

Behind Nike's Success: Business Tactics, Environmental Impacts, and Future Outlooks

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Abstract. Nike is one of the most dominant companies in the athletic apparel and footwear industry and has achieved its dominance mainly through a combination of strategic marketing, efficient and versatile supply chain, and continuous and high-leveled technology innovations. However, this success has come with environmental challenges like carbon emissions and waste. In response, Nike has implemented different initiatives and incorporated the use of recycled materials to alleviate the stress the company puts on the environment. This study conducts a meta-analysis of Nike's different strategies and financial data to investigate what strategies and how these strategies enabled Nike's dominance. Further, this study analyzes whether environmental friendly products are also economically beneficial, comparing them to original products in terms of sales and feedback. Findings suggest that while environmental friendly products strengthen brand reputation and attract attention, they still trail behind traditional products in terms of profitability and popularity. Nonetheless, as technologies mature in the future and as consumers become more aware, the future of environmental friendly products are still very promising.

Keywords: Nike, Sustainability, Profitability, Marketing Strategies, Innovation.

1. Introduction

1.1. Nike origin and dominance

The swoosh sign can be now seen almost everywhere around the world. This iconic logo was designed by Carolyn Davidson in 1971, but that was not the start of the company. Nike was originally founded as Blue Ribbon Sports by Phil Knight and Bill Bowerman in 1964. In its early years, they operated as a distributor for Onitsuka Tiger, selling shoes in Knight's car. However, Blue Ribbon Sports and Tiger later split in 1971, with Blue Ribbon Sports officially renaming themselves "Nike", after the Greek goddess of victory [1].

For years, Nike dominated the sportswear industry with an annual revenue of around \$51.22 billion, gross profit of around \$22.29 billion, and market capitalization of around \$170 billion. In comparison, Nike's long-standing rival, Adidas, has only almost half of the annual revenue and gross profit Nike had, around \$23.80 billion and \$11.02 billion, respectively, while comprising of \$45.03 billion in market capitalization. Additionally, Nike comprises 38.23% of global market share for athletic footwear, while Adidas has only 15.6% [2].

This dominance is mainly achieved through Nike's smart marketing strategies, an extensive supply chain, and advanced technologies. This paper looks at each of these factors in depth and examines what exactly made Nike so successful. Additionally, in recent years, Nike has faced considerable amounts of criticism for environmental impact, such as carbon emissions, water usage, and manufacturing waste. In response, Nike launched "Move to Zero" initiative, and made other efforts towards sustainability like changing materials and energy used and creating a circular economy. Accounting for both the positive and negative environmental impacts, this study seeks to summarize the impacts Nike has had on the environment, and whether the sustainable products Nike launched benefit the company economically.

1.2. Study overview and significance

This study investigates how exactly Nike has been able to be so successful and dominant over the past decades, and how the strategies they implemented were able to help them achieve that success. On top of that, this paper focuses on the environmental impacts behind Nike's success, and how that impact has changed over the years. Further, this study will at whether that change and eco-friendly product or initiative helps Nike economically. This is significant because it can help people understand how economic dominance can be related, or even influenced, by environmental initiatives and responsibilities. It also reveals whether sustainability drives profitability, offering companies potential strategies to maximize profits and popularity while minimizing environmental harm.

This study conducts a meta-analysis to investigate the strategies that made Nike successful, and the environmental impacts Nike has had over the years. The study also utilizes quantitative data from financial reports case studies of specific products and conducts a comparative analysis to analyze whether environmental friendly products are economically viable and beneficial, and to check for similar trends in other companies.

2. Reasons for Nike's success

2.1. Diverse and powerful marketing strategies

A big part of Nike's success can be due to its marketing strategies used in selling its products. One of the key methods Nike utilized is by creating a slogan and icon that represents a brand identity; for Nike, that is "Just Do It" and the swoosh logo. Simplicity was an essential part of the slogan. The slogan was catchy and easy to remember, making it ideal to be advertised and printed. Moreover, the slogan was relatable to customers, appealing to the emotions of everyone who has seen the advertisement. The phrase "Just Do It" inspires everyone to believe in themselves, and the message that everyone can achieve if they have the determination. These advertisements often feature real people who faced a significant challenge but overcame it, telling a story beyond just the slogan [3]. Additionally, the meaning of the slogan is not explicit, which helps Nike to expand to a wider range of customers. In pragmatics, it is said that meaning is often inferred rather than explicitly stated [4]. The openness in the slogan offers a wider range of personal interpretations, not only limited to exercise and training for athletes, but a call to action applicable to anyone. Likewise, the swoosh logo offers the same effect. Its simplicity is easily recognizable, and the swoosh perfectly captures Nike's essence, speed and athleticism.

