
Nike Pegasus 41

Marketing Plan

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1.0 Executive Summary

In FY26, the Nike Pegasus 41 transitions from a primary innovation driver to the anchor of our global running portfolio. While newer models like the Pegasus 42 capture "early adopter" premium price points, the Pegasus defends our 37% global market share by serving as a high-volume, high-margin revenue engine.

The revenue generated by this proven franchise provides the cashflow needed to fund Nike's high-risk, high-reward experimental lines. By leveraging our record \$4.06 billion demand creation budget, we are not merely selling a product; we are saturating the 16–35 demographic to create a "Default Choice". Our objective is to turn the Pegasus 41 into a lifestyle-performance staple that stabilizes DTC methods, targeting a 5% increase in digital sales, and protects our bottom line against niche newcomers like Hoka and On.

By the end of this fiscal cycle, the Pegasus 41 will have solidified its position as the industry's workhorse, ensuring Nike maintains a dominant 20% share of the total running category while maximizing lifecycle profitability.



2.0 Situation Analysis

The athletic footwear market in 2026 is still a high-stakes place where the best companies must know how to combine cutting-edge performance technology with everyday usefulness. Nike has a huge 37% share of the global market, but we are in a mature competitive environment where we have to fight hard to keep our territory against both old brands and newer specialist competitors who have successfully grown their market presence.

2.1 Market Summary

The global athletic footwear market is now in a "Post-Hype" era, where heritage alone doesn't guarantee brand loyalty. Nike has a huge 37% share of the global market, but right now the industry is in a two-front war. On one side, there are legacy brands fighting for mass-market volume, and on the other, there are niche specialists fighting for cool factor.

The market is moving toward "Versatile Utility" for people aged 16 to 35. More and more people in this group don't want single-use shoes. They want shoes that can go from a morning run to a campus setting without losing style or comfort. As we enter FY26, three important pillars shape our market environment:

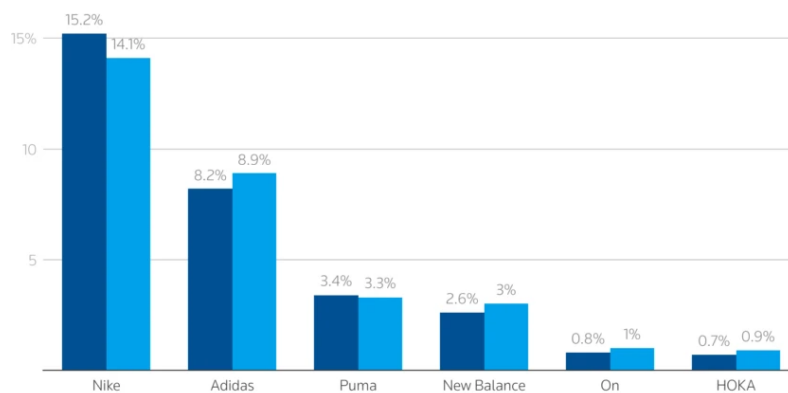
1. **The Conscious Consumer Shift:** Sustainability is no longer a "niche" interest. 62% of our target demographic reports that eco-friendly manufacturing (like our ReactX foam) is a primary deciding factor in their purchase.
2. **Digital-First Discovery:** 80% of our target segment discovers products via "Social Commerce" (TikTok/IG). If a shoe does not have a strong digital "vibe," it does not exist for this consumer.
3. **The Value Reset:** High inflation has created a "trade-down" effect. Consumers still want the Nike Swoosh (social currency), but they are looking for "Value-Performance" models like the Pegasus 41 to avoid the \$150+ price tags of flagship innovation models.



Adidas, New Balance, On and Hoka gain as Nike loses market share

Nike is still the biggest sportswear player but has seen sales slow

● 2023 market share ● 2024 market share



Note: Data shows percentage share of global sportswear market, including clothes, shoes, and accessories

By Helen Reid • Source: GlobalData

2.2 Competitive Review

We are facing a two-front war for market share:

- Legacy Defensive:** Financial Velocity is our main weapon against traditional competitors. We can out-shout legacy brands in social commerce and traditional retail spaces because our demand creation budget is billions of dollars more than that of our closest competitors. This makes sure that the Pegasus 41 is the most visible option for the mass market.
- Specialist Offensive:** These brands are a psychological threat. They have created a Niche Performance Moat by making themselves look like specialized alternatives to Nike's massive image. To fight this, we are changing the way we talk about the Pegasus 41's long history from "old" to "Proven Reliability." We are using more than two years of real customer data and more than 10,000 five-star member reviews to show how risky it is to switch to competitors that are based on trends and haven't been tested yet.



