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PHÂN TÍCH MẠNG LƯỚI PHÂN PHỐI CHO BÁN LẺ ĐA KÊNH: NGHIÊN CỨU TRƯỜNG HỢP CỦA NIKE

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Tóm tắt

Tầm quan trọng của bán hàng trực tuyến ngày càng tăng có nghĩa là các nhà bán lẻ truyền thống cần tạo ra hệ thống phân phối mới để phục vụ khách hàng thông qua nhiều kênh. Tuy nhiên, việc xây dựng một hệ thống phân phối đa kênh hiệu quả sẽ gặp phải nhiều thách thức. Bài viết này tiến hành phân tích về mạng lưới phân phối dành cho bán lẻ đa kênh, tập trung vào nghiên cứu về trường hợp của Nike. Nghiên cứu này đi sâu vào mạng lưới phân phối của Nike, trình bày chi tiết về cấu trúc, các thành phần và tình hình hiện tại trong việc hỗ trợ bán lẻ đa kênh. Đánh giá về sự thành công của mạng lưới phân phối của Nike đóng vai trò là chuẩn mực cho các khuyến nghị phù hợp với các công ty bán lẻ tại Việt Nam. Dựa trên phân tích SWOT và bài học rút ra từ Nike, bài viết cung cấp những hiểu biết có thể áp dụng để tối ưu hóa mạng lưới phân phối trong ngành bán lẻ Việt Nam. Bằng cách tổng hợp lý thuyết và ứng dụng thực tế, nghiên cứu này góp phần hiểu biết sâu sắc hơn về quản lý mạng lưới phân phối hiệu quả trong bối cảnh bán lẻ đa kênh.

Từ khóa: Bán lẻ đa kênh, Mạng lưới phân phối, Nike, ngành bán lẻ Việt Nam

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ANALYSIS OF DISTRIBUTION NETWORK FOR MULTICHANNEL RETAILING: A CASE STUDY NIKE

Abstract

The growing importance of online sales means that traditional bricks and mortar retailers need to create new distribution systems to serve customers through multiple channels. Building an effective and efficient multichannel distribution system, however, leads to multiple challenges. This paper conducts an in-depth analysis of distribution networks for multichannel retailing, focusing on a prominent case study of Nike. The case study dives into Nike's distribution network, detailing its structure, components, and current situation in supporting multichannel retailing. A critical evaluation of Nike's distribution network success serves as a benchmark for recommendations tailored to Vietnamese retailing companies. Drawing on SWOT analysis and lessons learned from Nike, the paper provides actionable insights for optimizing distribution networks in the Vietnamese retailing industry. By synthesizing theory with practical application, this research contributes to a deeper understanding of effective distribution network management in the context of multichannel retailing.

Key words: Multichannel retailing, Distribution network, Nike, Vietnamese retailing industry

1. Introduction

Multichannel retailing refers to the process of selling products or services to consumers through multiple channels, as defined by Levy and Weitz in 2009. Retailers have the option to sell their goods through various channels, including both physical stores and online platforms, either separately or integrated. This approach has become increasingly popular due to the rapid growth of the Internet (Jie Zhang et al., 2010). Multichannel retailing offers several advantages to retailers, including broader market coverage, reduced channel costs, and enhanced level of sales customization (Dragan Stojković et al., 2016). According to the findings of Ayşe Arslan et al. in 2020, in the realm of multichannel retailing, distribution networks hold significant importance, particularly in today's landscape where e-commerce is booming and customer expectations for prompt delivery are soaring. As a result, retailers are compelled to consistently enhance their distribution networks to meet these demands effectively.

In Vietnam, there has been a slight emergence of online sales since around 2015, but it wasn't until the onset of the COVID-19 pandemic that online selling via social platforms and e-commerce platforms became robust. Retailers gradually began diversifying their distribution channels to meet the current market demands. However, the implementation of multichannel selling and the efficient management of distribution networks, as well as channel integration, still pose challenges for many retailers, especially small businesses.

Hence, in order to obtain a comprehensive understanding of the significance of distribution networks in multichannel retailing and their operational intricacies, this study will commence with a thorough review of existing literature on the subject. Subsequently, it will conduct a detailed

analysis of a globally renowned brand, Nike. By scrutinizing Nike's distribution strategies across diverse channels, this case study aims to illuminate the strategies, operational methodologies, and achievements inherent in managing distribution networks within the multichannel retailing framework. Through a meticulous examination of Nike's distribution approach, this research endeavors to offer valuable insights and practical recommendations for Vietnamese retailers seeking to optimize their distribution networks amidst the evolving Vietnamese retail landscape.

2. Theoretical Framework.

2.1. The concept of distribution network and multichannel retailing

2.1.1. Distribution network

According to the book *Distribution and Supply Logistics* by Martin Straka (2017), a distribution network is defined to be the interconnection of elements of a distribution space by means of transport to meet customers' requirements. The criteria that define the basic shape of the distribution network can be classified as: the location of the distribution source, the locations of distribution centers, the maximum time of distribution, the maximum length of the distribution trajectory, the priority of places in the distribution structure, the capacity of the means of transport.

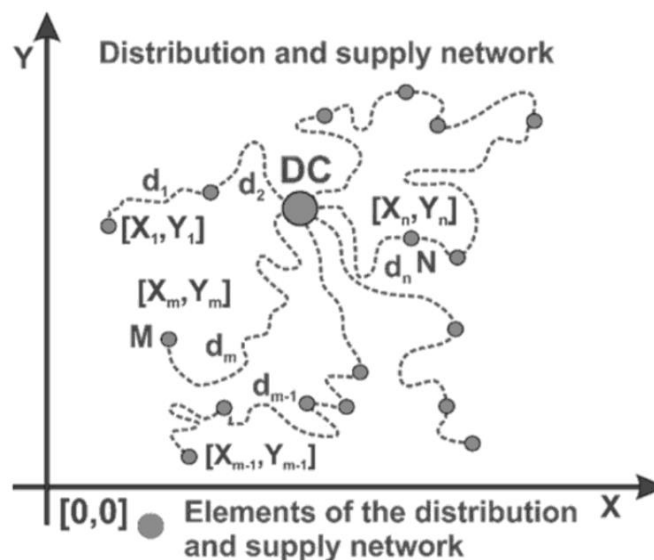


Figure 1: The distribution and supply network and its items

Source: M. Straka (2017)

There are three generic types of distribution networks which a supplier can choose between in order to deliver the products to the marketplace. The first type of network consists of each manufacturer using a single intermediary stage (typically owned and operated by the manufacturer) where products are stocked and shipped to or purchased directly by the customers. Second type of network configuration is that multiple manufacturers supply products directly to

the retail outlets while the third type is one with the same structure except that it contains an intermediary, traditionally referred to as a wholesaler. The choice between these two types of network configurations is driven by the costs/benefits of centralization versus decentralization (Erengüç et al., 1999).