Complementing the brand identity built from a recognizable logo and a relatable slogan, Nike also collaborates with celebrity athletes to make the brand more credible and attractive. These

athlete endorsements are effective mainly because of a psychological phenomenon called the Halo Effect, which is a cognitive bias that leads people to believe that attractive people are more believable and likable, and therefore leading to a biased judgement of the “target person on any dimension” [5]. Endorsements are a form of public approval and support, so when celebrities give their support and approval to a brand or product, that product will receive more attention, reach a broader audience, and get higher credibility [6]. For Nike, among their most successful endorsements include Tiger Woods, Michael Jordan, Serena Williams, LeBron James, and Cristiano Ronaldo.

Tiger Woods is a legacy in the world of golf, and his championships gave Nike massive increase in views and attention. Despite the enormous payments Nike paid throughout the 27 years of partnership, over \$500 million across the four contracts, the gains was likewise significant. Two seasons after Nike signed with Tiger Woods in 1996, their revenue was \$300 million, increasing ten times compared to just a year before the Woods era. From 2000-2010, Tiger Wood’s endorsement generated an additional \$103 million in profit for the Nike golf ball division, meaning 57% of Wood’s \$181 million contract in 2000s was recouped through golf ball sales alone. Additionally, after Wood’s 2019 Masters win, Apex Marketing estimated that Nike received a brand value of more than \$22million from his on-camera exposures [7]. Though Tiger Woods ended his partnership with Nike in 2024, his value is still incalculable for Nike.

Another successful case for Nike is their endorsement with NBA hall-of-famer Michael Jordan. With Jordan, Nike “released Michael Jordan’s brand and franchised the Air Jordan Brand”, which, by the end of 1985, the Air Jordan brand already generated \$100 million in revenue. By 2019, Nike holds 86% of market share in basketball (NBA), and in 2022, Jordan was the third-most played basketball shoe brand in the NBA, with 7.4% of users, after Nike’s dominating 65.1% (excluding Jordan) and Adidas’s 10.8%. In 2023, Jordan Brand brought in \$6.59 billion in revenue, accounting for 13% of Nike’s total sales that year [5]. In 2024, Jordan Brand entered Interbrand’s Top 100 Global Brands with a value of \$6.4 billion. Till this day, Jordan Brand is still an indispensable part of Nike, as they continue to earn immense profits and sign younger NBA stars under their company branch, like Luka Doncic and Jayson Tatum, to further attract the younger generation.

2.2. Extensive and flexible supply chain

Other than Nike’s marketing strategies, they also have a efficient supply chain that reduces cost and mitigates risk. Firstly, Nike outsources production to developing nations due to the cheaper labor, which will increase their revenue. Nike’s manufacturing network spans 42 countries, with over 1 million workers worldwide [8]. Additionally, producing in developing nations like China and Vietnam also locates the company closer to raw materials, which further lowers their transportation costs. Furthermore, outsourcing allows Nike to be more flexible, as it changes fixed costs like salary and infrastructure into more variable ones, allowing the company to avoid long term commitment. The resources and workforce used in production can also be adjusted based on demand, outsourcing more production and customer support during holidays and periods with high demand, while scaling back on low times. On top of that, Nike’s strategy to diversify suppliers across multiple nations helps reduce risk. Nike’s materials are produced in 13 different countries, and finished products are made in 36 different nations. This helps Nike to be less dependent on one region, but able to be less affected at times of geopolitical and trade issues. With outsourcing and diversification, Nike’s supply chain is more resilient and cost-effective, allowing the company to remain competitive despite disruptions in the market.

