

What keeps Nike at the top of its game?

Article

Nike is the most valuable apparel brand globally, according to [Kantar](#) and [Ispo](#). But this could be a [make-or-break year](#) as the brand tries to find the balance between D2C and wholesale commerce.

Here's who's propelling Nike's success, who's coming for its crown, and why a mix of D2C and wholesale is necessary to keep it on top.

Scoring with Gen Z: Nike remained teens' No. 1 brand for both apparel and footwear, according to [Piper Sandler's latest Taking Stock With Teens survey](#). The brand was also cited

as teens' second favorite ecommerce site.

- Part of Nike's appeal to Gen Z consumers is its close connection to both sports and sneaker culture, our analyst Sky Canaves said on a recent "**Behind the Numbers: Reimagining Retail**" episode. But it also pays attention to the trends outside of those cultures, helping it remain relevant to younger generations' wants now and in the future.
- With name, image, and likeness deals, Nike has an even better opportunity to connect with college-age consumers through partnerships with college athletes, who have their own large audiences, said Canaves.

Boosting its performance with runners: Prior to 2017, Nike may have not been the first brand on runners' minds.

When it introduced the **Nike Zoom Vaporfly 4% shoe**, which uses carbon-fiber plates to propel runners forward, helping them run faster and save energy, the shoe (and following iterations) have become standard fare at any race, Canaves said.

Nike fosters its running community in a few ways. It uses its stores as an event space to host local running clubs, fashion shows, and meetups for runners. The brand's mobile app serves as a loyalty program, offering free shipping, free returns, and other perks like early access to product drops or stylist consults.

"Nike's direct-to-consumer future [lies within] its app because it's so efficient and easy to use," said Canaves. "And it really helps Nike stay engaged with consumers, which is what it's looking for—connecting to consumers on their phones."

Sizing up the competition: Nike may be on top, but other brands like Hoka and On Running would love a shot at the title.

While they are small compared to Nike, they do have something that it doesn't: flexibility.

"These companies are a lot nimbler on their feet and can cut out the fat and focus on initiatives that will work," said our analyst Jeremy Goldman. "They're focused on doing one thing that's very on trend [in the moment] and [Nike] can't react quick enough to that."

This is where Nike's wholesale partnerships come into play.

"Wholesale exposes more people to the brand. And when you're as big as Nike, you need all the exposure you can get because every incremental sale matters," said Goldman. "Wholesale

gives you an entry point to a whole different kind of consumer.”

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