




The Perks of Being Digital. *Nikeland*: A Case Study

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Abstract. The increasing digitalization of consumer behavior and lives has created both opportunities and challenges for fashion brands seeking to engage with their audience. This paper aims to reflect on the perks of being digital for fashion companies, through the observation of *Nikeland* platform on Roblox as a case study for more general considerations. The paper begins by providing an overview of the current digital landscape and the increasingly marked need for brands to create a more engaging relationship with their customers. Two sections will be devoted to the case study, one for the description of the platform, resulting from a personal observation of this, and one for the critical discussion of the characteristics and advantages highlighted. In the conclusion section there will be a further discussion about the potential benefits derived from the use of a new digital business model and how, however, it is necessary to give priority to transparency and authenticity in this process towards users-customers.

Keywords: Digitalization · *Nikeland* · Metaverse · Roblox · Digital experience

1 Introduction

Fashion is a complex phenomenon that has always interested many scholars. Among these, one that played a significant role was the German sociologist and philosopher George Simmel, fascinated by fashion and its impact on society, whose reflections appear particularly remarkable and current. Fashion, according to Simmel, has for the modern individual the charm of beginning and end at the same time, the charm of new and the charm of caducity [1]. Given what Giacomo Leopardi wrote in his *Operette Morali* about the parallel between Fashion and death [2], one might argue that he could have found a solid substantiation of his ideas if he had had the opportunity to experience modern society. Inserted in the *metropolis* in which everything proceeds with a fast and chaotic movement, the modern human being is driven by the propensity for the new, transitory and changeable, favored by the intensification of the “nervous life”, produced by the rapid and uninterrupted alteration of external and inner impressions [3]. Within the modern metropolis – or *liquid society*, as Bauman defines it [4]- the short life of fashion is highly encouraged by the hyper-connection to the digital world, to which all individuals are now subjected daily.

From the moment the internet entered our homes and lives, the race toward the digitalization of life has never stopped. The accelerator was hit by the spread of Covid-19, which had a very strong impact on our lives – both psychologically and economically. The fashion industry is now facing a digital transformation, attracted by the potential of technology and the digital dimension, from how products are being produced to the communication between retailers and consumers and individuals' shopping habits [5]. During the sanitary hazard period, as the in-person purchase was not allowed, the fashion companies needed to quickly find a new way to communicate and to promote their new releases, to adapt to the new demands of their audience, and to minimize losses due to the situation [6]. These circumstances showed how necessary it was to invest in the digital front, to find alternatives to the in-person shopping experience. Digital tools are the perfect allies for the fashion industry: through them, companies can quickly adapt their businesses and communication models to expand their reach and to keep feeding the vicious life and death-cycle of fashion products. Above all, digital tools can satisfy consumers' hunger for more and more new products, offered at the speed of a simple *click* or *scroll*.

This paper aims to reflect on how the Fashion industry no longer uses technology as a simple medium to better promote its products in a way we already used to see. The small big and digital world that dwells in cyberspace, called *Nikeland*, will be investigated to demonstrate how the Nike brand has used users' enthusiasm for *Metaverse*, creating one by collaborating with *Roblox*. The aim is to illustrate the perks of being digital for a company and how the combination of these tools and competent and creative professionals can be, nowadays, a trump card.

2 Methodology

This case study is based on the combination of direct observation of the *Nikeland* platform and Roblox homepage data and – due to the lack of specific existing literature – the critical reworking of studies and reflections of other authors who have devoted themselves to the observation of similar cases and contexts. As support of the §3.1 Case Study discussion will be used some conference proceedings of the previous FACTUM conferences and some studies about other platforms of virtual world games. The fashion world is very vast and its relationship with the videogames industry and online platforms are attracting more and more interest from the academic community.

3 *Nikeland*: Where Sport has No Rules

According to the Nike brand, anyone who owns a body is in itself an athlete and therefore a perfect customer of this brand whose mission has always been to bring inspiration and innovation to every athlete in the world [7]. The brand has constantly stood out for its interest in innovation and digital transformation considering tools such as Artificial intelligence (AI), e-commerce, in-store experiential technology and smartphone applications – i.e. Nike Training Club and Nike Run Club - as integral parts of their business and communication strategy [8]. Since January 2020, John Donahoe, who has become an expert in the field of digital commerce and technology, has become CEO of Nike

[9], intending to pursue the mission of serving consumers better, offering them more and more engaging experiences, obviously giving priority to the digital future of the company. Shortly after the announcement of the ambitious *Metaverse* project by Meta's CEO, Mark Zuckerberg, in November 2021 Nike and Roblox announced their partnership in creating a branded metaverse, called *Nikeland* [10]. Roblox is a famous platform, launched in 2006, that allows users to live many virtual experiences in specific digital spaces, within which they can play and socialize with other users. *Nikeland* is a part of this virtual universe, modeled after the company's real-life headquarters in Oregon, in which users can wander around in a totally branded world -even clouds are marked with the famous *swosh* - through their avatars, obviously dressed in Nike-branded clothes.