2.3 Target Markets

We are continuing our dual-segment strategy to maximize the sustained lifecycle of the Pegasus 41:

- **Primary (Performance):** Fitness-focused individuals (16–35) who prioritize the high-energy return of the ReactX foam and Air Zoom units.
- **Secondary (Lifestyle):** Daily walkers and young professionals. For this segment, the Pegasus 41 has successfully transitioned from a "runner" to a "versatile daily driver" that competes with boutique lifestyle brands.

2.4 Product Review

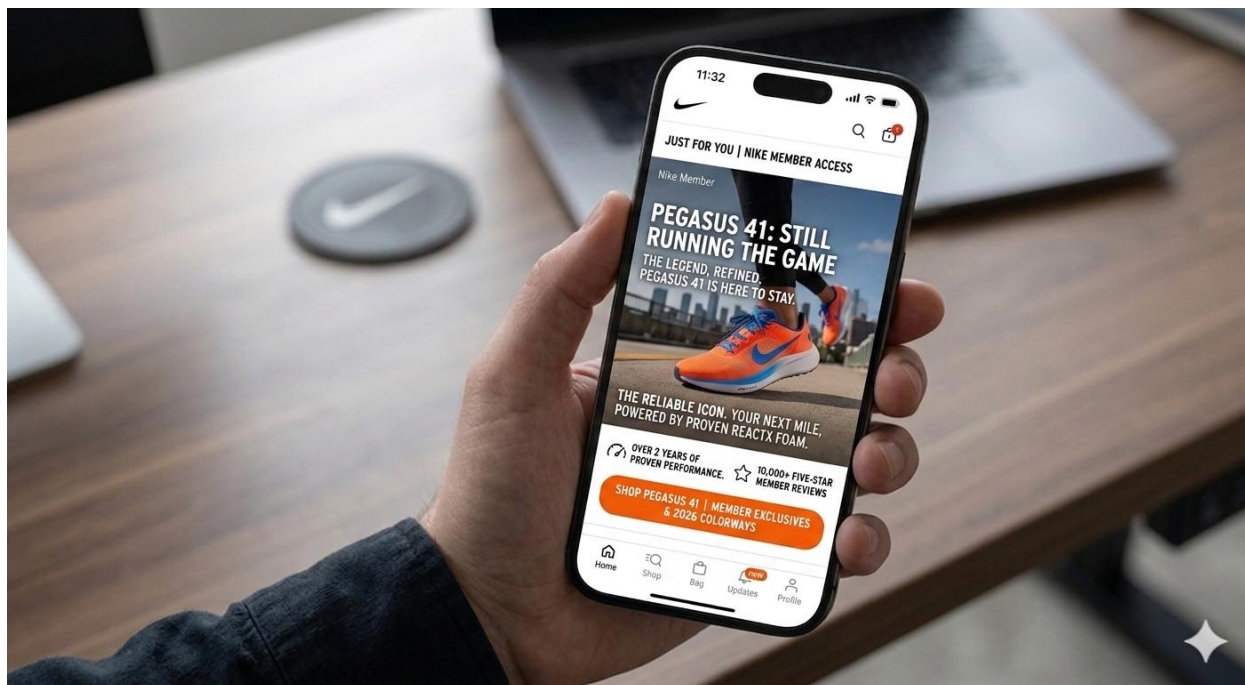
The Pegasus 41 remains a cornerstone of the Nike Running category, providing a high-volume anchor for total footwear sales.

- **Positioning:** Positioned in the high-value mid-range (\$110–\$130). This allows us to capture the student demographic while the Pegasus 42 occupies the premium \$145+ price point.
- **Proven Technology:** The proprietary Air Zoom and ReactX cushioning have established a strong track record for durability and sustainability, a key selling point in 2026.
- **Endorsement Maturity:** Supported by a robust library of elite athlete testimonials and a high volume of positive user-generated content from the past two years.



