



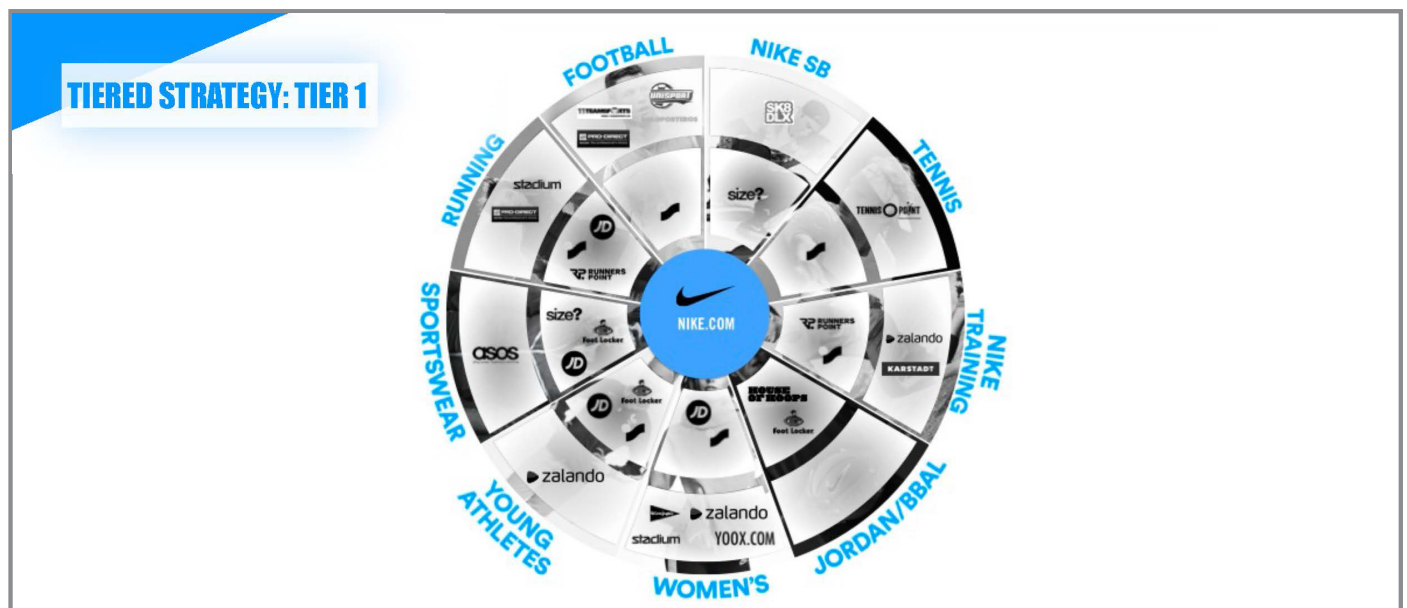
SO DIGITAL architects, implements and optimizes a digital brand content supply chain for Nike EMEA Wholesale.com Digital Brand department to enable scalable brand growth across 14 WE markets e-retail network

Background

Wholesale or partner retail has historically been a major revenue driver for Nike. Among, today more than 30,000, retail partners which generate around 70% of Nike’s business, there are just a handful of accounts that make up a lion share of the wholesale business and are considered as strategic accounts. The Pareto rule or the “80-20” applies in Nike’s case as well, so 20% of partners generate about 80% of the business in each territory (North America, EMEA, APAC).

In a very brand driven business and organization like Nike, brand function, brand strategy and branding execution has a prominent position that permeates all aspects of business operations. Given the importance of brand and branding and importance of wholesale as a channel – it is not surprising that Nike established a dedicated (digital) brand team and department solely focused on brand support of wholesale (.com) partners.

In 2013, being early to recognize the growth promise of e-commerce sales and being on the forefront of trends, Nike organizes an EMEA level digital brand support department for whoelsale.com partners. The department’s single mission was driving digital brand business growth of wholesale partners with nascent e-commerce capabilities and partnering with, then only emerging, today sport and fashion online retail powerhouses. This newly formed, almost start-up like, team was tasked with continuous digital brand enablement of category’s growth and sales targets with individual and group accounts across Western Europe.