2.1.2. Multichannel retailing

There are several definitions of multichannel from various academic authors. Multichannel retailing is claimed as a distribution system to reach more than one market segment by more than two channels, according to Kotler and Armstrong (2013). These channels, which form the multichannel domain, are made up of traditional stores, websites specialized in the sale of products, email and social media platforms, and others. The main feature of multichannel retailing is that these channels are acting independently, without interfering with one another. This gives some simplicity to this type of retailing and ease of monitoring.

Having said that, each channel represents a different technique, hence merchants can choose through which channels they want to distribute products to customers. The consumer can buy goods from the company as they provide the direct way to them. At the same time, a consumer can also buy indirectly when the company provides another retailer or third-party to sell a product or service. There are different definitions about multichannel distribution.

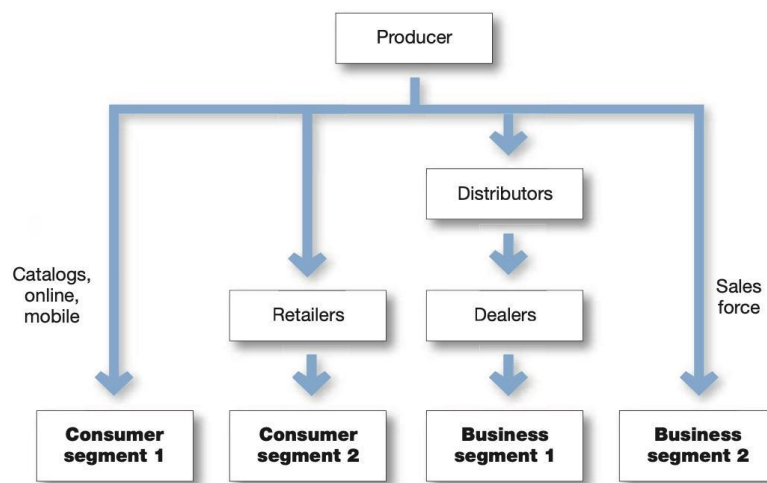


Figure 2: Multichannel Distribution System

Source: Kotler and Armstrong (2013)

2.2. The factors influencing efficient distribution network for multichannel system

Distribution network plays a crucial role in multichannel system. In order to achieve multichannel fulfillment efficiency at the highest level, according to the book “Supply Chain Management Strategy, Planning, and Operation” by Sunil Chopra and Peter Meindl in 2015, performance of a distribution network should be evaluated along two dimensions. The customer needs that are met influence the company’s revenues, which along with the following costs such

as inventory, transportation, facilities and handling, information cost decide the profitability of the distribution network. While customer service consists of many components, the measures that are influenced by the structure of the distribution network will be focused on. These include: Response time customer places an order and receives delivery. Product variety is the number of different products and configurations that a customer desires from the distribution network. Product availability is the probability of having a product in stock when a customer order arrives. Customer experience includes the ease with which the customer can place and receive their order. Order visibility is the ability of the customer to track their order from placement to delivery. Returnability is the ease with which a customer can return unsatisfactory merchandise and the ability of the network to handle such returns.

The integration of physical and information flows of online and offline channels proves to be one of the key tasks in order to successfully run multichannel sales operations. A central challenge for the distribution network is the emergence of additional packets and returned goods. This represents high requirements on the flexibility and the speed of transport. (Vahrenkamp & Kotzab, 2012). Distribution network design, including the choice of facility locations and corresponding transportation links, is a key strategic decision in any supply chain. In a retail environment, location choices mainly concern storage and transshipment facilities. What is particular here is the fact that inventories are decoupled from customer display. This increases the e-tailer's flexibility in locating inventories (Randall et al., 2006). The absence of physical inventory on display allows Internet retailers to avoid inventory ownership altogether by delivering customer orders directly from their suppliers' inventories. The impact of the delivery component is particularly important because of the relatively small transaction sizes, which often entail significant transportation costs.

3. Analysis of Nike's distribution network for multichannel retailing

3.1. Overview of Nike

3.1.1. General information of Nike

Nike was established by Phil Knight and Bill Bowerman in 1964 in Oregon, USA under the name Blue Ribbon Sports, according to MarketLine (2016) and Strasser & Becklund (1993). It underwent a name change to Nike in 1971 (MarketLine, 2016). Over the years, the company has transformed into the world's leading athletic brand, offering cutting-edge athletic wear, footwear, and related sports gear and technology. Since 1994, Nike has consistently been listed on the Fortune 500, reaching the Fortune 100 for the first time in 2016, ranking 91st (Kish, 2016).

3.1.2. Vision - Mission

Nike's mission statement, which aims to inspire and innovate for every athlete globally, encapsulates the essence of the company's purpose. It positions Nike as a frontrunner in the sports and fitness realm, offering motivation and fresh concepts to athletes from diverse backgrounds and age groups.

Regarding the upstream process, the upstream process focuses on product design and development by Nike, highlighting the flow of raw materials through tier 3, tier 2, and tier 1 suppliers to produce manufactured products for distribution in the downstream procedure. According to the above figure, Nike's upstream process begins with raw materials from Tier 3 suppliers, which are transformed into components by Tier 2 suppliers. Tier 1 suppliers then assemble these components into finished Nike products. To optimize costs and mitigate risk, Nike strategically sources from a geographically diverse network of Tier 1 suppliers.

Within global distribution channels, Nike employs a vast network of over 600 contracted manufacturing companies worldwide to produce its products under Nike's supervision. From production completion, finished goods are first directed to strategically located Nike Distribution Centers (DCs) around the world. These DCs act as central hubs, allowing for bulk storage and efficient distribution based on regional and seasonal demands. Based on demand or pre-orders placed 5-6 months in advance, a significant volume of Nike products is exported directly to retailers and wholesalers worldwide, reaching end consumers. Regarding its domestic distribution channels, domestic retailers typically procure inventory from Nike's contracted companies within that country or from distribution centers within that country.

