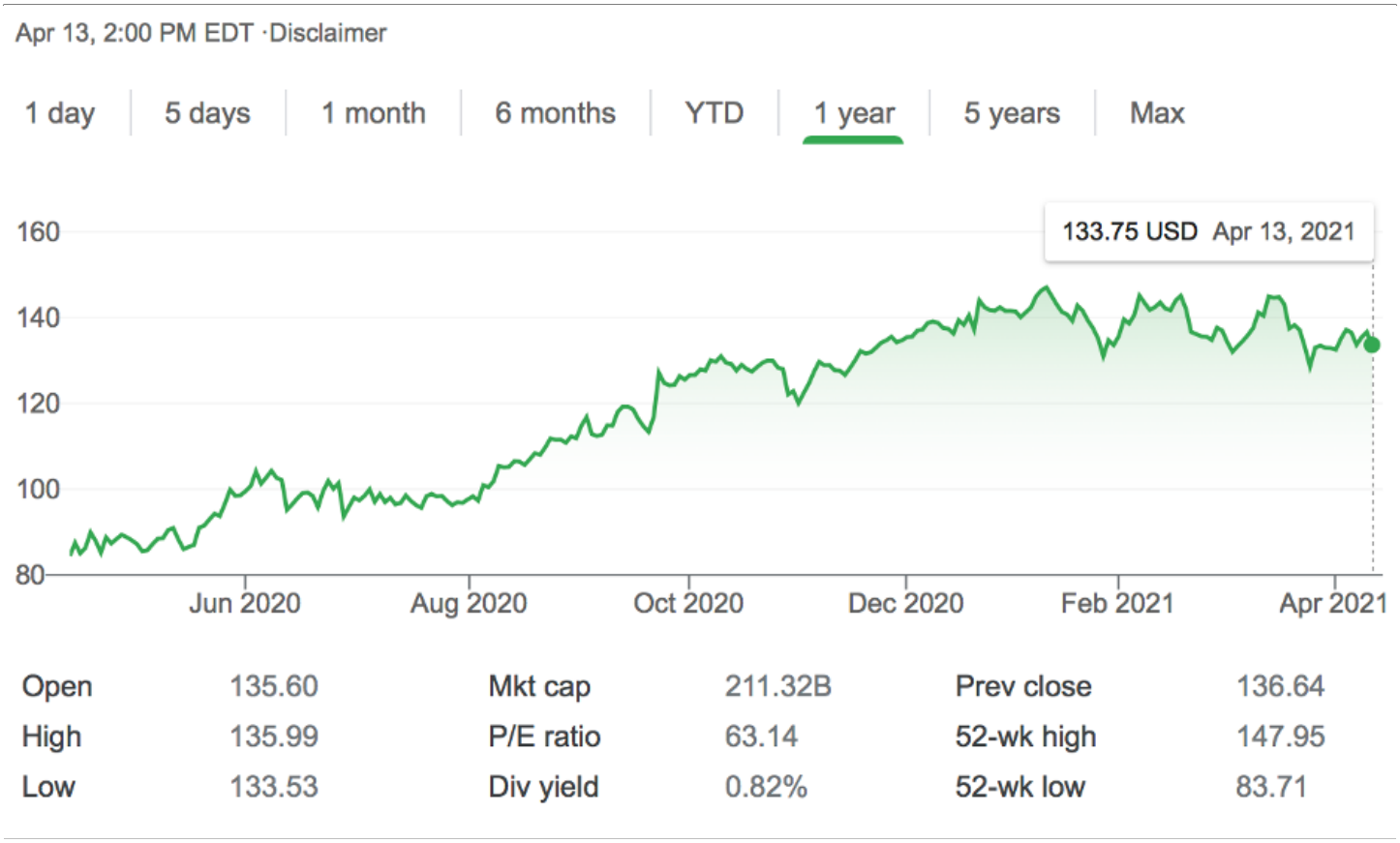
Nike ? Nothing But Gold?????????

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???Mike Edmonds



Nike has seized control of its own destiny. Since 2011, Nike has developed its direct-to-consumer (DTC) business into a $12.4 billion operation, accounting for 35 percent of its overall revenue. I don't think it's any coincidence that Nike's stock price continues to climb during the pandemic, with the stay-at-home economy moving full steam ahead. The company knows how to build communities and create experiences that attract customers and sell products online through its own channels.



Open	135.60	Mkt cap	211.32B	Prev close	136.64
High	135.99	P/E ratio	63.14	52-wk high	147.95
Low	133.53	Div yield	0.82%	52-wk low	83.71

Why is Nike so good at DTC? Because a the brand doesn't use a one-size-fits-all approach. As Marzano, a retail analyst at Gartner, said in a recent news article, "You might visit the Nike website while you're considering a shoe. You might then want to pop into your local Nike store to evaluate that product in person. They keep being really thoughtful about, 'How do we collect the first-party data that's necessary to knit that journey together and drive conversion?'"

One recent example of Nike's versatility that excites me is Nothing But Gold, which is under development. Nike describes Nothing But Gold as a new kind of shopping app dedicated to sport, style, and self-care. It's designed (in Nike's words) as "for girls who 'Just Do It' their own way." It's built on the premise that its customers deserve a say in the products that they buy.

Although Nothing But Gold is still in stealth mode, Women's Wear Daily did some digging and reported that the experience will operate as a form of social commerce, meaning a hybrid of social media and e-commerce. Although Nike is relying on Instagram to build a Nothing But Gold community, Nike intends to create a native app that will take social commerce in-house (as opposed to Nike relying on Facebook, Instagram, Snapchat, TikTok, or any other third-party social app to build its community).

In addition, Nothing But Gold will combine sport, style, activism, and mindfulness according to WWD. Young women in the Nothing But Gold community will inspire each other, possibly by creating and posting style ideas as well as ideas to empower and uplift.

So far, Nothing But Gold sounds like a textbook case of Nike creating its own space for its community. Nike is similar to the super apps of China that have built self-contained ecosystems, Nike is not going to create its own app and let someone else manage the payment and fulfillment. This is going to be an end-to-end play that leverages Nike's scale. And in the age of crypto currency, it's conceivable that Nike will innovate with the payment function.

Here are three reasons I love the idea of Nothing But Gold:

- **Speed to Insight:** Nothing But Gold will provide Nike with another direct channel to learn from its customers. Although Nike is currently signing up members via Instagram, Nike will use this data to build the first iteration of the Nothing But Gold community. With that data, Nike will build the app and learn from that to create a better experience, most certainly involving personalizing products and content. Once the Nothing But Gold app is up and running, the real speed to insight will happen when Nike combines first-party data from the branded app with data from the Nothing But Gold community.
- **Speed to Market:** every company needs help acting on customer data to develop platforms where new products can be taken to market rapidly – ranging from websites to mobile apps for making transactions. Nike has proven itself already to be a nimble brand, and the company is capitalizing on the rise of the at-home economy in 2020-21 to launch its own app.
- **Speed to Value:** experiences, not transactions, differentiate brands online. It's clear that Nike is already investing in an experience with this branded social commerce play that will integrate mindfulness and empowerment. We know already Nike is doing more than selling shoes.

It will be exciting to see where Nike takes this experience. I can easily see Nike creating an algorithm-based, personalized style app in the spirit of Stitch Fix that makes personalized product selections based on what Nike knows about each community member. But knowing Nike, the real gold will come from the community.

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