2.3. Technology

Lastly, Nike's advanced technology also helps them to dominate the sports market. One of Nike's most well-known technologies incorporated especially in footwear is its air cushioning. First released in 1978 and used in the Nike Air Tailwind sneakers, the air in the cushion is able to compress on impact and quickly return to its original state, and able to take on the next impact. Then, later in 1987, Nike released the first shoes with a visible Air unit, Nike Air Max 1, which was then, a bold and unprecedented design because it clearly shows customers the innovation and technology used in the shoe. Overall, these Air cushions reduce impact, allowing athletes to spend less energy and run more smoothly. In 2008, another game-changing technology was invented by Nike, namely the Nike Flywire technology. This technology allows shoes to have a lighter weight and have a better fit with athlete's foot due to the use of fiber in the shoe. Both of these innovations allowed Nike to gain popularity, as technology made footwear more professional and comfortable not only for athletes, but for everyday life as well. More recently, debuted in 2024 and released in 2025, Nike developed Hyperice Hyperboot. This shoe includes newly developed heating technology and air compression that allows it to deliver targeted different levels of heat and compression that can help athletes to warm-up and relieve muscles. The different levels can be simply controlled by a button on the shoe, or an app when connected to bluetooth, adding convenience to the already futuristic shoe.

As artificial intelligence is gaining increasing popularity, Nike has also been keeping up and incorporating AI in its technology and services to make the company more competitive. For example, Nike now offers personalized services to keep up with customers' more digital and distinctive demands. Using AI-based machine learning, Nike offers personalized product recommendations that give individuals different product guidance based on personal preferences and styles, providing a more appealing and relevant experience for everyone. On top of that, Nike also introduced a virtual try-on technology, allowing customers to visualize how products look on them before purchasing, and ensuring a better fit with the products (shoe size), all giving customers more confidence during online shopping. For professional athletes, Nike launched the Athlete Imagined Revolution (A.I.R) project, which helps the Nike design team to better generate designs and innovations based on athlete performances and preferences, resulting in a more efficient testing and refining process and a better collaboration between athletes and the company, along with a more enhanced performance on court [9].

3. Environmental effects behind Nike's success

3.1. Environmental concerns

Even though Nike has been very successful economically, that was not always the case environmentally. The criticism of Nike over their environmental impact has always been a major concern for the company, as challenges persist from its manufacturing process to its supply chain. Firstly, the materials Nike uses, such as leather, plastics, and other harmful materials as such, is a major contributor to emissions and toxic release in the atmosphere. In 2018, Nike was responsible for a big part of the 700 million tons of CO₂ emissions from the industry, of which over 60% come from the raw materials and manufacturing stages. Improving in 2023, Nike emitted 16.7 million tons of CO₂, though still a big mass. Cattle ranching, which produces leather, is responsible for almost 80% deforestation in the Amazon, leading to carbon emissions, soil erosion, etc [10]. Additionally, a study done in UCSB shows that about 9,000-400,000 metric tonnes of microplastics are released

from shoes globally per year, which can disrupt the aquatic ecosystems and degrade soil. Nike, as one of the main producers of shoes, would be heavily responsible for that, and therefore a challenge to solve. Likewise, water usage persists to be a major problem for Nike. In 2023, Nike consumed 18.5 million cubic meters of water, with 42% being in water-stressed areas. A remarkable portion of water usage comes from cotton cultivation, accounting for 69% of global water footprint. Additionally, Nike produces 200,000 tonnes of waste annually, but is continually trying to seek ways to mitigate the harmful effects through active recycling [11]. Like Nike's recycling motives, Nike has been addressing many of other major environmental concerns as well in recent years, and improvements can be seen evidently.