Executive summary

As a part of a broader global growth targets agenda, which placed strong bets on e-commerce revenue growth, where e-retail (wholesale.com) accounts for an outsized share, elevating digital brand expressions and ensuring digital brand consistency across partners' online properties in Western Europe markets was one of the key strategy goals. To be able to operationalize brand strategy execution in a context of a complex global organization implementing centralized global branding towards diverse and extensive network of wholesale partner network, there were two significant structural transformations to be made.



First, centralization of digital brand management and execution and, second, tiering of wholesale partner's branding support. In 2014 Nike centralized digital brand management and execution within its EMEA headquarters in Hilversum near Amsterdam. Transferring positions, talent, decision-making and brand implementation capabilities from individual countries to headquarters, was envisioned to enable digital brand growth within wholesale.com (e-retail) network in EMEA region. Tiering of brand support ensued, with creation of G3 (later to evolve to G6) accounts, Tier 1, Tier 2 and Tier 3 account levels, all entailing a different level of brand marketing support. This move was supposed to ensure executional brand consistency and sustainable premium branding support across the heterogeneous retail partner network's rising tide of digital touchpoints. However, once digital brand management and execution function was centralized, new challenges emerged, which threatened to undermine the complete organizational effort. Elevating digital brand across the e-retail network in practice entailed a continuous flood of digital brand asset to be centrally produced and delivered back to countries and retailers in accordance to their actual colorways and models buy ins. Digital brand resource and process execution gap emerged, threatening to challenge the new operational set-up.

About the client

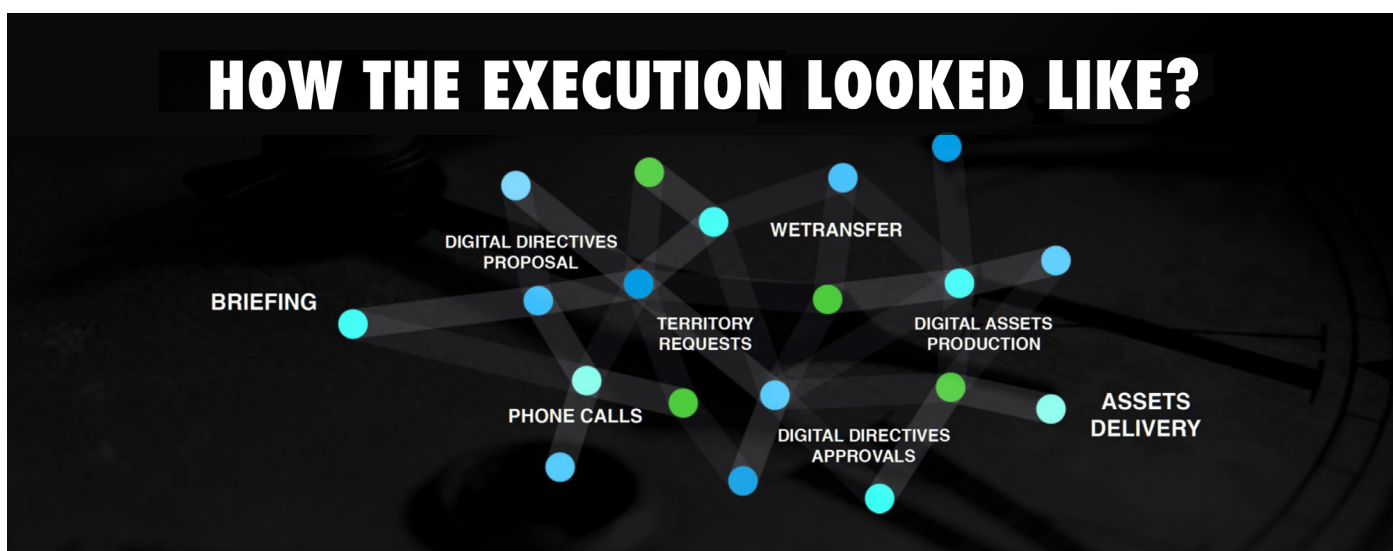
NIKE, Inc., named for the Greek goddess of victory, is the world's leading designer, marketer, and distributor of authentic athletic footwear, apparel, equipment, and accessories for a wide variety of sports and fitness activities. **In 2015, Nike released a bold statement that it would reach \$50 billion in annual revenue by 2020.** In order to reach this target, Nike had to grow at an approximate 10.3% compounded annual rate. It planned on achieving this through growth in e-commerce, women's, and its Jordan brand. E-commerce is a large part of Nike's growth strategy. The target required compounded annual growth of 42% for eCommerce sales across both wholesale and direct-to-consumer channels. Even though long-term strategy favored nike.com (direct-to-consumer) the reality was in short-term majority of revenue & growth could only come from through wholesale.com partners business increase.