2.5 Distribution Review

We get the most out of our reach by using a hybrid model that puts long-term DTC growth first. Wholesale partners like Dick's Sporting Goods are still important as physical fit-testing spots. Customers who try the Pegasus 41 in-store are more likely to shop again online, so wholesale is more of a way to get people into our digital ecosystem than a competing channel. But our main focus is now on Nike Direct. The "Nike Member" exclusives on the app, like colorway restocks that are only available to members and anniversary, have stopped the recent drop in DTC sales and are our main way to build long-term customer loyalty. Our goal is to increase digital DTC sales by 5% through the Nike App alone. Wholesale will be the layer that builds awareness and trialability, which feeds sales.





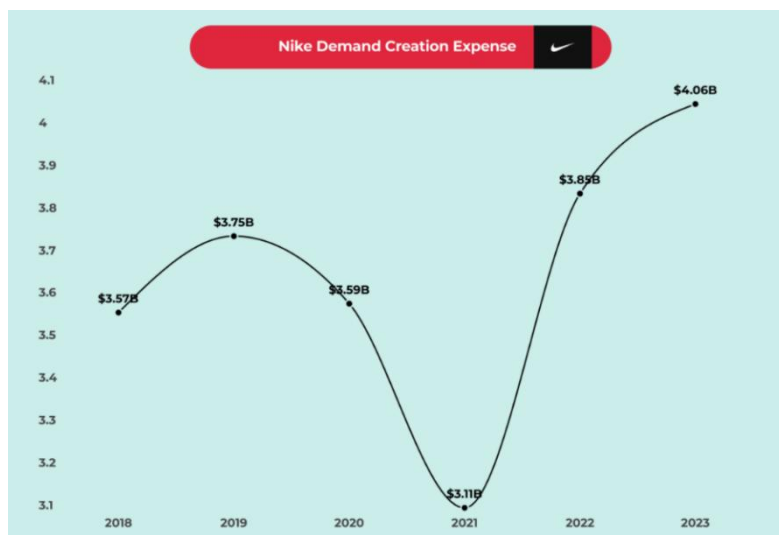
3.0 SWOT Analysis

The Pegasus 41 is now our main anchor to keep our 37% market lead. Nike has the best brand equity in the world, but in 2026 we need to fight specialist brands that try to call the Pegasus legacy. We are changing this "legacy" status to "Reliability at Scale."

3.1 Strengths and Weaknesses

Strengths

- Dominant Franchise Power: The "Proven" Franchise Power:** As our most stable performance franchise, the Pegasus 41 provides a high-volume revenue stream with **two years of verified consumer data**. It anchors the category, allowing Nike to take bigger risks on experimental lines like the Alphafly 3.
- Scale of Demand Creation:** With a **\$4.3 billion budget**, Nike has the cashflow to saturate TikTok, Instagram, and global sporting events. This scale allows us to outspend Hoka and On combined, ensuring the Pegasus 41 remains the default choice for the 16–35 demographic.
- Proprietary "Air Zoom" Moat:** Our in-house Air Zoom technology provides a specific energy return and "feel" with decades of athlete trust, serving as a legally protected technical differentiator.








Weaknesses

- **The "Student Price Gap":** While the **\$110–\$130 range** positions it as a value alternative to the Pegasus 42, it still creates a friction point for the 16–35 demographic compared to entry-level rivals.
- **Retail "Showrooming" Dependency:** We remain dependent on wholesale partners like Dick's Sporting Goods for "fit-testing," which can lead to a **10-15% margin loss** to middlemen.
- **Elite Marketing Alienation:** Focusing heavily on elite performance may alienate the "modern lifestyle" walker who views the shoe as "too much" for casual campus use.

STRATEGIC WEAKNESS MATRIX: PEGASUS 41 LIFECYCLE

WEAKNESS	IMPACT LEVEL (HIGH/MED)	PRIMARY FRICTION POINT	IMPACT ON FY26 STRATEGY
 Student Price Gap	HIGH	Price vs. Disposable Income	Loss of entry-level "Lifetime Value" customers.
 Retail Dependency	MEDIUM	Physical vs. Digital Experience	10-15% margin erosion to wholesale middlemen.
 Elite Alienation	HIGH	Performance vs. Lifestyle Image	70% of potential "casual" users feel excluded.