3.2.3. Components of Nike's distribution network

Manufacturers/Suppliers

Nike's extensive supply chain network leverages a geographically diverse group of suppliers and manufacturers. The company collaborates with over 600 factory partners across 41 countries, with a core group of 502 Tier 1 suppliers handling final assembly. Among all nations, Vietnam, China, and Indonesia house a significant portion of these facilities, boasting an estimated 120, 105, and 41 factories respectively, with none factory occupying more than 5% of Nike's total footwear output.

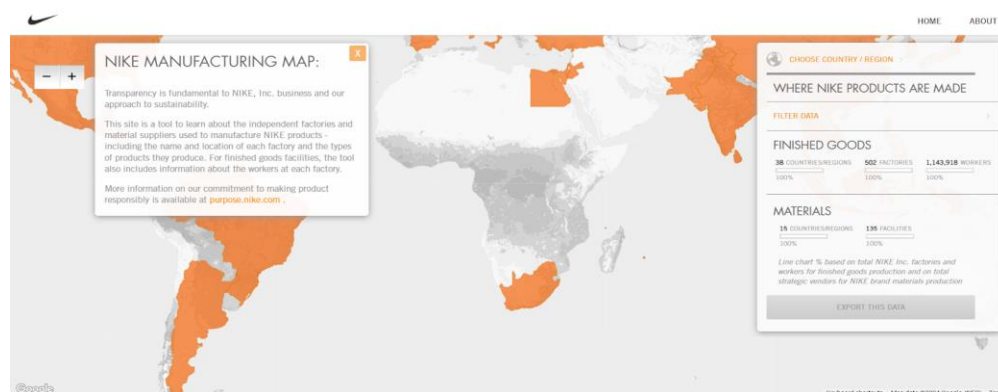


Figure 4: Nike manufacturers around the globe

Source: manufacturingmap.nikeinc.com

Distribution Centers

Nike owns 57 distribution centers throughout the world, with 5 primary centers within the USA and others allocated all over the world. Besides receiving and managing orders from different places, Nike's distribution centers collaborate with other logistics companies such as Maersk to distribute its products to customers worldwide.

One of the largest Nike's distribution centers is in Laakdal, Belgium. This facility is not only one of the largest distribution centers in Europe but also acts as the logistical hub for Nike EMEA, coordinating activities between a vast network of 700 factories and 25,000 customers. Due to a high volume of goods, the center incorporated a highly advanced automated three-tiered warehouse facility, streamlining the storage and handling of goods with sustainability remained a key focus. Another large distribution center is located in Memphis, United States, this footwear and apparel giant's 2.8 million-square-foot North America Logistics Campus – Memphis has 33 miles of conveyor belt, 73 outbound doors and 96 receiving spurs.

Wholesalers/Retailers' channels

The majority of Nike's sales are from wholesale and retail partnerships. In 2023, Nike's sales to wholesale customers generated revenues of approximately 27.4 billion U.S. dollars in 2023, accounting for 56% of total revenues.

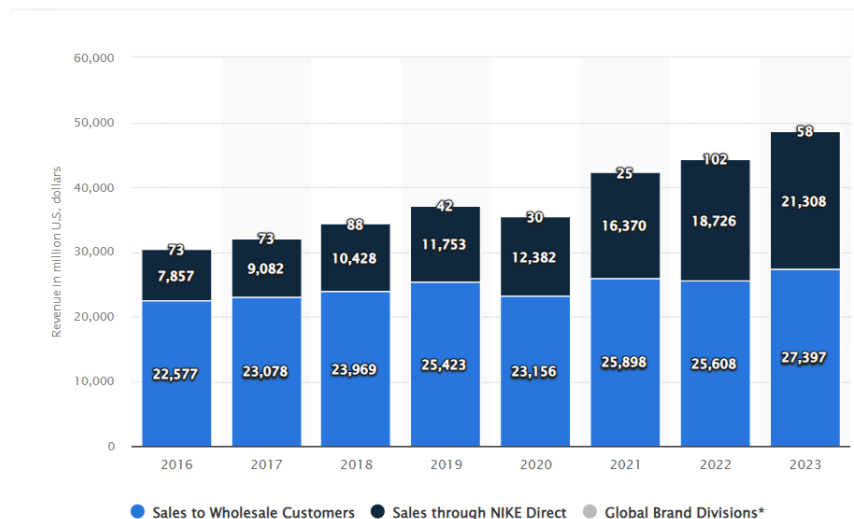


Figure 5: Nike's revenue worldwide from the fiscal years of 2016 to 2023, by sales channel (in million U.S. dollars)

Source: D. Tighe (2023)

In 2020, Nike focused on the Consumer Direct Acceleration strategy, emphasizing direct and digital sales through direct-to-consumer channels due to COVID-19 pandemic, therefore, the company scaled down partnerships with wholesalers while expanding direct channels such as Nike

website and app. By the end of 2021, Nike stopped collaborating with 50% of its retail and wholesale partnerships.

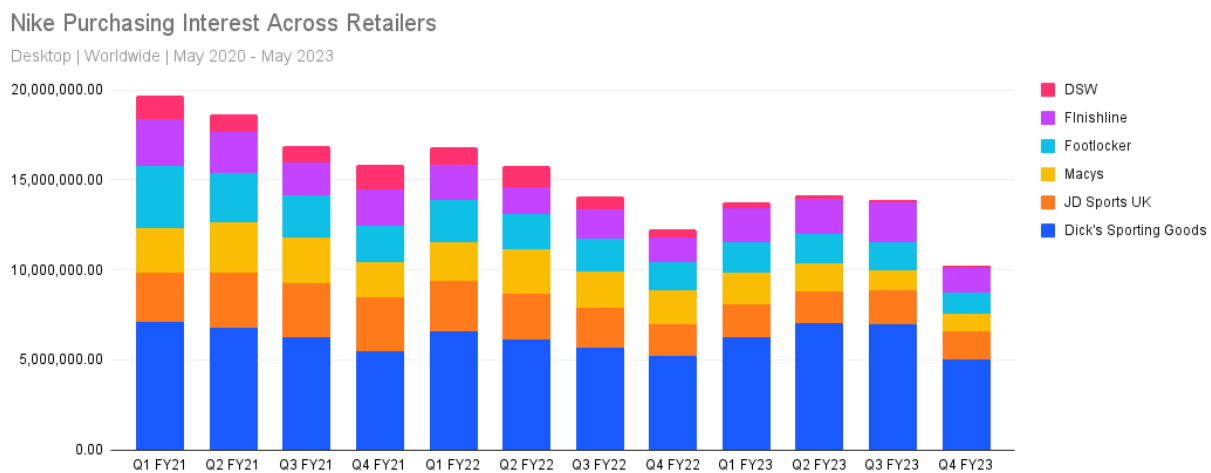


Figure 6: Nike purchasing interest across retailers from 2020 to 2023

Source: Similarweb.com (2023)