The place is divided into different locations – the lobby, Basketball area, Football field, Showroom, My Playground, *etc.* - and each of these allows different activities. The Lobby is the area where users can meet themselves, visiting the store and getting familiar with the game; The sports fields are intended for the game of reference sports even if with some modification to the traditional rules; The showroom is the area where subscribers can purchase Nike branded items and decorations for their personal spaces (My Playground). Thanks to a map members can move between all these various locations and enjoy the game. Exploring the Nike world and through competitions with or against other members, users can get many free items– like wearables to customize their avatar - or coins to buy them in the Showroom.

To enhance a connection between the virtual online world and the physical one, the Roblox engine uses smartphone accelerometers and augmented reality (AR) hardware to interpret a user's movement during online play such as long jumps or running [11].

With this project, Nike wants to communicate that sports and play are part of an available and fun lifestyle for both the young and old generations, and it does so by offering these engaging experiences. The brand that in the past had successfully found ways to involve users creatively– e.g. allowing them to customize their sneakers with unusual designs – and physically – via the training apps – in this virtual space aims to involve them in both ways. Everything in *Nikeland* is possible, there are no rules nor physical logic – it's possible to swim underwater for as long as the user wants – and there is no impediment to creativity: here users can do, be and dress as they prefer. Granted, only with Nike clothing.

3.1 Case Study Discussion

As we mentioned, Nike CEO John Donahoe has invested heavily in digital tools to communicate the brand's mission and get closer to consumers. The *Nikeland* project has been one of the many attempts that have shown how the use of these tools can be beneficial for a brand. This first experience of the digital universe has registered over 31.5 million accesses to the platform [10] and has thus allowed the company to invoice a net income beyond \$1.39 billion [12]. This high gain makes one believe that in the future the company will continue to offer more and more engaging and innovative experiences for its customers like this. The advantages of this experience – which is still provided free of charge – are numerous and quite lucrative and worthy of reflection. Some of these will be highlighted below.

The *Nikeland* platform combines the strengths of video games and social networks, creating a virtual space where users can socialize, compete and be creative, a great winning strategy that could represent an opportunity to grow brand awareness and test ideas for new designs [13]. The combination of competition and sociability has already been successfully used within the Nike app, where friends can train, maybe go on a run, and see them change positions in the rankings. The opportunity to socialize with others and have fun competing against them seems to be a great way to ensure that users use the platform in a fun way and especially for extended times.

The free access to the platform makes it possible to affirm a democratization of participation in sport: at *Nikeland* all limits are pulled down. There are no economic or geographical limits because users can connect simply from their homes and live unique experiences almost impossible to replicate in reality – such as playing with LeBron James during the NBA All-Star Week, training with their favorite teams or athletes, competing in famous sporting events, wearing clothes that in the real world would not be affordable or that would encourage others' judgment, and so on. Accessibility and democratization of sports are one of the main values that the brand wants to convey.

The large space that the platform leaves to the users' creativity is another element that guarantees a prolonged use of this game. In fact, subscribers can engage themselves in the invention of new games and the creation of new designs for the clothes and accessories they want to wear. The customization of the somatic traits and clothing style of their character – which is not a new idea because fashion has become part of the video games world for some time- allowed players to have fun creatively and to find a new way to express themselves: they wouldn't have to create a character necessarily in their image and likeness, but they could use it as a *medium* of their personality and identity and dress it with the style they most prefer. The creation of the avatar as a citizen of a virtual world can represent the projection of a particular sphere of the player's being, which in physical life fails to exhibit and represses. The alteration of identity becomes a means through which to reinvent oneself [14]. The player in the video game can temporarily adopt a specific imaginary lifestyle through the embodiment of the avatar [15].

The game became easily inclusive not only in terms of style and personality but also in physical terms because augmented reality allows to overcome the exclusion of physically fragile subjects and this allows them to feel part of something and make experiences that, otherwise, they would not have had the opportunity to try. By doing so, players can fully express their personalities and feel represented during the game. In this sense the company gains in terms of image, being perceived as inclusive by potential future consumers. The gain for the company, it goes without saying is both in terms of image and economic terms. The brand can earn through the collection of members' data resulting from their activities on the platform: this data can be reused to get targeted advertising but can also be resold to third parties. Thanks to this data it's possible to monitor the preferences and interests of the customers and understand how much they appreciate a given product and, based on this information, propose the product in physical and real form. Users have become what Toffler, in his *The third wave* [16], defined as *prosumer*, a consumer who is at the same time producer of the same products he consumes.