The challenge

Such aggressive growth targets could only be achieved by Nike simultaneously elevating multiple brands and categories across the entire partner e-commerce network, creating more dynamic online brand shopping experiences, in which the common conventions of e-commerce are adapted to the unique character of the Nike brand. However, multiple challenges emerged.

Centralized Execution Digital Brand Resource Gap

Such forceful brand elevation effort across a heterogeneous and extensive wholesale.com network as a granulated digital brand environment, meant not only an explosion in digital brand campaign pipeline and exponential increase in brand managers' workload, but a continuous flood of digital brand assets to be centrally produced and delivered back to countries and retailers. Given a strong and successful traditional (physical) retailing heritage, neither new digital skillsets nor digital production capabilities, required for such endeavor, were available internally at the time. Moreover, being basically a corporate startup, needing still to prove its worth to the wider corporation, digital brand wholesale.com team couldn't rely on traditional in-house resources pools nor existing external vendors lists. Sheer volume of branding materials support and dynamics of requests flowing in seemed insurmountable. Ensuring premium branding execution at such a scale & speed, across a granulated digital environment, within a traditional agency vendor cost model would have meant a budget implosion.



Centralized Execution Digital Brand Process Gap

As all campaign creative directions were distributed from and campaign implementation results needed to be reported to the Global HQ in Portland, this of course, in such large organization meant multiple upstream and downstream communication flows, alignments between teams distributed across time zones, all in highly fast paced environment characteristic for a product launch. Without technology enforced organization level campaign execution processes in place, this meant an individually defined brand campaign implementation steps. Every brand manager, to best of his individual knowledge and capacities, would use a self-defined brand campaign implementation method. This resulted in proliferation of different communication channels, asset storage and transfer providers and tools, planning, implementation and reporting means, creating additional operational complexity. Expired links, diverging file names, lost or misplaced emails, different and incompatible software & software version's saved files - were just the tip of the chaos iceberg. Multiple upstream and downstream communication and assets flows between geographically distributed teams with campaign materials needing adaptation per country and per each individual e-retailers' individual specs meant that majority of brand manager's time was spent on micromanagement rather on strategic brand building activations. Asset chases, endless email threads and ongoing coordination meetings between levels were a daily routine to ensure an expected quality of service to retail partners and basic brand consistency.