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3.2 Opportunities & Threats

Opportunities

- **The "Eco-Performance" Upsell:** We will use the ReactX foam's 43% smaller carbon footprint as a "Brand Shield" and not just as a feature. By focusing on sustainability as a key benefit, we can reach the conscious consumer group, which specialized competitors like Hoka have not yet fully captured at scale. This keeps the Pegasus 41 in line with Gen-Z values while still keeping its performance pedigree.
- **Social Commerce Integration:** Pilot "Direct-from-Feed" purchasing on TikTok and Instagram. Allowing the 16–35 demographic to buy the Pegasus 41 directly within social apps reduces the "friction to purchase" and stabilizes recent DTC declines.

Threats

- **Niche Brand Saturation (Hoka/On):** The primary threat is the "**cool factor**" migration. If the Pegasus 41 is perceived as outdated compared to newer specialist releases, we risk a permanent shift in brand preference among Gen Z.
- **Supply Chain Volatility:** Global logistics remain a wildcard. Any delay in Pegasus 41 restocks could allow competitors with more agile supply chains to capture seasonal windows.
- **The "Comfort First" Pivot:** If our marketing over-indexes on "speed" while competitors focus on "all-day cloud comfort," we risk losing the casual-use market which makes up 70% of Pegasus sales.



4.0 Marketing Objectives and Issues

Objectives

To ensure the Pegasus 41 effectively **defends** market share within the 16–35 demographic for FY26:

- **Market Penetration:** Achieve a 12% increase in Nike App-exclusive sales for the running category within the first 90 days of the **FY26 cycle**.
- **Customer Retention:** Maintain a 75% repeat-purchase rate among "Nike Member" accounts through personalized post-purchase digital engagement.
- **Brand Sentiment:** Shift the "Sustainability Index" perception by 15 points through transparent marketing of the recycled materials in the Pegasus 41.
- **Revenue Growth:** Realize a gross revenue target of \$1.2B specifically from the Pegasus 41 line by the end of Q4.

Issues

- **Pricing Differentiator:** We must clearly communicate the value of the \$110–\$130 Pegasus 41 versus the \$145+ Pegasus 42 to prevent internal cannibalization
- **Channel Conflict:** We must ensure third-party retailers (e.g., Dick's Sporting Goods) do not prematurely discount the product, which would erode our Direct-to-Consumer (DTC) margins.
- **Inventory Velocity:** Global logistics remain a wildcard. Any delay in "Colorway Drops" for the 16–35 demographic could allow competitors with more agile supply chains to capture seasonal windows.



5.0 Marketing Strategy

The Pegasus 41's marketing plan for FY26 is based on defending and deepening. As the shoe reaches its peak maturity, our goal is not to bring it back, but to make it even more popular with 16–35 year olds and make it more relevant in the lifestyle market. This defensive stance affects all of Nike's strategic choices, from pricing to communication. It uses Nike's unmatched financial speed and brand equity to keep its market share safe from both old rivals and new ones like Hoka and On.

5.1 Positioning

The Pegasus 41 is a shoe that elite athletes trust and that everyday runners, walkers, and young professionals wear. It is at the crossroads of proven performance and modern lifestyle utility. It fits into Nike's own product line as a high-value mid-range item priced between \$110 and \$130. It sits below the premium Pegasus 42 to appeal to the "Student Price Gap" demographic without taking away from the flagship. When compared to other brands, it is not the newest or most exciting option, but the most reliable. "Reliability at Scale" is the brand's main message, and it turns the shoe's age into a strength instead of a weakness.





5.2 Product and Pricing Strategy

The Pegasus 41's product strategy for FY26 is to get the most value out of each product's lifecycle, not to come up with new ideas. The shoe's Air Zoom cushioning and ReactX foam are still what set it apart in terms of performance, backed by two years of verified customer data and more than 10,000 five-star member reviews. Product messaging will play up this track record, saying that the Pegasus 41's maturity makes it more reliable than newer specialist options.

