

Research on the Brand Innovation Strategy of Li Ning's Sportswear under the Background of China-Chic

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Abstract

"China-Chic" is a new trend in contemporary society, which reflects the fashion trend unique to Chinese culture and arouses spiritual resonance and emotional expression among Chinese people while keeping pace with the international trend of the times. "China-Chic Clothing" As a cultural product with high added value, its wide spread can not only bring considerable economic benefits to enterprises, but also boost the promotion of China's cultural soft power. Based on this, this paper studies the innovation strategy of Li Ning's clothing brand in the context of China-Chic, which will help Li Ning accurately grasp its own production and operation status, find new elements in China's excellent traditional culture from a more innovative perspective, and change the clothing brand The status quo of China-Chic elements is the same, which improves brand awareness and influence, further improves the innovation and development ability of enterprises, and also provides new ideas and reference for the innovation and development of other clothing brands.

Keywords

Li Ning Clothing; Brand; China-Chic; Innovation Strategy.

1. Introduction

'Guo' is a cultural gene deeply rooted in the hearts of Chinese people, while 'Chao' is a fashion style that integrates innovation. As a cultural product with high added value, "China-Chic Clothing" has become a new favorite of young people. "China-Chic" represents not only a fashion trend but also a cultural identity, showing the personality style and life attitude of young people. In 2018, Li Ning's clothing showed off the autumn and winter sportswear with Chinese elements at New York Fashion Week, which started the China-Chic of consumption and led many clothing brands on the road of "China-Chic". From the current development trend, "China-Chic" will be the main direction of future marketing. But compared with foreign trendy brands, there are not many that can really be called China-Chic brands. How can sportswear develop better on the road of China-Chic? We should not only take new measures in product and marketing, but also constantly innovate in brand strategy. This paper takes Li Ning clothing, the representative of China-Chic brand, as the research object. Through analyzing the problems of Li Ning's brand innovation strategy, this paper explores the optimization measures of Li Ning's brand innovation strategy, and provides methods that can be used for reference for other China-Chic clothing brand innovation strategies.

2. Development Status of Li Ning Clothing Brand

2.1. Introduction to Li Ning Clothing Brand

Li Ning Co., Ltd. was established in 1990. After more than 30 years of exploration and development, it has gradually developed into a leading and internationally renowned sports goods company with 8 sports brands, including "Li Ning", "Letu", "Aigao", and "Xindong". Its

products cover five core categories, including clothing, shoes and hats, and sports equipment. Its annual revenue exceeds 25 billion yuan.

2.2. Brand Revenue Situation

Since its listing on the Hong Kong Stock Exchange in 2004, Li Ning Company's sales revenue has grown rapidly. From 2004 to 2009, the operating revenue increased from RMB 1.878 billion to RMB 8.375 billion, and achieved rapid growth in net profit. However, in 2010, Li Ning Company promoted the wrong brand reshaping strategy, which led to a widening gap in consumer philosophy between them and their existing customer base. From then on, Li Ning Company fell into a marketing dilemma and was in a loss making state. Until the beginning of 2015, the founder of Li Ning Company returned and completed the transformation of Li Ning Company within a year, allowing the company to regain its former vitality and enter the fast lane of development again. In 2018, the operating revenue exceeded the 10 billion yuan level, and in 2021, the operating revenue exceeded the 20 billion yuan level. With the rapid growth of operating revenue, the company's net profit has also increased synchronously, showing a good development momentum.

