

COMPARATIVE STUDY BETWEEN CSR ACTIVITIES OF NIKE AND ADIDAS

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ABSTRACT

The Indian footwear industry is preparing to use its advantages to its greatest advantage. This sports brand, which has long represented cool, is expanding access to sports and fitness, especially for girls and women in general. The recent NIKE Global Impact and corporate social responsibility (CSR) initiatives highlight this commitment to a circular economy, reducing waste and the impact on the environment, promoting renewable energy, and experimenting with sustainability in all facets of manufacturing. At Adidas, CSR and sustainability are seen as "a team sport" in which communities, consumers, and employees all play crucial roles. Adidas concentrates on three crucial areas, namely: environmental sustainability, human rights, and staff development, to meet its CSR goals.

Keywords: CSR, Nike, adidas, shoes, luxury, social responsibility,

INTRODUCTION

The Indian leather industry is the backbone of the country's footwear sector. India is the world's second-largest producer of footwear after China, and it serves as the development engine for the entire country's leather sector. Many facilities are outfitted with in-house design studios that integrate cutting-edge CAD tools with user-friendly 3D shoe design software. Numerous Indian shoe companies have also obtained the SA 8000, ISO 9000, and ISO 14000 certifications. Many facilities are outfitted with in-house design studios that integrate cutting-edge CAD tools with user-friendly 3D shoe design software. Numerous Indian shoe companies have also obtained the SA 8000, ISO 9000, and ISO 14000 certifications. The capacity to cater to them with the newest designs and in line with the newest trends is one of the key elements for success in niche international fashion marketplaces. India has become well-known internationally in the field of predicting colours and leather textures as a result of its remarkable performance in Europe. Manufacturers of footwear are frequently provided with design and retail information to help them appropriately fulfil the season's requirements.

The Indian footwear industry is preparing to use its advantages to its greatest advantage. This sports brand, which has long represented cool, is expanding access to sports and fitness, especially for girls and women in general. The recent NIKE Global Impact and corporate social responsibility (CSR) initiatives highlight this commitment to a circular economy, reducing waste and the impact on the environment, promoting renewable energy, and experimenting with sustainability in all facets of manufacturing. The strategy to sharing "priority issues" and reporting on progress towards NIKE's 2020 targets reflects the dedication to transparency, accountability, and impact, particularly since the year 2015. At Adidas, CSR and sustainability are seen as "a team sport" in which communities, consumers, and employees all play crucial roles. Adidas concentrates on three crucial areas, namely: environmental sustainability, human rights, and staff development, to meet its CSR goals. Adidas recently endorsed the UN Climate Change Conference in Katowice, Poland's Climate Protection Charter for the Fashion Industry. By 2030, the corporation committed to a 30% reduction in greenhouse gas emissions. In addition, it pledges to use entirely recycled polyester by 2024 in all goods and on all jobs for which a fix is available. The business only purchases cotton that has been responsibly grown because it is a founding member of the Better Cotton Initiative. Additionally, the business stopped using plastic bags in its stores in 2016.

Nike and Adidas are two prominent sportswear companies that have engaged in various CSR activities. Here are some examples of their initiatives:

Nike:

1. Sustainable Manufacturing: Nike has implemented sustainable manufacturing practices to reduce its environmental impact. It focuses on energy conservation, waste reduction, and using environmentally friendly materials in its products.
2. Supply Chain and Labor Practices: Nike has been working to improve labor conditions and promote fair wages in its global supply chain. It has implemented initiatives to ensure the safety and well-being of workers, such as the Nike Code of Conduct and the Fair Labor Association.
3. Community Engagement: Nike has invested in community development programs, particularly through sports and physical activity. It has established initiatives like the Nike Community Impact Fund and the Nike School Innovation Fund to support youth and education.
4. Environmental Stewardship: Nike has set targets to reduce greenhouse gas emissions and waste in its operations. It also encourages sustainable design and innovation, promoting the use of recycled materials in its products.

Adidas:

1. Sustainable Materials and Manufacturing: Adidas has been committed to using sustainable materials in its products, such as recycled polyester and sustainable cotton. It has also implemented eco-friendly manufacturing processes to reduce waste and energy consumption.
2. Supply Chain and Labor Practices: Adidas has focused on improving working conditions and workers' rights in its supply chain. It collaborates with external organizations to monitor and audit suppliers, ensuring compliance with labor and environmental standards.
3. Water Conservation: Adidas has set targets to reduce water usage in its production processes and supports projects that aim to conserve water resources in areas where it operates.
4. Social Initiatives: Adidas has engaged in various social initiatives, including programs that promote sports and physical activity, particularly among children and underprivileged communities. It has also supported initiatives related to education and disaster relief efforts.