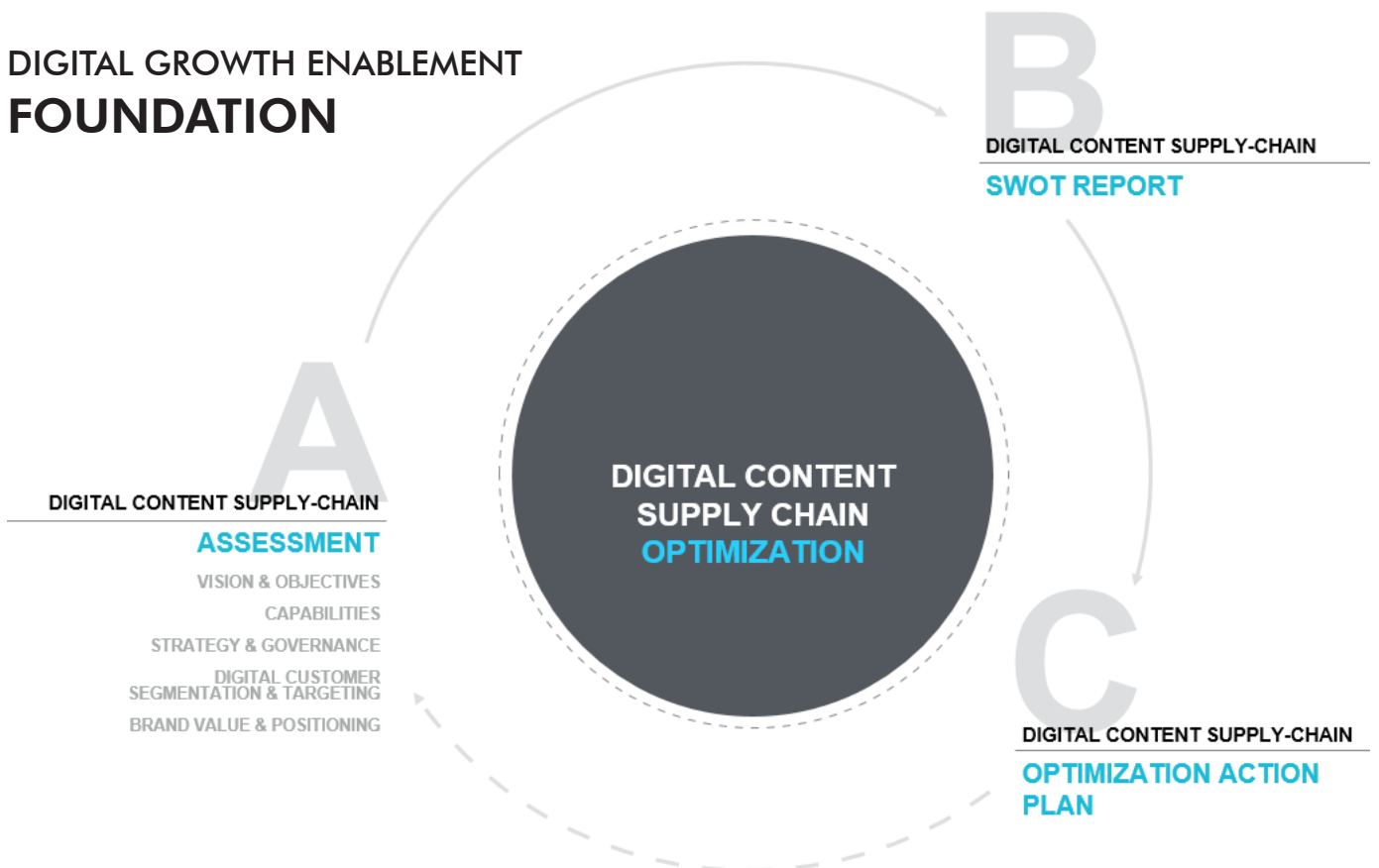
Centralized Brand Execution Digital Disablement

Internal digital enablement and scaling teams did not and still do not exist to help wholesale brand marketing team incubate new digital technologies, ways of working, to better manage both changing scope and increasing load of work. To manage brand touchpoints in an increasing digital environment, brand manager needed to up-skill on technical expertise - knowledge of new media formats, communication platforms, and digital media production processes, while at the same time manage a growing workload and new organizational set up - centralized brand and execution management. Taking over previous responsibilities of country teams for management and execution of local campaigns, especially in part of centralized production and distribution of brand assets, while being digitally disabled - using excel sheets to keep track of brand execution, customer journeys, assets, dimensions, copy etc. meant one thing - email chaos, asset chases, and late nights at the office. Additional operational disabilities were created by digital ecosystem legacy issues, disconnection and incoherence. Namely, time was wasted in alignment between sales & brand teams as sales orders were being placed at different times and on different platforms. Instead of frictionless digitized speedways of digital brand content creation, distribution and application most if not-all of content was managed manually, individually and ad-hoc.