Table 1. Summary Statement of Li Ning's Revenue and Net Profit from 2016 to 2022 (Unit: 100 million yuan)

Financial index	2016year	2017year	2018year	2019Year	2020year	2021year	2022year
Operating revenue	80.15	88.7	101.97	138.7	144.57	225.72	258.03
Year-on-year growth rate of operating revenue	13%	10.7%	14.96%	32%	4.23%	56.13%	14.31%
Net profit	6.43	5.15	7.15	14.99	16.98	40.11	40.64
Year-on-year growth rate of net profit	4395.5%	-19.9%	38.8%	109.6%	13.3%	136%	1.32%

3. Expression of China-Chic elements in Chinese Li Ning's Dress Design

The four characters "Li Ning of China" were engraved on the chest in the form of a square red seal. At the New York Fashion Week in 2018, a storm of "China-Chic" broke out. The designers of "China Li Ning" brand integrate the symbolic elements of Chinese traditional culture into the fashion aesthetics, making "China-Chic" clothing appear in the contemporary fashion field in a new form. This in-depth excavation and extraction of traditional culture not only focuses on the external expression of patterns and colors, but also focuses on the internal cultural connotation. China's Li Ning, with the help of the trend of "China-Chic", has become a benchmark of the times with a new look.

3.1. Representation on Patterns

The designers of "Li Ning Clothing" have constantly pushed through the old to bring forth new ideas, interpreted the traditional culture in a new way, and technically innovated the lines of China-Chic clothing again and again. In terms of patterns and patterns, we have avoided the shortcomings of following the trend and mixing randomly in the past. Instead, we have enlarged the patterns and patterns based on our understanding of traditional culture, and improved the quality of colors through various color changes in terms of color purity and brightness.

The "Li Ning Clothing" series, based on the ancient proverb "Do not enter Sichuan when young, and do not leave Sichuan when old", is a life attitude that yearns for comfort and is content with the current situation. To highlight the characteristics of the Sichuan Sichuan region, the designer used traditional Chinese bamboo patterns on deep blue cotton cloth, and embroidered

Ming Dynasty fonts on the chest, with the four big characters "less does not enter Sichuan" written, making this outfit look simple and full of youthful atmosphere. The accessories are made of dark green PVC coated fabric. Its unique materials can be matched with the clothing in spring, summer, autumn and winter, which can make the clothing present a high-tech and refreshing feeling. In terms of outer packaging, the use of acrylic outer packaging of the same color has pushed the Chinese style to a new level, and also made customers feel the care and rigor of Li Ning Company's products.

Li Ning's "Only Chu Has Talent" series in China, based on "Spring and Autumn Zuo Shi", incorporates elements of local culture and folk customs in Hunan. The knitted jacket with a predominantly blue-green color tone, combined with brick red patterns, exudes a Hunan style atmosphere. The clothing is printed with the pattern of Changsha's specialty dish "chili fried meat", reflecting a strong local characteristic; On the pattern of the sneakers, red and blue alternate with golden patterns, making the sneakers look full of classic flavor; On the pattern of the sole, there is a small crayfish that does not appear too flashy. Hunan's regional culture, street style, hip-hop and other elements have been well balanced in the overall design, and a good tension and taste have been demonstrated in the design techniques.

In addition to the "few do not enter Sichuan" and "only Chu has talent" series, Li Ning in China has also launched city limited series such as "Chang'an Youth", "Fog City Dashi", and "Travel without Renaming", all inspired by local urban elements combined with traditional Chinese culture. This approach of combining trends with traditional Chinese culture not only allows more young people to identify with and love traditional Chinese culture, but also enhances their sense of national identity and belonging.

3.2. Color Representation

Fashion elements such as color contrast stitching, silver reflective materials, pattern printing elements, etc. have been added to the clothing such as assault jackets, hoodies and flying jackets. "Cooking methods" have been selected for color matching, and new "Stir-fried tomato and scrambled eggs" have been debugged. In men's clothing, sports windbreaker and leggings use the same color scheme, demonstrating the fusion of industrial style and modern sports style. From the perspective of color matching, the light and dark are orderly, layered, and harmonious, giving people a completely different feeling. China Li Ning's 2020 Spring/Summer New Product combines fashion and sports, seeking a balance between comfort and aesthetics, fashion and practicality, exuding youthful vitality and showcasing a youthful attitude.