Some of the largest wholesalers of Nike include Footlocker, Macy's, Dick's Sporting Goods and JD Sports UK. Regarding the data given by Similar Web, wholesalers' Nike website traffic decreased in Q4 2023, with a 21% reduction in Footlocker's and a 51% reduction in Macy's compared to Q4 2022.

Due to the decline in wholesalers' purchasing traffic, Nike decided to re-evaluate its distribution strategy and achieve a better balance between DTC and wholesale. The purposes of re-embracing wholesale distribution channels were to clear inventory, meet short-term profit objectives and adapt to customers' preferences according to Reuters.

Direct-to-consumer channels

While wholesale channels represent a significant portion of Nike's revenue, the company prioritizes expanding direct-to-consumer (DTC) sales. Data from Figure 02 indicates substantial growth in Nike's DTC segment, with sales tripling since 2016. It is recorded that Nike Direct sales also grew from 24% of its total revenue in 2020 to 44% in 2023. Notably, DTC sales offer Nike higher profit margins than traditional wholesale channels, suggesting a growing emphasis on DTC sales and their heightened importance within Nike's overall sales mix.

Nike's DTC strategy leverages a two-pronged approach comprising a network of company-owned brick-and-mortar stores and a robust digital platform. As of 2023, Statista reports that Nike operates over 1,032 retail stores globally, with 369 of those located within the United States, encompassing Nike factory stores, inline stores, and Converse locations.

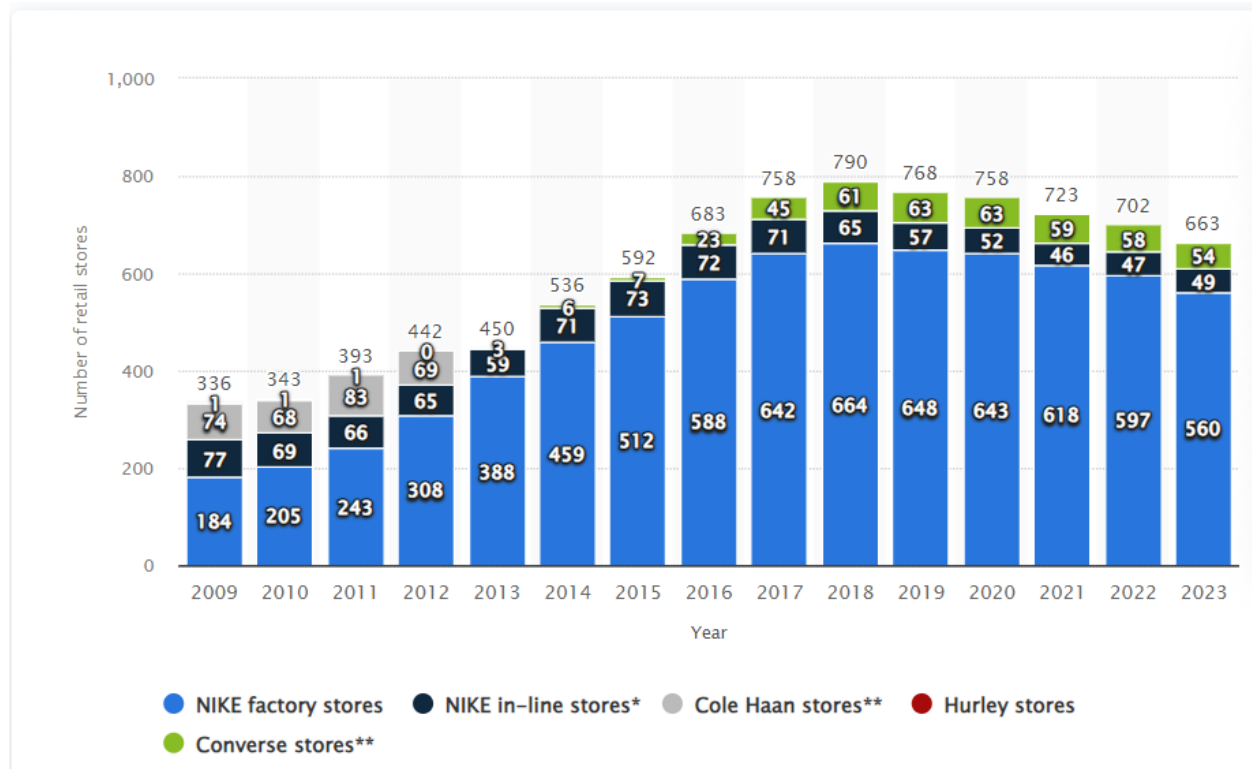


Figure 7: Number of Nike's non-U.S. retail stores from the fiscal years of 2009 to 2023

Source: D. Tighe (2023)

In terms of its brick-and-mortar model, four kinds of stores exist including Nike factory outlets, Nike Town, Nike retail stores and Nike clearance stores. Among these, Nike retail stores represent the most common physical touchpoint for consumers to interact with the brand, in which the primary function of Nike retail stores is to sell current-season and quality-guaranteed Nike products to customers and are mostly located within shopping malls.

Nike Factory Store is an outlet retailer operated by Nike where you can shop discounted Nike products such as out-of-season items, overstock and factory-made products, the purpose of these stores is to clear excess inventory. On the other hand, Nike Town aims to strengthen its brand image by creating innovative retail experiences while Nike clearance stores' priority is to sell off discontinued styles or products with minor imperfections to clear inventory and make space for new collections.

Nike's website and e-commerce

With mobile users spending 90% of their time using apps, Nike prioritized the development of customer-centric applications. In fiscal 2020, Nike's digital sales reached \$5.5 billion, up from \$3.8 billion in fiscal 2019. According to Piper Sandler, the app accounted for 18% of Nike's total digital sales in 2020 when the company decided to change to the Consumer Direct Acceleration strategy.

