

## Background

Nike has used information systems to gain a competitive edge by personalizing the consumer experience when shopping. By reaching its customers directly the company can control sale data to improve inventory management. Beginning by incentivizing users to download the Nike app and create an account, Nike could then track users purchases and spending habits. The company can then use this information for predictive analysis and to personalize the shopping experience. In comparison, competing companies like Adidas and Under Armour failed to get into the market of data analytics as quickly as Nike, and once the competing companies had caught on, Nike already made a name for itself by personalizing the experience of customers. To stay ahead of its' competition Nike has had to increase the speed in which it collects and analyzes data, to do so, the company has increased the volume of data by acquiring small startup businesses such as Celect and Zodiac. Nike integrated Celect's cloud-based platform with its app to optimize inventory with local demand. Zodiac was used to strengthen Nike's artificial intelligence capabilities. (Nike-just do it with data science and demand sensing).

## Value creation

Nike's two goals for its big data collection for customer service is to create a better consumer experience and to increase services for customers. (Nike-just do it with data science and demand sensing). Tracking users' buying habits can allow Nike to predict customer's buying habits and send them targeted ads and deals. This personalization incentivizes customers to continue to shop with a brand that knows what they like. The Nike app also strengthens the

relationship between company and consumer with its Nike rewards program, which supplies services such as personalized work outs and discounts on select Nike merchandise. Nike also uses its data to recognize what customers to target and when they should be targeted.

## Conclusion

Nike has consistently used information systems as its means of propelling itself ahead of its competition. Although it began conducting big data analytics in 2017, the previous research catapulted the company ahead amid the Covid-19 pandemic, with the majority of shopping being done online. Nike's already established online experience gave it an edge over its competitors, and its recognition that opposing companies are catching up have led to the brand doing extensive work to stay ahead. It is clear that Nike doesn't intend to allow competition to impede on its' dominance in the sports industry.

## Reference

Biswas, S. (2020, April 18). *Nike – just do it with data science and Demand Sensing*. Digital Innovation and Transformation. Retrieved January 24, 2023, from <https://d3.harvard.edu/platform-digit/submission/nike-just-do-it-with-data-science-and-demand-sensing/>