3.3. Conceptual Expression

In June 2019, China's Li Ning came to Paris Fashion Week again with the theme of "going to Paris". The poster theme was presented in the form of ink and wash landscape painting. The fine Chinese mountains and rivers were integrated with the Arc de Triomphe and the Eiffel Tower in Paris, depicting the main theme of "going to Paris". The designer also added dynamic elements such as dragon boat, table tennis, basketball, and diving to the poster, focusing on a retro sports style. Li Ning, based on sports such as table tennis, adopts a strong retro style, including integrated woven racket graphics, contrasting collages, manga drawings, and elements such as the match number 11 used by Mr. Li Ning at the 1984 Summer Olympics, perfectly combining retro style with futuristic fashion. As the spokesman of "China-Chic Style", China Li Ning has always been committed to integrating symbolic elements such as "China Li Ning" and "Chinese style" into fashion culture. By combining a stronger sense of retro elements and a blended way of thinking, nostalgic and avant-garde styles are combined to present infinite possibilities for clothing pattern design.

4. Shortcomings in the Innovation Strategy of Li Ning Clothing Brand

4.1. Unclear Brand Positioning and Consumer Groups

The correct brand positioning is a weapon for a company to achieve success in development. It will affect the overall brand image of a company and also determine its success. A clear brand positioning can determine a company's development level, product types, competitors, and so on. Only by clearly positioning one's own brand can a company's development have a clear direction. Li Ning has become a negative example in this regard. The Wall Street Journal once said, 'The Li Ning brand is a 25 year old who sways between 'sports' and 'leisure', which indicates that its product positioning is vague'.

Li Ning's multi brand strategy has experienced a Waterloo once, but it finally turned the tide by relying on China-Chic's "China Li Ning" and embarked on a development path of "single brand, multi category and multi-channel". However, this also led to the single brand products being divided into high, medium and low grades, giving people a sense of middle and low grades, affecting the brand's reputation in the market. In addition, the consumer market of Li Ning Company's products is mainly in second and third tier cities, with slower development in first tier big cities. Over the years, China's trendy brands have developed rapidly, but their consumer groups are mainly young students. More consumers will choose more high-end products than China-Chic, so it is difficult for China-Chic series to attract higher level consumers. So, in recent years, even though Li Ning Company has a relatively strong brand and strength, it still lacks sufficient competitiveness compared to domestic and foreign products of similar brands, and there is a significant strength gap.

4.2. Low Brand Market Recognition and Fierce Competition

With the rise of China-Chic, more and more new and old brands began to receive marketing dividends from China-Chic. However, according to the statistics of online shopping platform, the sales volume of products with China-Chic elements launched by Li Ning is very general, and there are few products that can really become popular. In the face of the fierce competition in the China-Chic clothing market, product design is becoming increasingly assimilated. Consumers want to know more about the meaning of the product itself and the stories they want to express. The choice and collocation of brands are the external expression of their style and ideas.

From the perspective of the number of stores, Li Ning's overall number of stores is showing an increasing trend. Li Ning had a total of 7603 specialty stores at the end of 2022, an increase of 466 compared to the end of 2021. When Li Ning is expanding its stores, other brands such as Anta are also looking for more stores. As of December 21, 2022, Anta has a total of 6924 specialty stores in mainland China and abroad, as well as 2679 children's clothing specialty stores. In terms of the number of storefronts, Li Ning is at a disadvantage.

4.3. Lack of Systematic Product Design Elements

Simply copying and stacking China-Chic elements will lead to the same element appearing on different styles of clothes of different brands. Under the background of China-Chic, a number of limited edition products with regional characteristics designed by Li Ning, such as "few do not enter Sichuan", "enough do not leave Shanghai", "only Chu has talent", "Chang'an Youth", "Jianghu heroes", and "do not change their names", have received high praise, but also reflect Li Ning's regional limitations. Due to a single regional form, there is a lack of inheritable elements between different types of clothing, which largely prevents it from becoming a unified brand style. Li Ning needs a unique and stable brand style and a comprehensive design system to stand out among numerous domestic clothing brands. The main lead time for a new product

is one or two years, and there is a lack of coherence with the next new product, making it very difficult for Li Ning Company to promote its new product.