3.2. Sustainability efforts

Over the years, Nike has, again and again, been trying to be more sustainable through new innovations and initiatives. Firstly, Nike has created a circular economy for its products, from designing the product, to making, to recovering waste, and recycling, and then all over again, all of which seeks to create less harm for the environment. In the system, Nike designs products that are more durable, reducing waste and replacement. Nike also offers repair and refurbishment programs, which further extends the durability of products. Additionally, Nike uses a variety of recycled materials in most products. These include recycled polyester, which comes from plastic bottles, lowering carbon emissions by 30%; sustainable cotton, which are grown without synthetic fertilizers and carbon derived pesticides, along with over 1.5 million pounds of cotton recycled per year; and recycled nylon, which comes from a variety of materials like carpets and fishing nets, in that reducing carbon emissions by 50% compared to virgin nylon. Finally, there is an initiative called Nike Grind that has been operating for 30 years, which transforms old products into materials ready to be made into new products [12].

In 2019, Nike launched the "Move to Zero" campaign, aiming for zero carbon and waste by 2025, including switching 100% to renewable energy usage, using sustainable packaging, and further implement the circular economy already created. However, studies have shown that a significant portion of people believes that the campaign to be potentially greenwashing, which is when companies do more on advertising themselves to be "green" rather than actually committing to action. This demonstrates the challenges Nike still faces despite the immense efforts, and the importance "authenticity" and "verifiable impact in green marketing". Additionally, the increase views of Nike as greenwashing may hurt the brand image and reputation, which will affect customers' loyalty to the brand. Nevertheless, progress has been made by Nike to be sustainable, but more can be done to further protect the environment and earn the company a better image for the public [13].

4. Sustainability vs. profitability

The big question around Nike's efforts in sustainability is: Do these efforts actually benefit them economically? Below is an analysis of 6 different types of shoes from Nike produced from the time span 2020-2025, 3 of which are specifically highlighted to be environmentally friendly, and the other 3 with no eco-friendly claims advertised. The analysis seeks to conclude whether sustainable products bring better economic benefits, by looking at the sales of each product and customers' feedback.

Because Nike does not provide official data on sales and consumer feedback for different pairs of shoes, this study looks at data provided by Poizon, a prominent Chinese e-commerce platform

specializing in fashion and sneakers. The platform attracts mostly Gen-Z shoppers, and allows users to share, discuss, and rate purchases within the community. As of 2025, there are over 500 million users on Poizon, and therefore, this platform is a dependable source of information that covers the general public's interests and views. Because this is a Chinese platform, the subjects to this analysis would be mainly the Chinese Gen-Z public interested in fashion and different shoes. This study uses five data sets provided by Poizon: the average price (across different sizes) as of August 16th, 2025 of the color option with the most sales, the rating out of ten it gives each product (given by buyers), amount of poizon purchases (rounded to the thousandth), the amount of poizon posts, which can reflect public interest and attention towards a product, and the amount of sizes out of stock out of total available for the top three most popular color options, showing popularity (Table 1 and Table 2).

Table 1. Overview of sustainable shoes

Shoe Name	Price (RMB)	How its Sustainable	Poizon rating	Poizon purchases	Poizon posts	Number of sizes out of stock
Nike Space Hippiie 04	2641.5	-yarn made from 85-90% recycled content (bottles, shirts, scraps...) -Insoles made from leftover scraps of premium ZoomX cushioning -shoebox made from 90% recycled content -3.7	9.2 (135 rated)	56,000+ (61 color options) 918+ purchases per option	733	23/61
Nike Crater Impact	669.5	-25% total recycled content by weight -midsole made from grind-down manufacturing waste	8.5 (393 rated)	16,000+ (19 color options) 842+ purchases per option	861	16/45
Nike Pegasus Turbo Next Nature	789	-50% recycled materials by weight -100% recycled Flyknit yarn in the upper -midsole 55% recycled ZoomX foam -solution dyed yarn saves 70 liters of water per kg of yarn	8.6 (1576 rated)	35,000+ (30 color options) 1166+ purchases per option	1,200	20/55

Table 2. Overview of normal shoes

Shoe Name	Price (RM B)	How its comparable	Poizon rating	Poizon purchases	Poiz on posts	Number of sizes out of stock
Nike Air Max 2090	1231.3	-comparable to Nike Space Hippiie 04: same release year (2020), both are lifestyle sneakers, highlighting comfort, and have the same price range 930-1090RMB.	8.5 (1,888 rated)	387,000+ (125 color options) 3096+ purchases per option	1,879	38/63
Nike React Vision	1054.5	-comparable to Nike Crater Impact: same lifestyle (casual), uses foam based comfort, and similar price at 800RMB	8.3 (140 rated)	43,000+ (95 color options) 452+ purchases per option	1,000	25/45
Nike Pegasus turbo 2	2154.6	-comparable to Nike Pegasus Turbo Next Nature: both suitable as a fast daily trainer, similar price tier (1000-1200RMB), originate from same family, and similar feel.	Not rated (too little participants)	49,000+ (42 color options) 1166+ purchases per option	1,274	29/54

