clean and stress management. Some examples of products used by Millennials are Olipop Probiotic Drinks, Yasso Frozen Yogurt Bars, and Lily's Peanut Butter Cups. The marketing of these items include aesthetic packaging, which also associates with Millennials' drive to have a balanced lifestyle. In addition to developing a picturesque routine, Millennials want to look on the outside as good as they

strive to be on the inside. It is predicted that almost 50% of Millennials will increase their spending online for health and beauty products compared to younger generations and 42% more likely compared to older generations. Another thing relating to physical appearance mentioned is that 77% of Millennials will increase online spending on shoes and clothes compared to older generations (Bedgood, 2023). Millennials are big proponents of online shopping because it allows them to save time and have more selection. They have eased into learning new technology during their late adolescence and welcome utilizing it for efficiency.

Social Media and online reviews are the most common ways to market items to Millennials. Their love of scrolling through platforms like Facebook and Instagram allow promotion to cohesively enter their feeds. When buying electronics, 25% of Millennials will spend more to stay updated on the latest technology (Bedgood, 2023). They make the larger investment in these devices because Millennials have seen what it is like to not have them. The privilege to use technology is something Millennials do not take for granted.

## **Competitive SWOT Analysis**

### **Strengths of Nike**

Nike has been ranked as the favorite brand of Millennials for years. The athletic apparel company excels at having a wide selection of products that are high quality and multidisciplinary. While the average price of items are defined as middle-tier to expensive, consumers buy Nike because the brand alludes to a trustworthy marketing strategy. Authenticity is a standard for the company and Millennials purchase Nike with the expectation their products will last. The brand also does work in social change and political matters. Influential spokespeople for Nike like Colin Kaepernick attract a stronger audience (Wingard, 2019). It is because having a political stance displays relatability to like-minded consumers.

## **Weaknesses of Nike**

In relation to Nike's controversial impact on political and social topics, their viewpoints have lost business with some of their original audience. It sheds light that Nike is not the neutral brand for everyone like it once was. The change has caused issues in Nike's public identity. The revamp has prompted unhappy audiences to start campaigns in defiance of the athletic brand including burning and boycotting products (Wingard, 2019). Backlash will continue as Nike persists in making confrontational statements.

The sportswear giant also has a new commitment to uphold in regard to maintaining authenticity. Their contribution to world problems are expected to endure ridicule by certain groups of people. The image of realness that exemplifies Nike as a brand is in jeopardy if viewpoints do not align cohesively with one another. Nike's marketing team has the added responsibility when pivoting to upkeep smooth brand transitions. As the company grows, further expertise is required in understanding issues outside of just the products that are sold.

## **Opportunities of Nike**

To keep up with Millennials interests and loyal customer base, Nike has the potential for partnerships with other equally-liked brands. They have already established collaborations with companies such as Dove and Spotify (Partnership Nike, 2024). Their diverse networking efforts with different industries give Nike the potential to gain new consumers.

Nike can also dive into new products with the support of the connections made with other brands of contrasting markets. It would make an extension into a new industry seamless with the proper planning and strategy. Since Nike has promoted themselves as more than a shoe and clothing brand, they could branch off to any new business venture.

## **Threats of Nike**

Nike is a semi-exclusive brand due to the price of their items. Their selective status has created an increase in demand from the public. It has also caused Nike to fall victim to counterfeit and trademark infringement. These crimes to intellectual property are problematic because they are difficult to track and often go unreported. Consumers take advantage of purchasing counterfeit goods because they focus on the short-term value of saving money and ignore the long-term effects on how it can damage the actual company.

Cancel culture is another threat to the Nike brand. In a polarizing society where social media can be used as a weapon, Nike is not excused from this phenomenon. The definition of cancel culture is the practice of calling out acts that are deemed politically incorrect or offensive (Manaka, 2023). Individuals were put on blast first, however the movement has shifted onto businesses as well. While it is admirable for injustices to be brought to light, cancel culture can also be misinterpreted and hurt how businesses are perceived.

## **Brand Recommendations**

Based on consumer reports, it is predicted that 61% of Millennials prioritize well being (Cameron, 2024). One way Nike can expand their presence among this generation is through providing their health-centered image into the drink industry. The selection of beverages could range from health shots, juices, and energy drinks. Since the brand aligns with fitness and wellness activities, it would make sense to invest in other sectors relating to a balanced lifestyle. Nike could start selling their drink products at their already established fitness studio locations (Nike Studios, 2024). If the plan is successful, their next move would be to open up physical cafes that offer a larger variety of drinks. The area where Nike cafes could be strategically

placed, is near Nike stores. It may draw more crowds as people enjoy indulging in cafes to study and socialize.

In relation to the fitness studios Nike owns, the next recommendation would be to open more locations with new amenities. Although the locations of the fitness centers are in popular cities, it would be beneficial to make them mainstream. To engage Millennials, some benefits to joining the studios could be daycares within the gym. It is reported that 77% of Millennials manage adults or the health of children (Cameron, 2024). The accessibility could be another way for the brand to draw attention to new customers. Nike products would also be sold at these new gyms, which would increase sales revenue.

The last idea of how Nike can improve their brand to reach Millennials is through more inclusive size representation. While the brand has implemented diversity of using plus-size models, online shopping is still a struggle for this generation. There needs to be a portrayal of all bodies regardless of the product. New technology through Artificial Intelligence try-on simulations could help create a better visual for prospective buyers. Data shows that people are more likely to test out items depending on the responsiveness of the try-on service (McCuien, 2023). Millennials would appreciate the detailed way of shopping, as they are experiencing changes to their physical appearance due to aging. When consumers can see themselves as the model, it creates an easier dynamic to picking out comfortable clothes.

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