4.4. Lack of Novelty in Marketing Methods

There are three main marketing methods adopted by Li Ning Company: first, social media marketing. With the help of social media such as Weibo, WeChat, Tiktok, etc., Li Ning Company pushes new product releases, theme activities, news reports and other related content to users, so as to improve users' awareness of the product and increase users' attention to the product. The second is online channel marketing. Li Ning brings rich online shopping experience to customers through online sales channels such as the official website, JD.com, and Taobao, and achieves its online promotion goals through various discounts and promotions. The third is offline marketing. Li Ning Company sets up counters in shopping malls, sports stadiums, and other places through organizing activities to provide customers with a real shopping experience and achieve the goal of offline sales.

But now most clothing brands adopt these three typical marketing methods. If Li Ning Company cannot find new marketing channels, it is easy to be surpassed by other brands in this era of rapid updates.

5. Suggestions for Optimizing the Innovation Strategy of Li Ning Clothing Brand

5.1. Highlight Brand Personality and Improve Brand Market Recognition

Every successful trendy enterprise has a clear brand positioning. As the leader of the domestic sports goods industry, Li Ning has significant competitors both domestically and internationally. However, consumers are not clear about Li Ning's positioning. Therefore, Li Ning needs to clarify its own positioning and form a distinctive business model. To position itself, it is necessary to find value points in the market and user needs. Media surveys have found that in the eyes of consumers, Adidas is a mature male image, while Nike is a young athlete. However, the impression of Li Ning is vague, and some even believe that Li Ning's image is a gymnast. If Li Ning wants to attract both the "Generation Z" and the original consumer group, he should try to take into account the different needs of the target group as much as possible, meet the requirements of young people chasing fashion and old customers pursuing sports functionality, abandon leisure style, and create an image of a fashion sports expert who combines technology and fashion, sports and health. A clear brand positioning can help customers better understand their brand, thereby improving their brand awareness and recognition.

5.2. Intensify Scientific and Technological Innovation and Find Novel China-Chic Elements

Innovation is a key factor in the long-term development of an enterprise, which will directly affect its development direction. The innovation achievements are directly proportional to the R&D investment. In recent years, the R&D investment of Li Ning Company has been significantly lower compared to other top enterprises, making it difficult to recruit first-class design talents and even causing the loss of design talents, which is not conducive to the long-term development of the enterprise. To reverse this unfavorable situation, it is necessary to increase the investment intensity of research and development costs. For local sports brands, the globalization process of network first-class design talents is still in its early stages. If only copying and imitating, it is difficult to stand out among numerous sports brands. So, in the process of brand development, it is necessary to find one's own unique features, and analyze the differences between oneself and other brands based on brand positioning and overall brand strategic planning. On the basis of learning and borrowing, seek brand innovation for oneself.

The design of China-Chic products cannot always use those familiar things with national characteristics to package themselves. As far as China-Chic is concerned, in addition to brand and service, it is more about high-quality design. Not only should we focus on the beauty and appearance of the product, but also on its quality and unique design. Only unique design can create a unique brand and give the brand infinite possibilities.

When "China-Chic" has become a new trend, domestic brands also take this opportunity to "ride the wind", but if you want to seize this opportunity, you must carry out more in-depth study of China's traditional culture and national culture, so that "China-Chic" is no longer limited to the country, but go abroad, together with China's cultural self-confidence, and go international.

5.3. Strengthen Quality Management and Enhance Brand Level

In the fiercely competitive environment of the sports goods market, various products are constantly innovating, and consumers' demands for quality are also continuously increasing. In recent years, the quality of Li Ning's products has been highly questioned, especially in the footwear industry. Many customers have expressed that Li Ning's shoes have problems with glue opening and cutting, which seriously affects the brand's marketing reputation. Therefore, Li Ning needs to establish and improve quality inspection standards throughout the entire product supply chain and production process, and strictly require strict requirements in design and development, material procurement, production processing, packaging and transportation, and after-sales service, Satisfy consumers' demand for high-quality products. Product pricing should be reasonable, focusing on enhancing brand value and level. Quality refers to practicality and cost-effectiveness. If quality cannot be directly proportional to price, people will not just pay for emotions. As a low-end brand, Li Ning has been constantly selling "patriotism" to consumers since the launch of China-Chic products in 2018, and the phenomenon of high price and low quality has become increasingly serious. Taking the emotional route can only temporarily resonate with the public. If Li Ning wants to enhance the brand's level, he must price the products reasonably, strive to enhance brand value and cultural confidence, increase consumer loyalty, and pay attention to domestic products.