Through the comparisons above, it can be concluded that normal, more classical products still attract more people and bring more profit for Nike despite increase in attention for sustainability. The average price for the three sustainable products is lower than the normal ones (cheaper by 113 rmb), but the sales for these normal products still tops the sustainable ones. Additionally, there are more posts on normal products when compared to the sustainable ones, showing that the normal products gain more attention and is slightly more popular among the public. On top of that, normal shoes have a considerable higher average higher ratio of number of shoe sizes sold out by the total offered, 0.57 by 0.37, a difference of 0.2.

One factor that may contribute to the extra sales and the popularity normal products have is that they have many more color options, which results in a higher probability of matching more individual preference, in that attracting more sales. For example, Nike Air Max 2090 has almost double the color options compared to Nike Space Hippiie 04, which offers a much broader appeal. Another factor that contributes to the extra sales is that the sustainable factors in the shoes will make their abilities slightly inferior to normal shoes. However, as technologies improve in the future, this problem will be less and less significant, guaranteeing a more promising future for sustainable products.

5. Conclusion

In conclusion, Nike's dominance in the athletic apparel industry can be due to three main reasons: its marketing strategies, most important and effective of which is athlete endorsements, its supply chain strategies, and its advanced technologies. The research also found that despite the many environmental damages Nike has caused since the start of the company, it has found ways to mitigate those effects and innovated throughout the years for cleaner technologies. However, the final correlational study in this paper showed that, even though being sustainable helps in creating a

company's image and attracts more parts of the population, the sustainable products do not bring as much of an economic benefit to Nike compared to the more original and normal products. This phenomenon can be due to several reasons, most notably of which is the trade-off in performance, as the recycled materials are not as professional as the original foam and rubber, therefore lacking in comfort and resilience. Nevertheless, the future for sustainable products is promising. As technologies advance, and more innovations are brought up, the limitations in these sustainable products would be wiped out more and more, and the performances of these products would quickly match the original products. Further, as education expands, more people will be aware of the environmental crisis the world is in and notice the urgency of the problem. As people learn about the little things they can do to save the planet, popularity for these sustainable products will rise. By then, dominance in the industry would be increasingly affected by yet another factor, and that is, the advancement and prominence in sustainable development.

Yet, many flaws still exist in this study due to the lack of time and lack of information. The analysis on whether sustainable products are economically beneficial to Nike is not generalizable enough, as data provided are only from Chinese users of poizon, and not global. The comparison itself may be problematic as well, because shoes don't directly compare to each other and there are many other variables that may affect the sales of shoes, like style, advertisements, performance etc. In the study, the closest reciprocal is found but does not match up 100% so that sustainability is the only thing that keeps them apart. Additionally, the data sets selected (ratings, purchases, posts, availability) do not fully reflect a shoe's economic benefit and popularity. These data can be influenced by other variables such as the sample size of where the data came from, the age of the shoe, different marketing strategies applied to different products, and the amount of stock available. With further inspections, these uncertainties can be cleared up and hence provide a more reliable result.

Future extensions of this study can use more time to gather data in order to clear up the limitations present in this paper. To understand whether a shortage of stocks is a sign of popularity of a lack of demand, more investigations can be done on finding the amount of people that want the out-of-supply sizes or colors. To further test the popularity and attractiveness of sustainable products, a survey can be conducted that allows participants to choose between different types of shoes, to see whether the sustainable features really attract people or not. Further research can also seek to find out which of the strategies that Nike uses (sustainability vs. technology vs. endorsements) are the most significant, and most beneficial economically. This would allow suppliers and company owners to better weigh their opportunity costs and decide what to best spend their money on to get the most success.

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