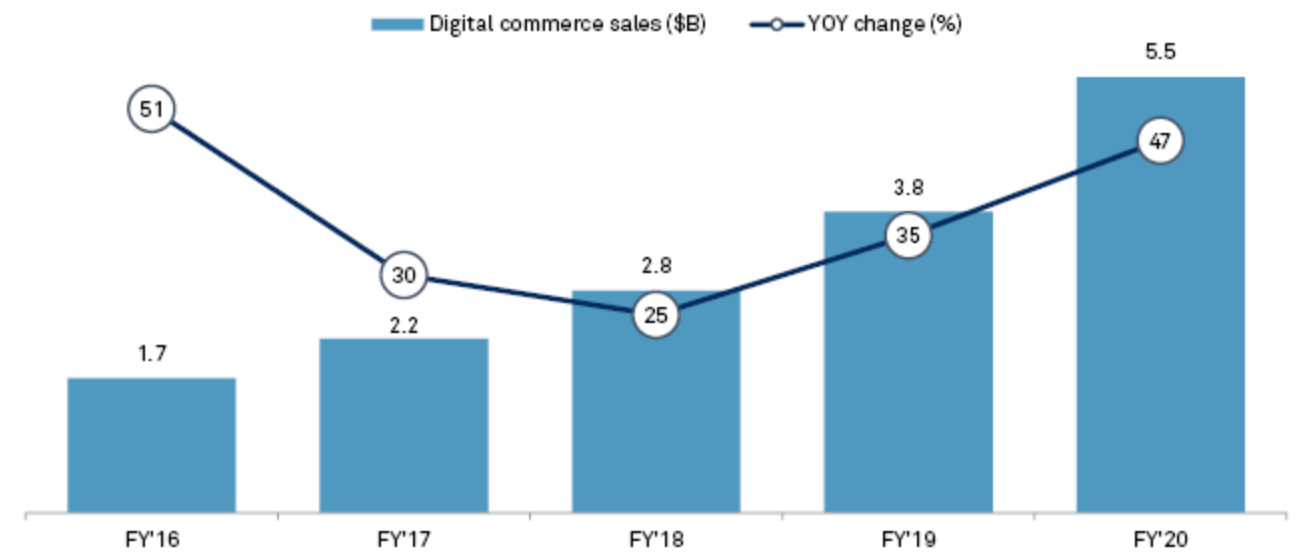


Figure 8: Nike's annual digital commerce sales growth from 2016 to 2020

Source: S&P Global Market Intelligence (2020)

As of May 2023, Nike maintained its leading position in the digital market share within the athletic apparel industry, holding a 42.5% share compared to its top ten competitors such as Adidas and Puma.

Sports Apparel Digital Market Share

Desktop & Mobile Web | Worldwide | Jan '21 - May 23

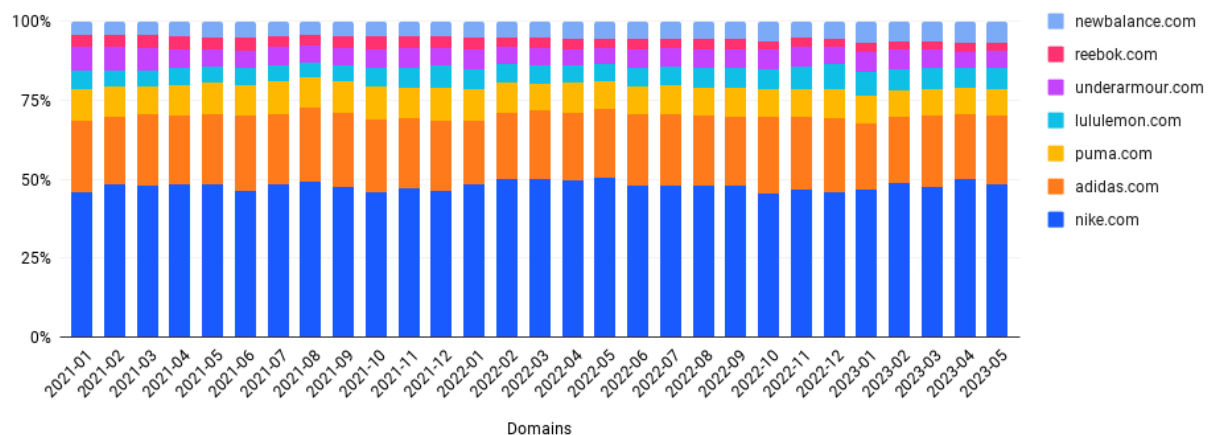


Figure 9: Sports apparel digital market share from 2021 to 2023

Source: Similarweb.com (2023)

By 2024, digital sales from both Nike Direct and wholesalers are expected to decrease by 3% year-over-year compared to 2023. Although digital sales from all channels witnessed a decrease, sales from DTC including both digital and physical stores have grown in which the number of

visits to Nike brick-and-mortar stores increased by 20.69% in Q4 2023 and 11.4% throughout 2023 in brick-and-mortar performance according to statistics collected by pass_by.

3.3. Evaluation of Nike's distribution network for multichannel retailing

After a deep analysis of the structure and components of Nike's distribution network in multichannel retailing, it can be seen that the distribution network is one of the crucial components in Nike's supply chain. It serves as a bridge between manufacturers and Nike, as well as between Nike and its customers, thereby contributing to its resplendent success. To point out remarkable successes in Nike's distribution network, they are based on the factors affecting distribution network design found by Sunil Chopra and Peter Meindl in 2019.

Short response time

Nike collaborates with logistics companies like Maersk, FedEx, and UPS to operate distribution centers. These centers handle receiving, managing, and shipping orders to customers. In addition to owning 57 distribution centers globally, Nike has built new regional service centers in the USA, Europe, and China to expand and accelerate its distribution network. Through these logistics partnerships, regional distribution sites, and the use of 1,000 robots in its centers for sorting, packing, and moving products, Nike can deliver goods more quickly and accurately. This network reduces transit time from distribution centers to wholesalers, retailers, and customers, thereby shortening response times.