5.4. Expand Marketing Channels and Strengthen Brand Internationalization Operations

To expand marketing channels, we must adhere to the development of both domestic and foreign markets, improve the online and offline channels, and optimize the layout of our network. Li Ning Company should make full use of network technology, simplify communication steps between superiors and subordinates, achieve smooth communication and improve efficiency; Provide professional training for branch employees to cultivate their good service attitude, thereby improving the brand's after-sales service level and establishing brand image. To optimize the management of flagship stores on e-commerce platforms, achieve online and offline interaction, communication, and unify the prices of promotional products. In terms of online store marketing, Li Ning should seize the modern Chinese characteristics and use various "fun cultural festivals" such as Double Eleven Singles' Day, 3.7 Girls' Day, 618 Shopping Festival, etc. to carry out online promotional activities, while increasing brand awareness with low profits and high sales; In terms of network promotion, Li Ning should keep pace with the times, pay attention to the operation of Internet products, and use WeChat official account, official microblog, etc. to strengthen the connection with consumers; Make full use of new media resources to promote and attract products on social video software such as Tiktok, Little Red Book, Bilibili, etc. It is also necessary to innovate and establish green marketing channels, cultivate the sustainable development marketing concept of all intermediaries, abandon the traditional profit oriented marketing concept, vigorously promote green products, and guide customers to green consumption.

5.5. Breaking Traditional Clothing Transactions and Utilizing Virtual Clothing for Sales

With the rise of 3D virtual clothing, Li Ning clothing brand can no longer be limited to traditional physical store transactions, but can design related co branded skins with game elements through cooperation with game companies; Secondly, it is also possible to collaborate with internet platforms to design virtual costumes for virtual characters on the platform; In addition, they can also create "virtual shopping scenes" to incorporate products with brand characteristics into the scenes for advertising and promotion.

Increase research and development efforts, utilize artificial intelligence blockchain technology, and achieve virtual sales of products. In a "virtual" shopping environment, customers can choose their own clothing and models just like they do in the real world, and input information such as the type, clothing model, and style of the models into the database. On this basis, through intelligent analysis of customer purchasing behavior and consumption preferences, we can select the most suitable clothing for customers. This process is all completed by the background of the system, and customers can see it as just a "suggested list of clothing matching systems". Afterwards, customers can enter the virtual dressing room and follow the system's operating instructions to have the virtual model change into their chosen clothing for all-round observation and dragging. This process can be completed by a combination of manual and system operations. This trial program can be repeated many times until the customer is satisfied.

This virtual clothing sales method will inevitably lead the consumption trend of the "Generation Z" and bring great development space for the company.

In a word, "China-Chic" brand is oriented towards "young people's interests". From product to supply chain to brand building, it is a complex systematic project, which requires enterprises to carefully study, plan and organize the implementation to adapt to the development of the times. To achieve long-term healthy and sustainable development, enterprises must attach importance to brand building, actively enhance their brand awareness and reputation, enhance market awareness, continuously improve and update products, and enhance the technical content of products through technological transformation. They also need to pay attention to strengthening the construction of service systems, improving service quality, helping consumers solve problems in use, and better meeting their needs. The rise of "China-Chic" clothing brand is not only the need of China's economic and social development, but also a manifestation of China's national cultural self-confidence. As long as we focus on brand building, follow the pace of scientific and technological development, and implement innovation in concept, design, product, marketing, and service, there will be more "China-Chic" brands on the international stage, and our national clothing will be the fashion pursued by global consumers.

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