





Beaverton, Oregon



New York City, New York



Hilversum, Netherlands



Shanghai, China

"To bring inspiration and innovation to every athlete* in the world."

*If you have a body, you are an athlete.





Global Sports Apparel Industry



Key Trends impacting the industry



Healthier lifestyles have grown in popularity



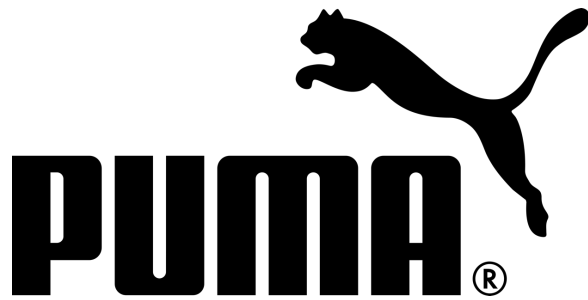
The demand for athletic apparel has increased



Which is causing a rise in competition between competitors

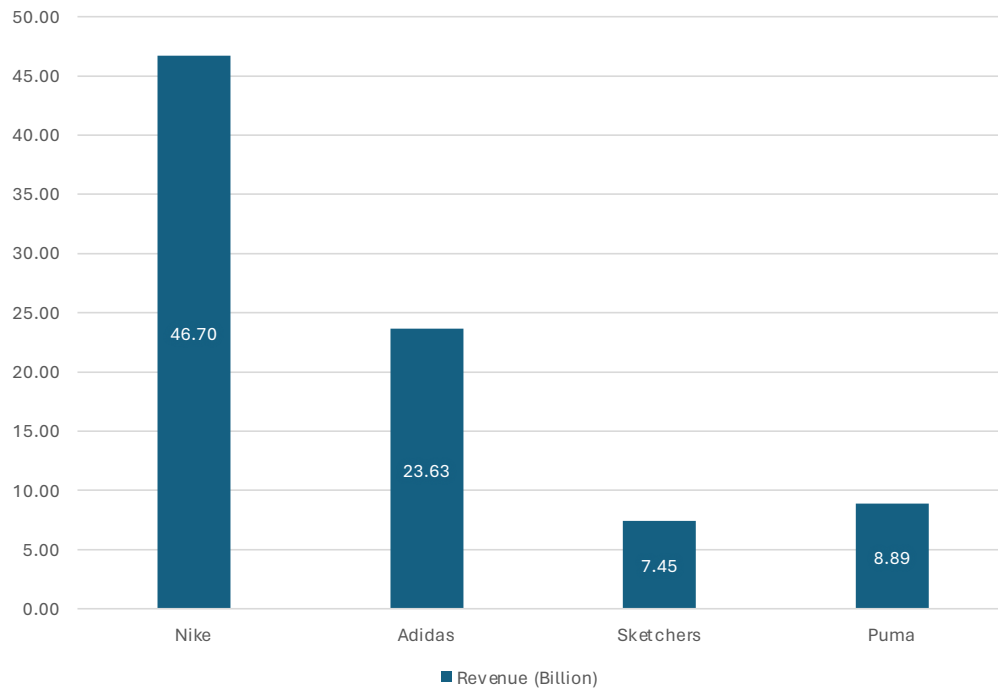


Consumers want original products and are conscious with spending since COVID

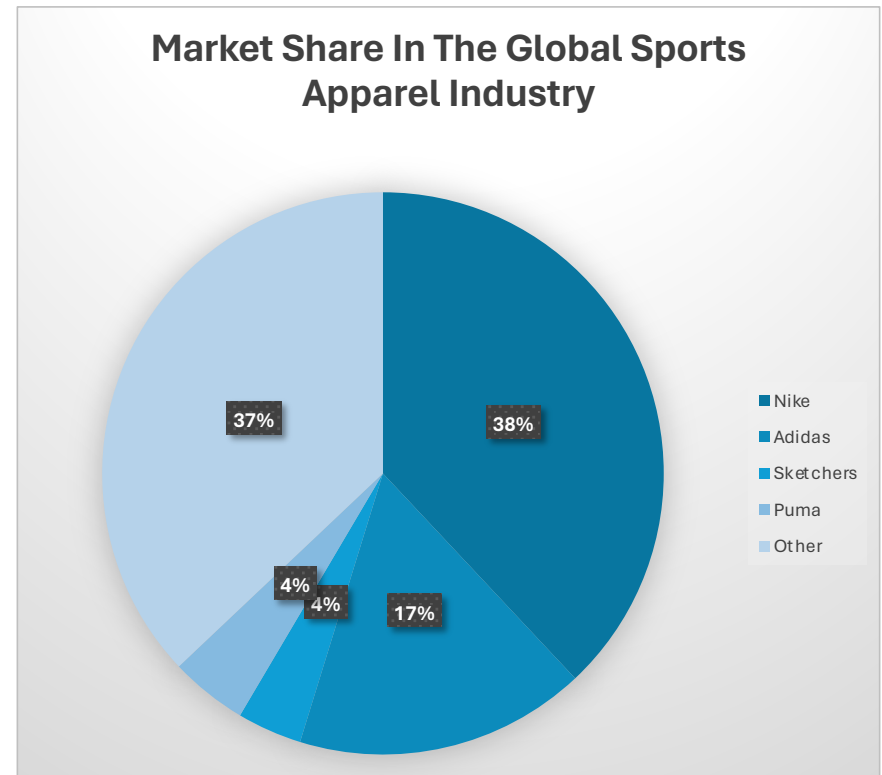


Industry – Worth \$199.58 billion USD in 2022

2022 Revenue in Global Sports Apparel Industry



Market Share In The Global Sports Apparel Industry



**Circling Back to
Current Event...**

