

Economic Analysis of Nike

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Introduction

The economy has an important role in relation to the position of the company in the market. The company's economic analysis helps to determine the impact of economic factors on business. In addition, it supports the company's position in the market. For this reason, the company's economic analysis is very useful in establishing the business in relation to economic variables and understanding. This article gives an economic analysis of Nike; Demands include different economic factors, such as price elasticity, competitive advantages, supply and demand, replacement, market share, and market structure. (Porter, 1985)

Nike, Inc. It was established on September 8, 1969, as a company that sells clothing, footwear, accessories, equipment, and services as well as global design, development, and marketing. The company sells sports shoes and sports shoes around the world. Nike sells its products to retail accounts, personal sales stores, online sales and licensing, and independent distributors. It sells its product in around 190 countries around the world. The company focuses on product tenders in 7 main categories: basketball, running, men's training, football (soccer), Nike Sportswear, women's training, and sports. In addition, Nike Children sells products and other entertainment and sports such as cricket, baseball, football, cricket, golf, lacrosse, tennis, volleyball, recreation, trips, and struggle.

Nike develops sports shoes specifically for sports use. The company sells sports accessories, clothing, sports accessories, and bags. Nike sells licensed clothing for college and professional clothing. In addition, the company sells equipment to improve productivity, such as watches, devices, spectacles, sports balls, and others. [Nike is in the sports market for shoes](#) and clothes. The company offers other products, such as sports equipment and accessories. This study includes an economic analysis of Nike and an analysis of the various economic aspects of the firm. The analysis shows that Nike strongly depends on the supply and demand conditions, and in particular, the strategies are made in line with market needs. The price flexibility of Nike is high due to the large number of spare parts on the market, such as Reebok-Adidas, Puma, and so on. Nike manages the market for various business features that provide competitive advantages such as innovation, brand recognition, diversity, sustainability, new and creative marketing campaigns, personal shoes, and continuous technology improvement. The company has the biggest market share in sports shoes and clothing. The best structure in the market, which explains the Nike situation in the market, is an oligopoly. It is hoped that the company will continue to grow in the future. (NIKE, Inc., 2020)

Despite this, in the case of cash depreciation, Nike's exports cannot be more attractive when the [exchange rate](#) comes. However, unusual research has emerged that the Nike demand in the UK is

low. This indicates that Nike should be based on reduced value: Imports without increasing price inflation will be distributed without any exchanges on exports. This is the main conceptual comprehension.

Financial Position

Nike, Inc. Everything is going well. The financial year 2015 ended with an increase of 10.08 percent in revenue, and the fiscal year ended in late 2014 from \$ 27,799 million to \$ 30,601 million. The 14 percent exchange rate was rated. the fiscal year before. Converse and Hurley are the main partners of Nike. Converting markets and distributing clothing accessories, footwear, and sportswear; Hurley develops, sells, and delivers footwear, clothing, and accessories for surfing and the life of youth. Distribution is distributed directly to AGD, and the market moves to grow strong in the United States to push Converse's income to \$ 1.982 million, which is 18 percent more than in the previous fiscal year.

When Converse was released from income, Nike's income was \$ 28.701 million. North America contributed 48 percent of this income, and 20 percent from Western Europe, On emerging markets, with an 11 percent increase in China.

The net profit of the company was 3.273 million. US, 22% of the strongest growth this year, profit increase (currently 46%, increase by 1.2% compared to December 14), and lower tax rate (22.2% increase. Decisions, 24% in 14 FY.

Expecting that the Nike (DTC) consumer strategy needs to help increase profits and profits over the years, as it helps reduce commission fees. At the end of FY15, the number of Nike DTC stores increased from 768 to 832, and new stores and online aggressive sales contributed to an increase in DTC income of 29 percent to \$ 6.6 billion. As well as DTC, Nike's attention to brand awareness and growth, as well as investment in research and development and demand creation should continue to be continued. Nike won a \$ 100,000 National Basketball Association (NBA) contract, and Adidas's contract will enter the NBA in this year's eight-year year in 2017. In addition, it is necessary to innovate the major middle-class and Chinese products, which are growing in emerging markets.

Bottom Line

Nike is a stock based on stable stock performance, earnings per share, revenue and net profit, a strong balance sheet, and a significant growth in management approach. But Nike has no shares without risk. The slowdown in China, reducing money movement, and growing competition can be reduced. With a positive effect on the negative oversight of the stock trader at the current 52 weeks. The company has the ability to justify these levels, but it would be wise to let someone be in a breath before choosing this sports equipment.

References

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