In FY26, Nike will release new colorways that are only available to members through the Nike App. These colorways are aimed at people aged 16 to 35 who want to be able to wear their clothes in a variety of ways. This increases DTC engagement and keeps social commerce culturally relevant. The ReactX foam's 43% lower carbon footprint will also be marketed as a key feature, aimed at the environmentally conscious consumer group that competitors like Hoka have not yet been able to reach in large numbers.

On pricing, the Pegasus 41 maintains its \$110–\$130 range throughout FY26. Internally this creates clear separation from the Pegasus 42's \$145+ price point, preventing cannibalization while providing a strong entry point into the Nike ecosystem. Externally it undercuts luxury specialists while staying above entry-level rivals. Periodic student and loyalty discounts through the Nike App will address price sensitivity without broadly reducing retail price.



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5.3 Distribution and Communications Strategy

Nike's distribution model for the Pegasus 41 in FY26 operates on a deliberate hierarchy: Nike Direct first, wholesale second. Wholesale partners like Dick's Sporting Goods remain valuable as physical fit-testing points that funnel consumers into the digital ecosystem, but margin protection and customer ownership make DTC the priority channel. The Nike App serves as the primary DTC vehicle, offering exclusive colorway drops, member-only anniversary pricing, and personalized post-purchase engagement to drive the targeted 5% increase in digital DTC sales. To further reduce purchase friction for the 16–35 demographic, we will pilot "Direct-from-Feed" purchasing on TikTok and Instagram, allowing consumers to buy directly within social apps without leaving the platform.

On communications, our strategy runs on three tracks. The first is athlete-driven performance content, elite endorsements and training content distributed across TikTok and Instagram that reinforce the Pegasus 41's credibility with the primary performance segment. The second is lifestyle-oriented social content targeting the secondary market, emphasizing colorway drops, campus versatility, and sustainability credentials through user-generated content and influencer partnerships. The third is Nike Member direct engagement, personalized app notifications and email campaigns that reward loyalty and drive repeat purchase among existing members. In-store displays at wholesale partners serve as a fourth supporting layer, reinforcing performance messaging at the point of physical trial.



6.0 Marketing Research

Marketing research for the Pegasus 41 in FY26 draws from three primary sources. Internal Nike App and sales data will serve as the primary performance tracking tool, monitoring DTC conversion rates, demographic capture, and member engagement against our 5% digital sales growth target. Post-purchase surveys deployed through the Nike App will measure brand perception shifts, particularly around sustainability, tracking progress toward the 15-point Sustainability Index improvement objective. Social listening tools across TikTok and Instagram will monitor sentiment, user-generated content volume, and cultural relevance indicators within the 16–35 demographic.

Externally, continuous benchmarking against Adidas, New Balance, Hoka, and On will track competitor pricing moves, product launches, and social engagement rates to identify market shifts early. This competitive intelligence will inform real-time adjustments to colorway drops and promotional timing throughout the fiscal year.

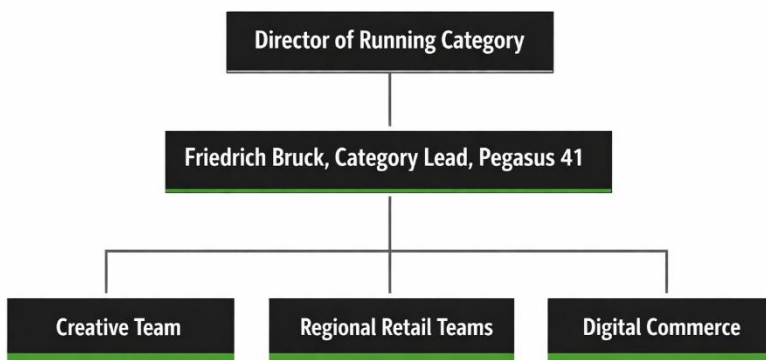


7.0 Marketing Organization

The Pegasus 41 campaign is led by a dedicated Category Lead reporting directly to the Director of the Running Category ensuring lifecycle strategy stays aligned with the broader goal of capturing 20% of the running shoe market. As Category Lead for the Pegasus 41, I, Friedrich Bruck of Compass Consulting Inc. am responsible for overseeing the execution of this marketing plan, ensuring all three divisions, Creative, Regional Retail, and Digital Commerce, remain aligned with the FY26 lifecycle strategy and revenue objectives. Three key divisions operate under this structure:

The **Creative Team** manages all influencer and athlete endorsement campaigns, owning the performance and lifestyle content tracks across TikTok and Instagram. The **Regional Retail Teams** oversee wholesale partner relationships and in-store execution at partners like Dick's Sporting Goods, ensuring physical touchpoints reinforce digital messaging. The **Digital Commerce division** owns the 5% DTC digital sales growth target, managing Nike App exclusives, member pricing, and social commerce integration.