The solution

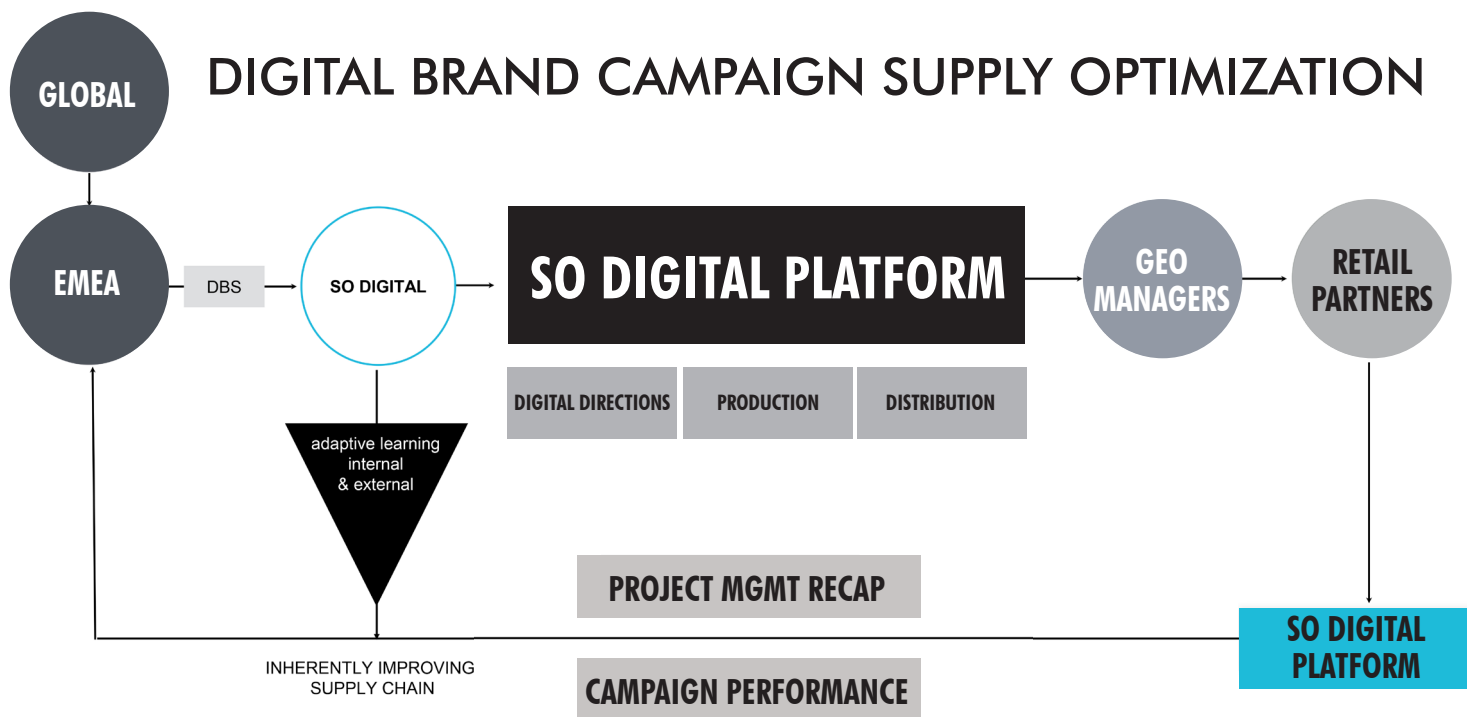
In a world of continuously fragmenting environment of digital brand touch-points with continuously refreshing algorithm driven feeds and disappearing messages, keeping brands alive in customers' feeds and minds is matter of a robust brand content supply chain performance. To avoid countless hours of waste in misaligned activities taking form of endless email chains, endless chases of digital assets and continuous organizational executional ambiguity of global branding, global organization need to both perceive and manage global branding through the lens of supply chain management - look at branding as physical (digital assets) and information flows across countries, vendors and partners. Architecting, implementing and operating a digital brand content supply chain for Nike EMEA Wholesale.com Department was the main role of SO DIGITAL in the period between 2013 – 2018.

DIGITAL GROWTH ENABLEMENT FOUNDATION



Operationalizing the centralized execution of digital brand strategy through tiered production support of Nike’s wholesale.com partner accounts across Western Europe markets was one of the first milestones. After a strategic analysis of the operational environment, consisting of number of accounts, number of campaigns, categories and per category seasonal stories supported, as well as the supply of ‘raw’ assets - quality and dynamics of input versus the desired quality and quantity of branding support output level per retailer, we’ve come up with an action plan that would ensure a scalable and continuous delivery of premium digital brand services.