High level of product variety

Nike provides customers with a wide range of product lines tailored to elite athletes, weekend enthusiasts or fashion/casual enthusiasts. Besides, Nike offers various types of stores catering to different shopping purposes. For discounted prices, customers can visit Nike Factory Outlet Stores or Nike Clearance Stores. For the latest season's products, Nike Retail Stores are available. Those interested in technology and the stories behind the products can explore NikeTown. Hence, Nike's customers have abundant options for both products and shopping experiences.

High level of product availability

With over 600 manufacturing plants and nearly 60 distribution centers worldwide, Nike can produce a large volume of goods and maintain substantial inventory levels, ensuring timely product delivery to customers. Additionally, since 2020, Nike has been developing regional service centers to bring its products closer to target customers. As a result, Nike can ensure a high level of product availability.

Superior customer experience

Nike has been actively pushing direct-to-customer channels (DTC) since 2020, including brick-to-mortar stores and online platforms so that Nike can directly provide its customers with an excellent shopping experience, rather than relying on third-party retailers. Furthermore, as recognizing the current consumer trends towards using mobile apps, Nike has developed

immersive experiences in its DTC channels, demonstrated through its mobile apps. The Nike App, for example, allows users to check product availability both in-store and online, enabling them to pre-order and pick up in-store. Nike Fit helps users customize shoes to fit their feet perfectly. Additionally, Nike also offers a free recycling service for customers when they can drop off their old items at Best Buy locations - a Nike's partner. Consequently, Nike brings its customers a convenient, immersive, and diverse shopping experience.

Convenient and easy returnability

With a vast number of stores and partnerships with various wholesalers and retailers, Nike customers can easily return and exchange products according to different provided terms. Additionally, Nike collaborates with UPS to facilitate the return process for online purchases. Customers can drop off their Nike products at UPS locations and have them shipped back to Nike for free. Furthermore, a 2018 survey and research by Team Trooya revealed that Nike's websites address 76% of return issues related to product quality and refunds, significantly higher than Adidas's 32%. This demonstrates that Nike's distribution network creates excellent return services for customers.

Lowering the transportation cost

By establishing regional service centers, Nike shortens the distance between storage locations and customers, thereby reducing shipping costs. Additionally, partnering with logistics companies to build warehouses has enabled Nike to cut some relevant costs through favorable terms from these partners. Consequently, these strategic moves by Nike have helped minimize the cost of transporting goods to customers.

Saving facilities and handling cost

When Nike partners with major logistics companies to build distribution centers, these companies share the infrastructure costs with Nike. Their specialized workforce also helps Nike manage warehouse operations efficiently, thereby saving on handling and order processing costs.

4. Recommendations for Vietnamese retailing companies

4.1. Overview of Vietnamese retailing companies

A survey of 15,000 retail businesses by SAPO revealed that the average revenue of most stores in 2023 decreased by over 30% compared to 2022, accounting for 28.5%. The number of sellers experiencing revenue declines reached 60.99%. When comparing the past five years, 2023 saw a severe revenue drop, second only to 2021, which was the peak of the Covid-19 pandemic and social distancing measures. This decline is a result of the global economic downturn.

The group of sellers with average revenue in 2023 between 500 million - 1 billion VND and over 2 billion VND increased by 3% compared to 2022. Although the average order value showed a decline (commonly below 300,000 VND per order), the group with high revenue in the retail

sector saw an increase. This indicates that some sellers have successfully implemented strategies to expand their businesses, add new products, and shift towards a customer base with better spending power.

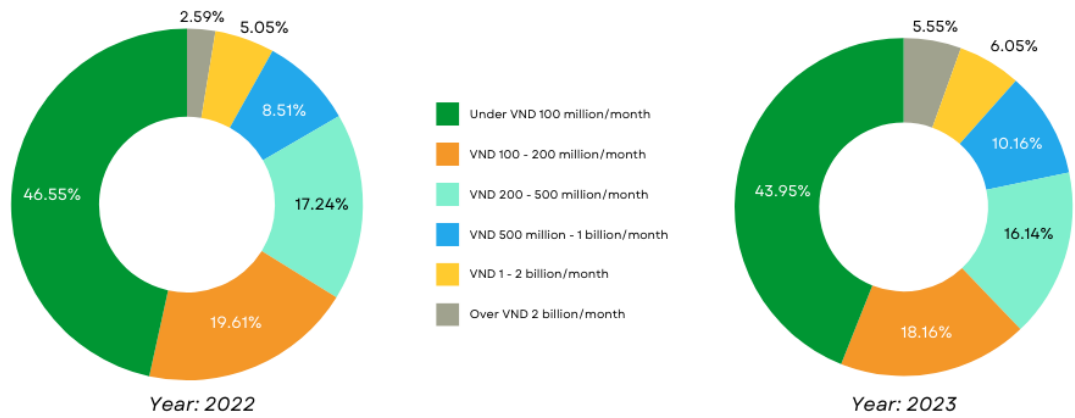


Figure 10: Average revenue of retail companies in 2023 and 2022

Source: SAPO (2024)

Store owners tend to reduce staff, as evidenced by the fact that 69.94% of stores have fewer than 5 employees. Notably, the model of employee-free stores where the owner operates the store themselves has increased, accounting for 9.27%.