SIGNIFICANCE OF THE STUDY

The significance of this comparative study is to bridge the gap of the existing research carried on the topic. This research paper brings out more detailed ANALYSIS on the corporate social responsibility practices

LITERATURE REVIEW

Both Nike and Adidas are global sportswear companies that have implemented CSR initiatives and have made efforts to improve their environmental and social impacts. Here are some common areas in which they have focused their CSR activities:

1. Supply chain management: Both Nike and Adidas have faced criticism in the past regarding working conditions and labor rights in their supply chains. As a response, they have implemented various initiatives to address these issues. Nike launched its Sustainable Manufacturing and Sourcing Index, which evaluates suppliers based on environmental and social criteria. Adidas developed its "Workplace Standards" and "Supplier Code of Conduct" to ensure fair labor practices throughout its supply chain.
2. Environmental sustainability: Both companies have taken steps to reduce their environmental footprint. Nike has set targets to reduce carbon emissions, energy consumption, and waste in its operations. The company has also introduced sustainable materials and manufacturing processes, such as the use of recycled polyester and waterless dyeing

techniques. Adidas has similarly committed to reducing its carbon emissions and increasing the use of sustainable materials in its products. It has also partnered with organizations like Parley for the Oceans to create footwear and apparel from recycled ocean plastic.

3. Community engagement and philanthropy: Nike and Adidas have been involved in various community initiatives and philanthropic activities. Nike's "Made to Play" program focuses on increasing physical activity among children. The company has also invested in community development projects and donated to social causes. Adidas has initiatives such as the "Adidas Group Community Engagement" program, which supports projects related to education, sports, and social integration. They have also collaborated with organizations like the Red Cross to provide humanitarian aid during crises.

4. Diversity and inclusion: Both Nike and Adidas have made efforts to promote diversity and inclusion within their organizations. They have implemented diversity training programs, established employee resource groups, and prioritized inclusivity in their hiring practices. These initiatives aim to create a more inclusive and equitable work environment.

It's important to note that the specific details and extent of CSR activities can change over time, and it would be beneficial to consult more recent literature or reports to obtain the most up-to-date information on the CSR efforts of Nike and Adidas.

RESEARCH OBJECTIVES

The research objectives related to CSR activities of Nike and Adidas may vary depending on the specific focus areas and initiatives. However, here are some potential research objectives that could be associated with their CSR activities:

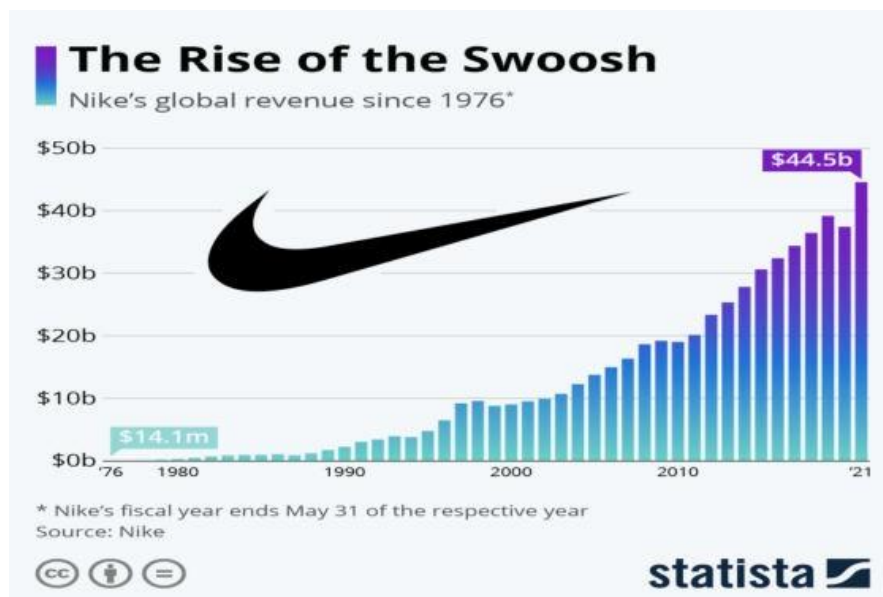
1. Sustainable Manufacturing and Materials: Research objectives in this area could include assessing the extent to which Nike and Adidas have integrated sustainable manufacturing practices and materials into their operations. This research may involve evaluating energy consumption, waste management, carbon emissions, and the use of eco-friendly materials. Comparative studies with industry benchmarks or other companies can provide insights into the companies' progress and areas for further improvement.

2. Social and Community Impact: Research objectives could also focus on understanding the social and community impact of Nike's and Adidas's CSR initiatives. This research may involve analyzing the effectiveness of community development programs, education initiatives, and sports-related projects in achieving their intended goals. Researchers may assess indicators

such as increased access to education, improved health outcomes, or community empowerment.

3. Communication and Transparency: Research objectives may involve examining the communication strategies and transparency of Nike and Adidas regarding their CSR activities. This research could evaluate the clarity and accessibility of information provided by the companies, as well as stakeholders' perceptions of their transparency and accountability.