The solution



Challenge

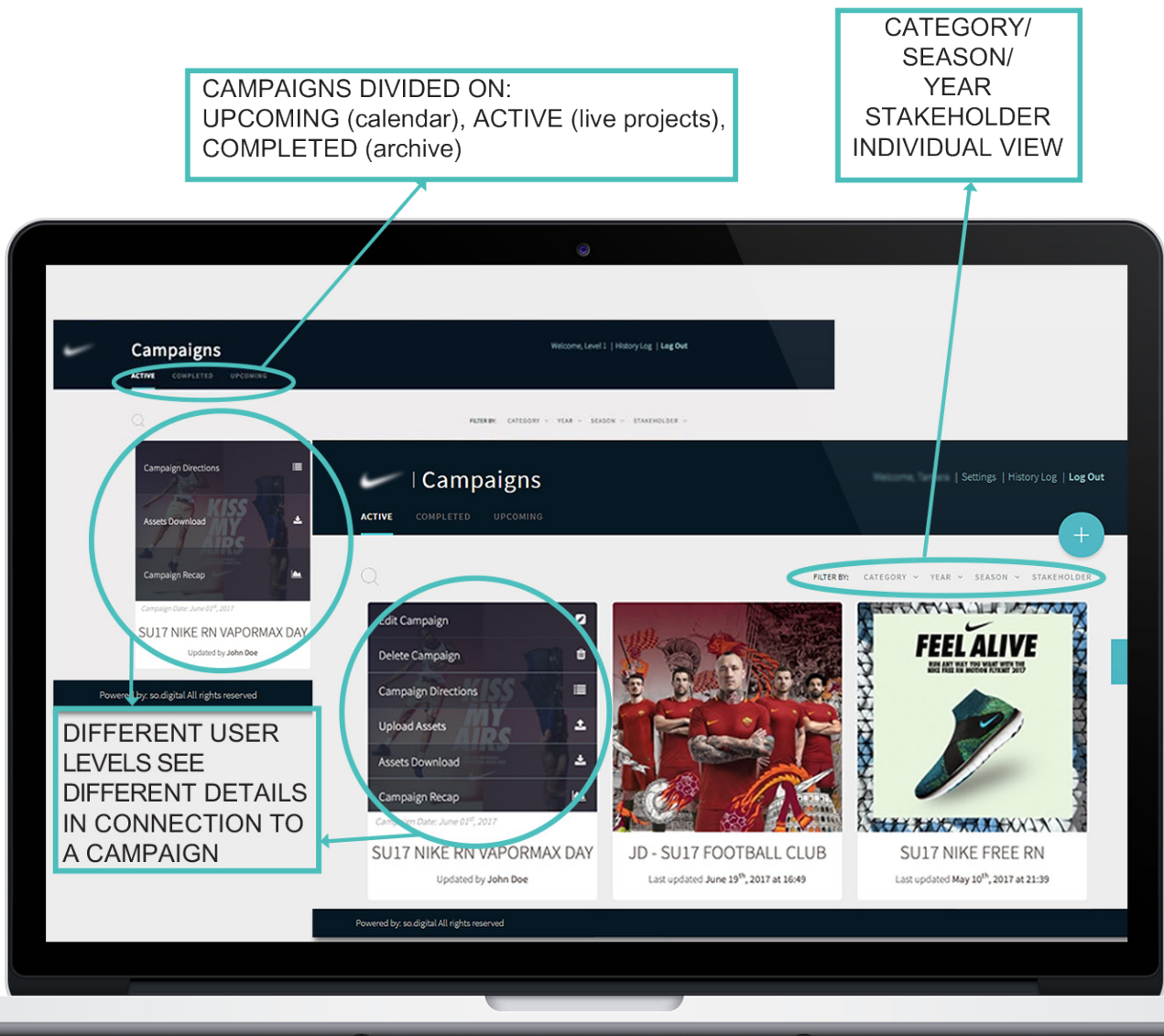
Optimise seasonal directives and campaign assets management by solving

- 01** inconsistent communication
- 02** scattered information over multiple channels
- 03** track record of client’s requests and approvals
- 04** track record of agency updates & latest modifications
- 05** track record of the views & downloads of uploaded material

To meet the depth and width of brand content demand, while meeting time and budget constraints, SO DIGITAL established three outsourced production hubs in Balkans (Sarajevo, Zagreb, Belgrade) that would provide a round-the-clock digital branding support to Nike’s network of e-retail partners. ‘Always on’ requirement was shaped by the scope and size of product portfolio and number of categories forming a hyper-dynamic launch schedule that knows no pause or off-season.

Unique expertise required for providing agile and scalable digital brand production support merged knowledge of the Nike brand, technical expertise on digital devices and formats, operational efficiency as well as in-depth knowledge of partner's digital properties and behavior of implemented brand creative materials.