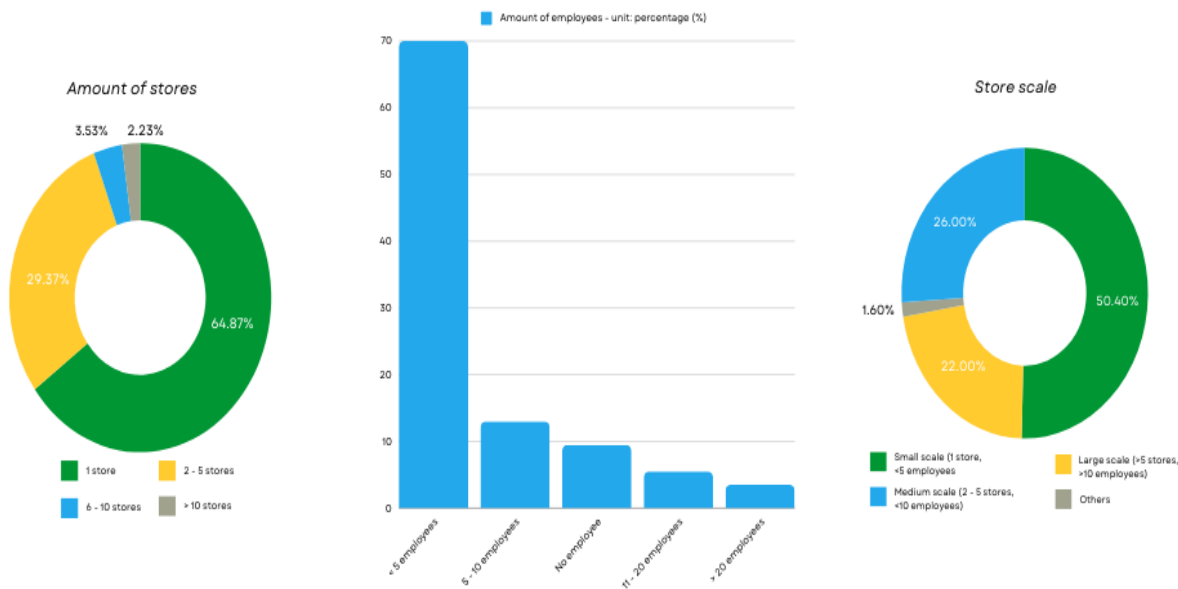


Figure 11: Store size of retail companies in 2023

Source: SAPO (2024)

The trend of expanding multichannel sales remains evident. According to a SAPO survey, 55.4% of sellers are operating on at least two channels - in-store and several online channels. E-commerce platforms continue to be the most widely used online sales channels in the retail industry. A notable highlight in 2023 is the trend among sellers to expand to TikTok Shop, with 5.9% primarily selling on TikTok, a slight increase compared to 2022.

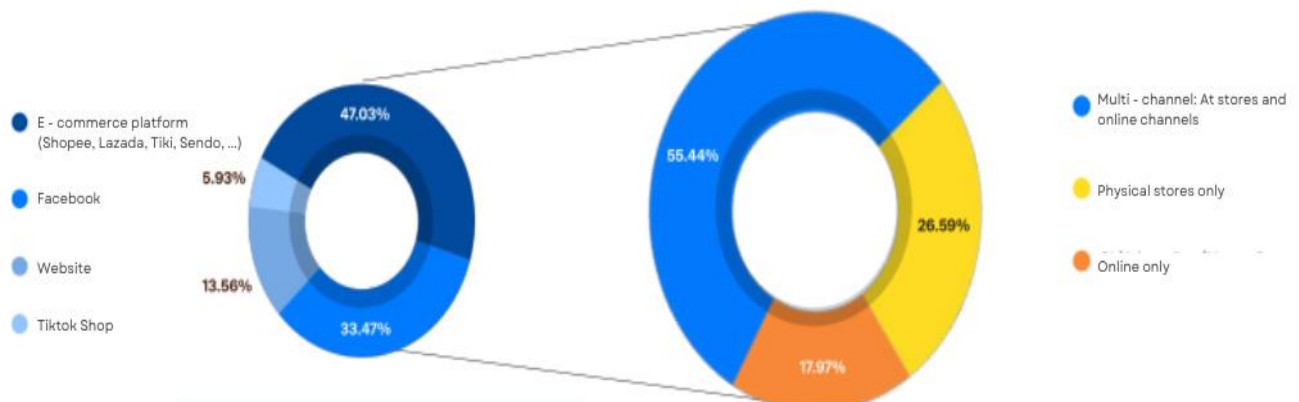


Figure 12: Channel Usage Situation in 2023 (by channel proportion)

Source: SAPO (2024)

Multichannel sales have been identified as a "lifesaver" in an economy marked by many fluctuations, with rental prices in major cities being highly volatile, stricter regulations on major e-commerce platforms, and changes in algorithms on social media affecting the marketing and sales processes in the retail industry.

Regarding transportation, two notable characteristics can be observed: (1) In the field of transportation supporting retail, major and well-known names have been established, such as Giao hang tiet kiem, Giao hang nhanh, and J&T Express. Direct use of large delivery companies remains the most popular form of logistics in the retail industry (51.71% of sellers were using them in 2023). (2) The remarkable growth of fast shipping within 1 - 4 hours through services like Grab, Ahamove, and Be bike. The mobility, speed, and flexible response of this method have addressed the diverse transportation needs of shop owners.

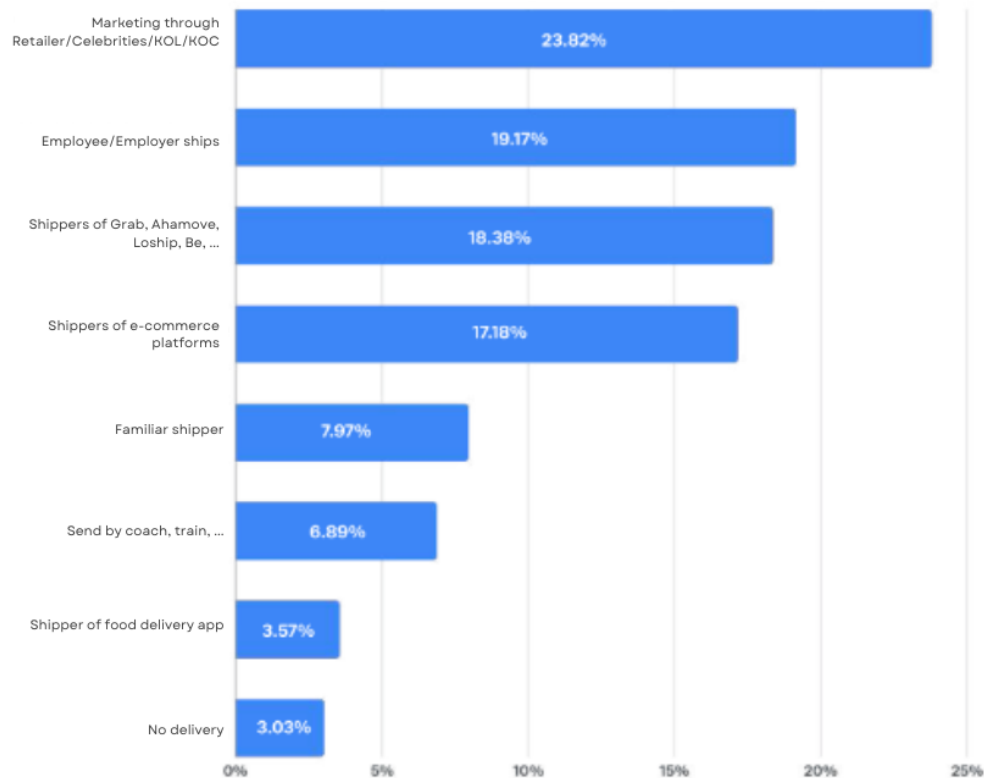


Figure 13: Common transportation methods of the Retail Industry in 2023

Source: SAPO (2024)

4.2. Evaluation of distribution network of Vietnamese retailing companies

4.2.1. Strengths

Enhanced Customer Accessibility: The multi-channel distribution model not only allows businesses to reach customers through physical stores but also through websites and e-commerce platforms. This aligns with the current digital transformation landscape, making customer accessibility easier. Customers can choose the most suitable purchasing method according to their needs, from visiting stores to try products to conveniently making online purchases.