**NIKE is letting go
2% of employees.**

NIKE 's Reasoning

1

Customers are uncertain of Nike's ability to innovate compared to competitors

2

Inflated Inventories impacting Nike's net income

3

John Donahoe, CEO, believes that Nike is not operating at their potential to serve consumers and compete

**“Nike is really, really good at innovating
but they keep innovating the wrong things.”**

-James Hesse, YouTuber with 665k Subscribers

NIKE's Plan

1

Adjusting leadership in marketing, innovation, design, and technology.

2

Focus on innovation of products better serving their customers.

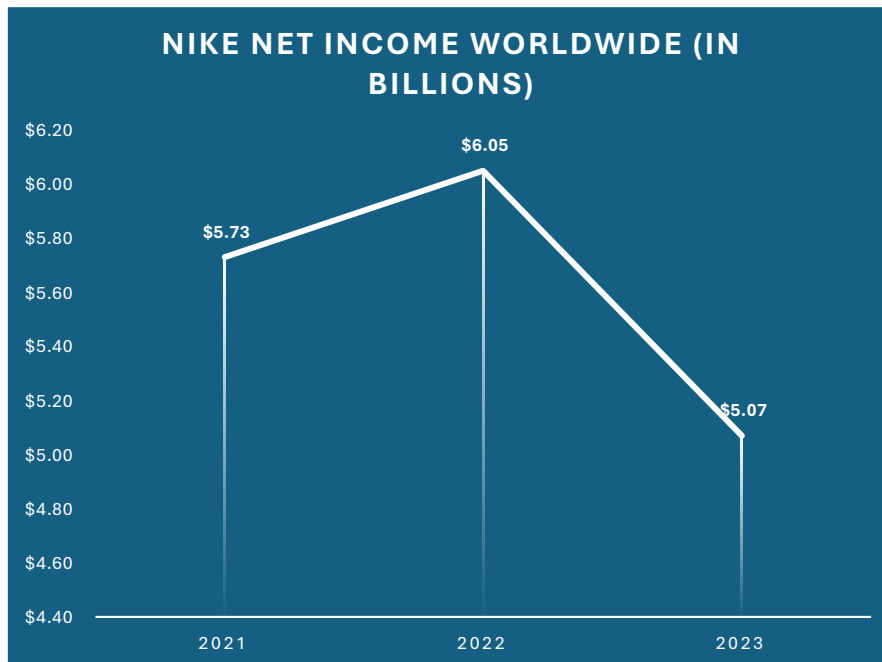
3

Cut up to \$2 billion in costs over three years by cutting jobs and organizational streamlining

“To compete, we must edit, shift, and divest less critical work to create greater focus and capacity for what matter most.”