The most important thing is that these three divisions work together. Performance messaging at wholesale and lifestyle messaging on social media must support each other instead of contradicting each other in order to keep the brand's position consistent across all consumer touchpoints.



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8.0 Action Programs and Metrics

Quarter	Action	Metric
Q1	Prioritize Pegasus 41 sales through Nike Direct with early access for Nike Members. Deploy athlete endorsement campaigns on TikTok and Instagram anchored around key sports moments.	App download growth, DTC conversion rate, social engagement rate.
Q2	Expand to wholesale partners and release lifestyle colorway drops as member-only exclusives. Pilot Direct-from-Feed purchasing on TikTok and Instagram.	Sell-through rates wholesale vs. DTC, social commerce conversion, market share vs. Hoka and On.
Q3	Activate student discounts through the Nike App. Launch sustainability marketing campaign highlighting ReactX foam's 43% lower carbon footprint. Adjust spend based on Q2 listening data.	Progress toward 20% running shoe market share, 15-point Sustainability Index shift, lifestyle market growth.
Q4	Execute colorway and product refresh planning based on full-year performance data. Finalize Nike Member loyalty engagement for repeat purchase cycle.	DTC digital sales against 5% growth target, repeat purchase rate against 75% retention objective, Pegasus 41 total contribution to \$1.2B revenue target.



9.0 Pro Forma Budgets and Financials

The Pegasus 41's FY26 financial strategy operates within the context of Nike's broader restructuring. Nike's total FY25 revenue came in at \$46.3 billion, down from \$51.4 billion in FY24, with demand creation expense rising to \$4.69 billion. The Pegasus 41 campaign draws from this demand creation budget, with allocation weighted toward Q1 digital activation and Q3 lifestyle market expansion.

Budget Distribution

Channel	Q1	Q2	Q3	Q4
Nike App / Digital DTC	40%	35%	30%	30%
Social Media (TikTok/IG)	30%	30%	25%	20%
Athlete/Sports Marketing	20%	15%	15%	15%
Wholesale/In-Store	10%	20%	20%	20%
Sustainability Campaign	—	—	10%	15%

Revenue Targets

Metric	Target
Pegasus 41 Gross Revenue	\$1.2B by end of Q4
Digital DTC Sales Growth	+5% vs. FY25 baseline
Nike App Exclusive Sales	+12% within first 90 days
Repeat Purchase Rate	75% among Nike Members



The budget allocation front-loads digital and social spend in Q1 to establish momentum for the FY26 colorway cycle, then shifts toward wholesale reinforcement in Q2-Q3 as the lifestyle segment expands. The sustainability campaign receives dedicated spend in Q3-Q4 to align with the brand sentiment objective of a 15-point Sustainability Index shift. All spending is calibrated to protect gross margin, prioritizing Nike Direct channels which carry higher margins than wholesale.



10.0 Additional Controls

Rolling performance reviews on a monthly, quarterly, and yearly schedule will be conducted to support FY26 goals and objectives. Monthly reviews of Nike App performance and DTC conversion rates will allow for budget shifts between channels. Quarterly surveys among consumers aged 16-35 on brand health will gauge changes in sustainability scores and brand sentiment. This will inform adjustments in messaging strategy ahead of future quarterly colorway drops and marketing campaigns.

The annual review of the wholesaler to DTC channel balance will measure progress towards reducing reliance on wholesalers to boost margins. Yearlong benchmarking against Adidas, New Balance, Hoka, and On will monitor the competition's price strategy and social media reach in order to detect threats to market share early.

If supply chain challenges impact colorway release dates, contingency plans include prioritization of Nike App member alerts to keep engagement up without discounting. Should the Pegasus 41 experience accelerated losses in market share in response to mid-year changes, the main course of action will be a budget reallocation from wholesalers to social commerce marketing and athlete content.



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