Diversification: Utilizing multiple distribution channels helps minimize risks when one channel encounters issues. Instead of relying on a single channel, companies can distribute products through various retail channels such as websites, e-commerce platforms, physical stores, or even through social media platforms.

4.2.2. Weaknesses

Complex Management: Managing multiple distribution channels can be complex and requires tight coordination between channels. If not executed efficiently, this can lead to loss and dispersion of resources.

High Costs: Building and maintaining multiple distribution channels can require costs related to infrastructure, technology, and advertising. This can impact profitability if not managed effectively.

4.2.3. Opportunities

Enhanced Customer Experience: Utilizing multiple distribution channels can create a comprehensive shopping experience for customers. Customers have the option to choose from online shopping, easily compare and shop from home, to experiencing products firsthand in-store, having the opportunity to test and interact directly with the products before making a purchase.

Market Expansion: Being present on online channels, traditional stores, and even through events or fairs, helps attract attention from a diverse range of customers, not only in the current geographical area but also in neighboring regions or potential new markets.

4.2.4. Threats

Intense Competition: The popularity of the multi-channel distribution model can create a fiercely competitive environment, especially from large competitors with strong resources.

Information Security Risks: Utilizing multiple distribution channels can increase the risk of information security and raise concerns about protecting customer information.

4.3. Proposed solutions for Vietnamese retail businesses based on the success of Nike

Based on the comparison between Nike's distribution network and the distribution network of Vietnamese retailing companies, we proposed several solutions can be learned from Nike for distribution network of Vietnamese retailing companies

4.3.1. Investment in Logistics and Technology

Building and maintaining multiple distribution channels can require costs related to infrastructure, technology, and advertising. Therefore, Vietnamese retailers should invest in establishing or optimizing their warehousing and distribution centers to streamline inventory management and order fulfillment processes. By strategically locating warehouses and distribution centers, companies can reduce transportation costs, minimize delivery times, and improve overall logistics efficiency. Investing in a reliable transportation network enables Vietnamese retailers to ensure timely and cost-effective delivery of products to customers. This may involve partnering with logistics providers, optimizing delivery routes, and leveraging technology solutions such as route planning software and vehicle tracking systems to enhance visibility and control over the transportation process. Given the increasing demand for fast and convenient delivery options, Vietnamese retailers can invest in last-mile delivery solutions to improve the customer experience. This may include partnering with third-party delivery services, implementing click-and-collect services, or deploying innovative delivery technologies such as drones or autonomous vehicles.

Implementing advanced inventory management systems allows Vietnamese retailers to efficiently track and manage their inventory across multiple channels. By leveraging real-time

inventory data, companies can optimize stock levels, reduce stockouts, and improve order accuracy. Investing in order management systems enables Vietnamese retailers to streamline order processing workflows and ensure timely fulfillment of customer orders. By automating order processing tasks and integrating with various sales channels, companies can improve operational efficiency and enhance the customer experience.

4.3.2 Enhancing level of service for customer

As aforementioned, the Vietnamese retail market is highly competitive with the participation of both domestic and foreign companies. Drawing from Nike's success, it can be seen that high levels of service have helped Nike gain a competitive advantage over other brands worldwide. Therefore, to gain an edge in such a fiercely competitive market, companies should invest in improving service quality.

Firstly, companies can expand the capacity of their warehouses to enhance product availability. Secondly, they can optimize distribution by increasing the number of warehouses and infrastructure in various locations, thereby reducing delivery times and improving last-mile delivery. Thirdly, companies should also increase the diversity of product lines in terms of designs and categories to serve different purchasing purposes. Additionally, offering convenient return and exchange policies should also be considered. Customer shopping experience plays a crucial role in retaining customers with the brand, thus creating a competitive advantage in the market.

5. Conclusion

In this study, the group author examined the importance of analyzing distribution networks in optimizing business performance and enhancing competitiveness in today's retail industry. The research paper synthesized findings from previous studies related to distribution networks in multichannel retailing to establish a solid foundation for analyzing the Nike case study. Through this case study, we have gained profound insights into how a leading company in the sports and fashion industry can build and manage an effective multichannel distribution system, including manufacturing factories, distribution centers, and selling channels. The results of the study have notably shown that Nike has succeeded in integrating traditional distribution channels and online channels to optimize customer reach and enhance their shopping experience. This increases flexibility and the ability to respond quickly to market demands, thereby boosting competitiveness and sales volume.

Recognizing the successes of Nike, the authors also propose some lessons on distribution networks for the retail market in Vietnam, following an overall assessment of the industry. Firstly, there is a need for Vietnamese retailers to adapt to changing consumer preferences by diversifying their distribution channels suppliers. Secondly, investing in technology and data analytics capabilities will be crucial for retailers to gain insights into consumer behavior and market trends, enabling more informed decision-making in distribution network management.

However, our research also has certain limitations. Firstly, it primarily focuses on the channels within Nike's distribution network, neglecting the transportation operations between network locations. Future studies should explore transportation operations for a comprehensive understanding of distribution networks in multichannel retailing. Additionally, our study's theoretical foundation exclusively centers on distribution networks in multichannel retailing, using the case study of Nike and utilizing a qualitative method, case study approach, purposive sampling, and thematic data analysis. Future research could benefit from alternative methodologies and models to investigate the distribution network in multichannel retailing. Furthermore, incorporating case studies of Vietnamese companies would provide more relevant insights into Vietnam's retail landscape, offering practical lessons tailored to its specific conditions and challenges.

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