



# Revitalizing a National Icon:



Li Ning has found success as the largest Chinese sportswear brand in recent years, but was facing a tough situation coming into 2012. Plans to build on top of its success in China with expansion into overseas markets, such as the U.S., were below expectations. Consumers had not developed a strong affinity to the brand like those loyal to Nike or Adidas.

Li Ning was also facing increased competition in its home market from other Chinese brands such as Anta, which has been increasing its appeal among consumers in lower tier cities (provincial capitals with rapidly growing purchasing power, such as Chengdu, Xian and Nanjing) with a well-positioned product portfolio - affordable and durable. In the Tier 1 cities, (Metropolitan centers with large influx of multinational brands and sizable ex-patriot population - Beijing, Shanghai, Guangzhou, Shenzhen) sports-conscious consumers were more willing to affiliate themselves with Nike, Adidas and other foreign sportswear brands that they felt were more in tune with their needs.

Recognizing the need for a new approach to an increasingly sophisticated Chinese market, Li Ning

commissioned Firefly Millward Brown for a segmentation study to remap the consumer landscape. The challenge:

**“HOW CAN LI NING BE THE MOST ATTRACTIVE SPORTSWEAR BRAND FOR THE DIFFERENT KINDS OF CHINESE SPORTSWEAR CONSUMER?”**

## Identifying Li Ning’s Meaningful Difference and Leveraging its Chinese Roots

Li Ning needs to avoid following/copying foreign sportswear brands such as Nike and Adidas and develop its own vision on what sports mean to the Chinese consumer.

We recommended that Li Ning embrace its roots in China and Chinese sports to develop brand values that are meaningfully different in a category consumers are used to associating with foreign brands.

We identified three core values within Li Ning’s brand that are timeless and ownable – **Sports Legacy, Chinese Health** and **Wisdom**.

## Salient Benefit: Sports Legacy and What Do People Look for from Sports?

Li Ning is a sportswear brand that needs to demonstrate that it understands the experience Chinese consumers are seeking from sports. The task becomes more complex when the brand needs to speak to the whole market; people who take sports seriously for performance and those that do it casually for fun. The brand's Sports Legacy should be about what people can do with sports – to gain physical as well as mental well-being. This also helps consumers see that Li Ning recognizes there is more to sports than just beating the competition (a very “I-oriented” concept associated with Nike), but also about harmony with yourself and your fellow athletes through team sports (a “We-oriented”, inclusive concept).

## Meaningful Performance: The Chinese Approach to Holistic Health and Well-being

Consumers expect leading sportswear brands to show their expert knowledge in improving performance in sports. The challenge for Li Ning is that Nike and Adidas are already well-known for technology innovations, and they needed to avoid being seen as another follower. We proposed that Li Ning build its expertise in Chinese Health, drawing on Traditional Chinese Medicine, Acupuncture, and an understanding of how the body works rather than relying on the next new technology breakthrough.

Positioning Li Ning's brand expertise in this direction works for the serious and casual athlete because it resonates with the Chinese cultural belief in using training and treatment to achieve strength and well-being.

## Differentiated Brand: Inspired by Ancient Chinese Wisdom

Chinese consumers often say they are eager to support Chinese brands, but are also unwilling to give up the perceived quality of foreign brands. For Li Ning to capture consumer admiration, we recommended the brand find inspiration in ancient Chinese wisdom; untapped by Western brands, but admired by consumers.

Incorporating ancient Chinese wisdom as their meaningful difference challenges the brand to focus on China's expertise in physical training and sports performance, particularly martial arts, without following the focus on technology leveraged by Western brands. The popularity of the 2001 movie, *Shaolin Soccer*, showed that consumers believe impressive physical training and performance can lead to great success. This new direction would help give Li Ning the edge it needed to stand out within the category with a meaningfully different and resonant tone and manner.

## Focus on Consumers' Similarities, Not Differences, to Maximize Market Relevance

Key to understanding how Li Ning can build appeal in the overall market is for the brand to appeal to the universal values and motivations shared by all relevant consumer segments in the category. It is not important to have these values as a strict balance between functional and emotional benefits, but to have a central idea which would resonate with all segments. We identified this as a balance between physical and emotional health. This showed that research insights are not purely 'functional' or 'emotional', but somewhere in between.

**WHAT IS THEIR  
COMMON MOTIVATION?**

## Leverage Timeless and Ownable Brand Assets for Branding Recommendations

Research recommendations can start from the basics – **what is wrong, what needs improvement** and **what should be done to fix it**. However, the challenge in providing strategic recommendations is recognizing that clients and brands are not starting from a blank page – there are existing strengths and consumer perceptions which can and should be leveraged.

Firefly Millward Brown’s recommendation to Li Ning was to move forward and build differentiation in the market, leverage its meaningful difference, and amplify that difference among consumers to drive brand growth.

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