Brand Ops Excellence Platform is at the heart of our SO DIGITAL GLOBAL BRAND IMPLEMENTATION EXCELLENCE SOLUTION which helps headquarter brand marketing teams set up, operate and continuously improve a scalable centralized digital brand execution support system that efficiently manages heterogeneous brand content demands from stakeholders across countries.



Platform architecture represents a tiered digitalized brand content supply chain system that resides on predefined user level roles and needs, assigned platform and campaign process phase views, mapped out stakeholder/partner brand touchpoint specs, brand directives and 3rd party productivity tools. It divides brand execution on planning, execution and reporting phases providing complete visibility and transparency into the campaign progress lifecycle across the organizational levels (HQ-country-retailer) thus optimizing and aligning execution time.

Diversity of wholesale.com network meant that partners were on differing level of digital development and had different size of both marketing and IT teams responsible for day-to-day management of client campaigns. Operationally this diverse partner network meant production specs diversity as every partner had a different website and different branding positions that were available for brands to use, unlike for example advertising standardized spaces. Moreover, not all partners participated in every campaign as buy-ins of products / colorways differed greatly to avoid competition/cannibalization, which meant that for every campaign we had to liaise with country account manager to confirm the buy in / activation participation of individual retailers. Taking a step further, we proposed an alignment of existing and new elements of the digital ecosystem which would connect the sales & order process with tiered brand marketing support, thus streamlining the complete process from end to end. According to the envisioned solution, retailers placing orders for certain colorways, would automatically be identified per their tier membership, to direct them to the next stage when time comes – brand marketing support.