-John Donahoe, NIKE's CEO

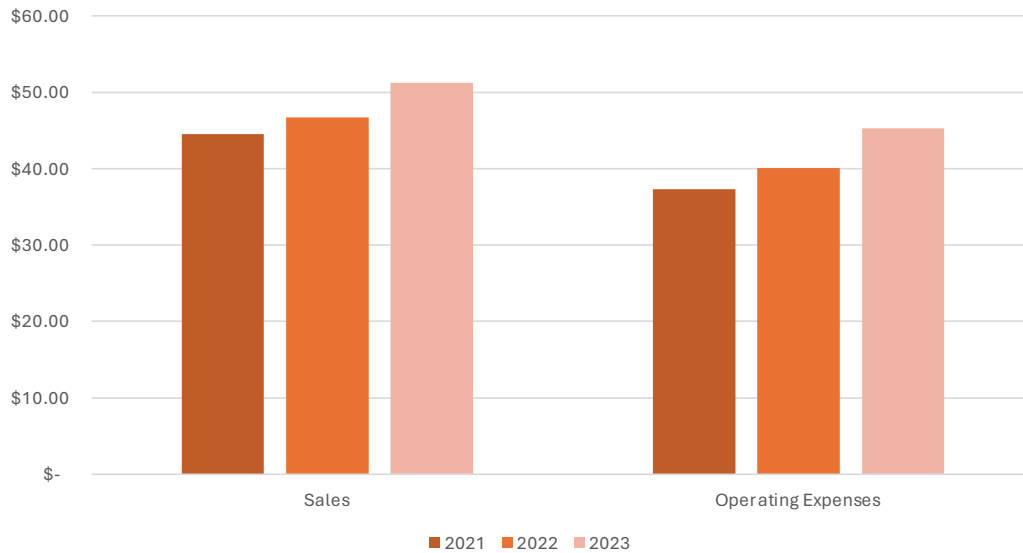
NIKE's Financial



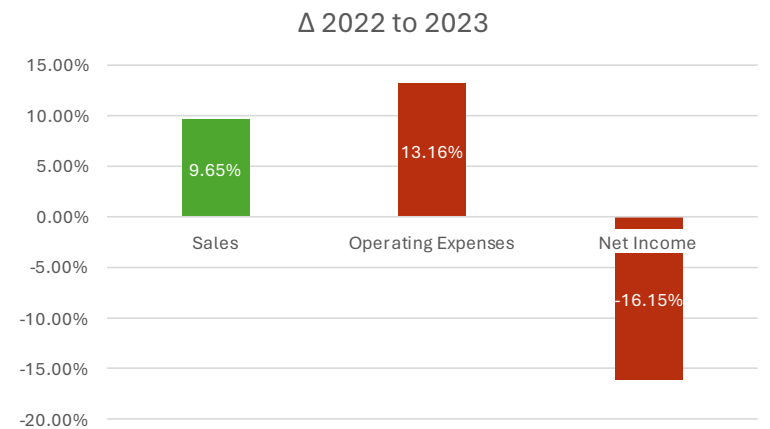
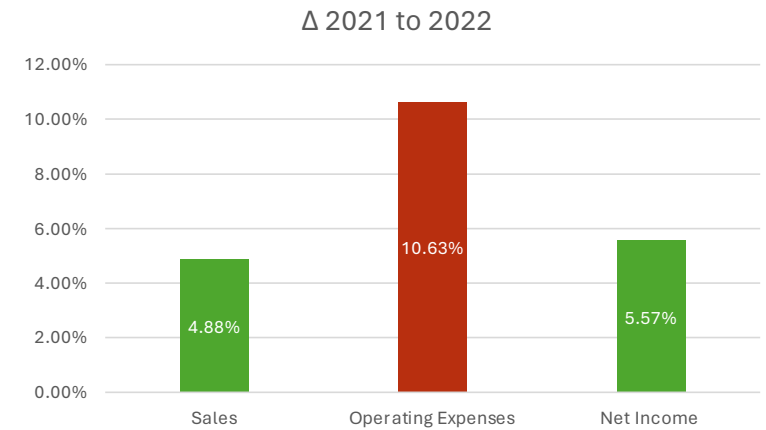
- Competition had the consequence of inflated inventories
 - Lower product prices
 - Lower net income
 - Lowering customer perception of quality

NIKE 's Financial

Nike Operating Expenses and Sales Between 2022 and 2023
(In Millions)



- CEO likely conducted competitive analysis, increasing operating costs to restructure and innovate.



How do you think NIKE's decision to focus on innovation impact's the company's long-term growth and competitiveness in the market?

Discussion Post Question

Resources

1. Macro Trends – Financial for Operating Expenses

Original Article

1. https://www.wsj.com/business/retail/nike-to-cut-over-1-600-jobs-14a97fd7?mod=Searchresults_pos1&page=1

Additional

2. <https://www.nike.com/gb/help/a/nikeinc-mission#>

3. <https://finance.yahoo.com/news/global-sports-apparel-market-expected-120000207.html>

4. <https://www.statista.com/statistics/269599/net-sales-of-adidas-and-puma-worldwide/#:~:text=The%20biggest%20apparel%20brand%20in%20the%20world&text=U.S.%2Dbased%20Nike%20is%20the.adidas%20and%20Puma%2C%20put%20together.>

5. <https://www.maximizemarketresearch.com/market-report/sports-apparel-market/83971/#:~:text=Sports%20Apparel%20Market%20size%20was,reaching%20nearly%20USD%20337.2%20Billion.>

6. <https://www.google.com/finance/quote/NKE:NYSE?sa=X&ved=2ahUKEwiF4eDpq72EAxVPkokEHUweCXIQ3ecFegQIJxAY>

7. <https://companiesmarketcap.com/adidas/revenue/>

8. https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000320187/000032018723000039/nke-20230531.htm#18dbf0fa99ce247278aa0e00c038ec4d0_124

9. <https://www.macrotrends.net/stocks/charts/SKX/skechers-usa/revenue#:~:text=Skechers%20U.S.A%20annual%20revenue%20for.a%2017.98%25%20increase%20from%202021.>