Has been created a synergic duo between the digital and the physical world, that now can communicate and share information to provide better experiences in both worlds. Proposing the experience under the guise of a game allows them to involve more and more and for a longer time the consumer but also to reach the younger consumer groups. The company knows how to get closer and closer to the youngest people, creating a relationship of trust with new possible customers and taking advantage of their familiarity with online games and the need to purchase virtual goods with real money to customize their appearance. Marketing opportunities with this platform are almost endless. Just think of the possibility of creating hybrid events, which take place simultaneously in both dimensions and there are no restrictions on anyone's participation, no matter how far away the event is, everyone can participate from the comfort of their own home. The virtual world is so attractive for the total absence of rules dictated by logic because the only limit is represented by the human imagination. *Nikeland* is a perfect representation and extension of what Nike is like as a brand.

4 Conclusions

Through this paper, we have seen how the social context we inhabit is strongly influenced by technology, whose speed is reflected in many aspects of our daily lives. Due to the period of health hazards, which forced potential customers to stay at home and exclusively buy online, the major fashion companies have understood the need to invest even more in the digital sector. Undoubtedly, they creatively and boldly used both digital tools and consumers' need for novelty. The digitalization and the push of the fashion industry towards the digital dimension have brought the need for the creation of new professional figures with the digital skill to take care of the new media platforms [17] with a creative and fashionable touch. Fashion companies have made their appearances on various screens and platforms, through collaborations with video games – such as *Fortnite*, *The Sims*, *Animal Crossing* [18], etc. – and social networks platforms – such as the famous *Habbo* and *Second life* [19]. The Zuckerberg *Metaverse*, as we know it up to now, is just a work in progress and ambitious project, but the audience seems to be excited about it. Many companies are already starting to use similar platforms, such as Roblox, to test the strengths of this new way of marketing and communicating their brand. As we have seen, the Nike brand has proved to be very far-sighted in the use of digital tools by collaborating with Roblox and creating its virtual world. The idea of creating a virtual space was obviously not new in the fashion field, which due to the spread of Covid-19 has found in these spaces a possible alternative to the crowded catwalks and fashion design events [20].

In Sect. 3.1 were mentioned the advantages that the brand has gained thanks to the creation of this experience. The brand has gained in terms of visibility around the world for the free access and novelty of the branded game – securing ads from the video game community on various platforms such as *Twitch* and *Youtube* – but also in terms of image communicating its values through the game itself. The possibility to socialize and play with others allowed the brand to implement a marketing strategy that reaches players in a less “aggressive” way. Within the game it's possible to make a more consumer-friendly marketing strategy: the consumer is not interrupted during the game by advertising,

since this becomes an integral part of the gaming experience. The promoted object can be proposed in three-dimensional form and can be an actual object of the game, such as an item of clothing or a piece of furniture of the avatar's house. Above all, this project has shown how the use of these tools can bring brands and fashion to younger generations that identify the most with technology [21] and use these platforms on a daily basis – we have reason to believe that their usage will not decrease with the arrival of the official *Metaverse* of Meta. Gamification is used to provide brand co-creation and participation; consumers might feel they are part of the brand itself [22] and feel a sense of proximity with it [23].

The conversation between the brand and the consumer has been enriched thanks to technology and interactivity [24] and having the data on the preferences and needs of the users is a real game changer in fashion advertisement because it allows orienting not only sales and advertising but especially the production of the favorite products of the public.

We have briefly seen how the digital transformation is changing the way and the speed with which fashion is produced and consumed and how being digital can be beneficial to a fashion brand in general. It is no longer possible to conceive fashion adv only in a traditional way – with magazines, film, television and outdoor media [23]. It is mandatory to conceive consumers as an integral part of product creation and promotion. Digital strategies are numerous and often very lucrative on several fronts and not only from the simple consumer's purchase. However, it will be necessary to ethically question the type of relationship that is being created between brands and costumers and how this can be exploited by the brands themselves. In order to be ethically correct, brands should be transparent about the use of personal data and users' creations, essential for building trust and maintaining a positive reputation. Being transparent about how they use user data is not only an ethical obligation for brands but also helps users make educated decisions about their engagement with the brand itself. When brands take responsibility and consider the ethical implications of their actions, they foster responsible behavior, benefiting the user as well as the brand itself. Ultimately, transparency is the cornerstone of building a mutually beneficial and trustworthy relationship between brands and their users, making it essential for creating an ethical and sustainable business model.

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