BEFORE vs AFTER

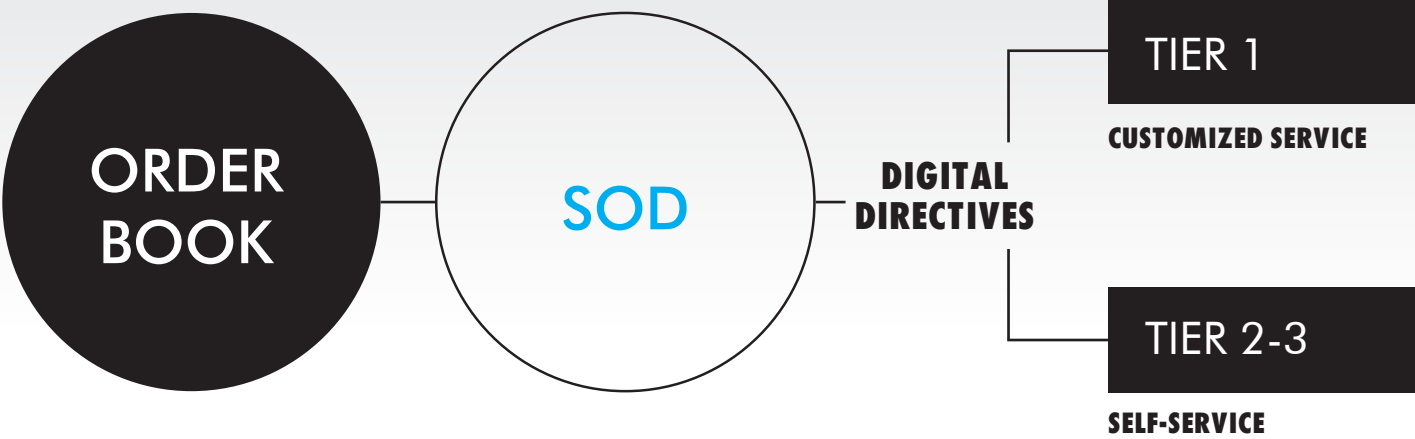
BEFORE

DISCONNECTED DIGITAL ECOSYSTEM ELEMENTS



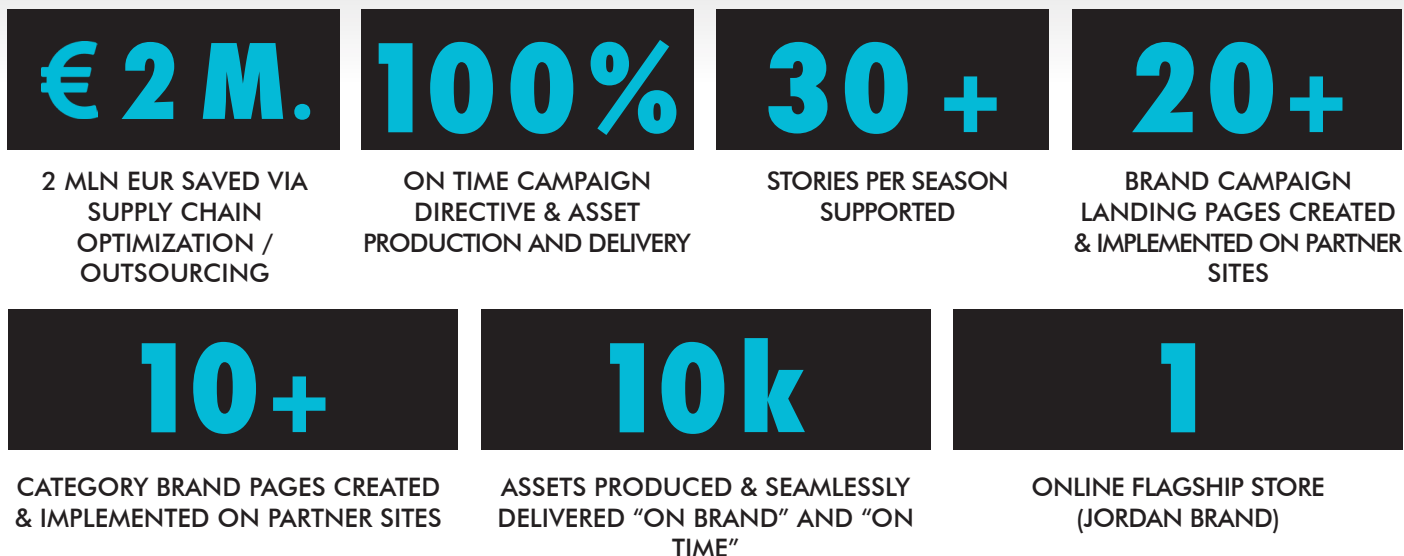
AFTER

STREAMLINED DIGITAL ECOSYSTEM



Results

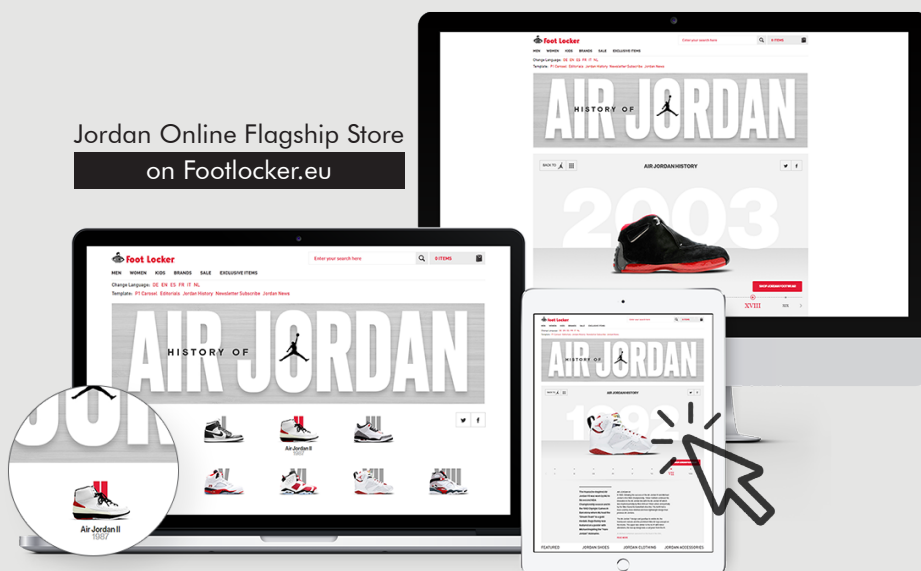
ALWAYS "ON" DIGITAL BRAND CONTENT PRODUCTION SUPPORT



PROCES STANDARDIZATION, DIGITIZATION & OPTIMIZATION VIA PLATFORM EXECUTION



DISCOVER MORE WORKS IN OUR ONLINE PORTFOLIO



Jordan Online Flagship Store on Footlocker.eu

SO DIGITAL
Global Brand Excellence Solutions