RESEARCH METHODOLOGY



This research study is descriptive in nature. Through extensive research into various sources, including secondary data was gathered, journals from various publications, news articles, and numerous other websites, were consulted. Graphs were used and evaluated to see the trend in the performance of both the brands by analysing the sales graphs of both companies and evaluating the top products sold by both brands.

DISCUSSION AND ANALYSIS

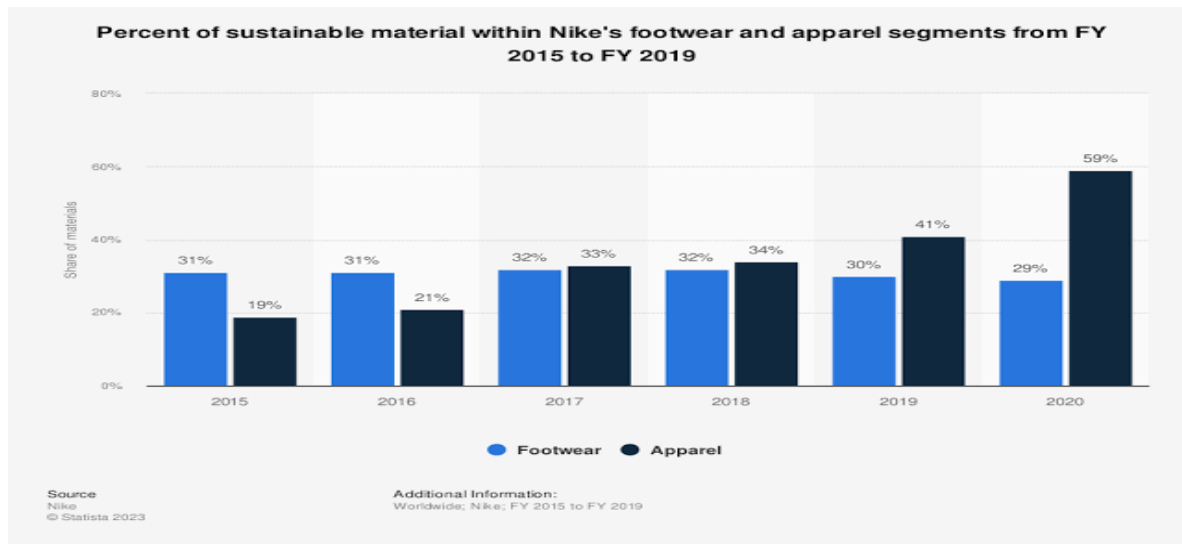
Nike, Inc. is an American multinational corporation that creates, develops, produces, markets, and sells shoes, clothes, equipment, accessories, and services on a global scale. The business has its headquarters in the Portland metro area, close to Beaverton, Oregon. With sales exceeding US\$46 billion in its fiscal year 2022, it is both the largest maker of sports equipment as well as the world's largest provider of athletic shoes and apparel.

The German multinational company Adidas founded the Adidas Originals brand, which is frequently stylized as adidas Originals. It comprises a legacy collection with a focus on sportswear including sneakers, t-shirts, jackets, backpacks and sunglasses.

Adidas created the Superstar and Adicolor apparel and accessory categories, among others. Diesel also has a line of "Originals Denim" clothing that it tested in Berlin and New York City. A comparative study between corporate social responsibility practices of Nike and Adidas is given below:

- **Environmental Sustainability:** Both Nike and Adidas have made commitments to reduce their environmental footprint. Nike has set a goal of achieving zero waste to landfill by 2020, and has made progress in reducing carbon emissions in its supply chain. Adidas has committed to using only sustainable cotton by 2020 and has set a target to reduce its carbon emissions by 30% by 2030. However, Adidas has a stronger focus on environmental sustainability, with initiatives such as its Parley for the Oceans partnership to turn ocean plastic into sportswear.
- **Labour Rights:** Both companies have made efforts to improve labour conditions in their supply chains. Nike was the first sportswear company to publish a list of its supplier factories and has implemented labour rights initiatives such as its Manufacturing Index program. Adidas has also made progress in improving labour conditions, with initiatives such as its Worker Engagement Program. However, Nike has faced criticism in the past for labour abuses in its supply chain, while Adidas has been praised for its human rights policies.
- **Philanthropy and Community Development:** Nike has a strong focus on philanthropy and community development, with initiatives such as its Nike Community Impact Fund and partnerships with organisations such as the Boys & Girls Clubs of America. Adidas also has philanthropic initiatives, such as its Football for Good program, but has a relatively weaker focus on community development compared to Nike.
- **Responsible Sourcing:** Both companies have made commitments to responsible sourcing of materials. Nike has committed to using only sustainable cotton by 2020 and has implemented its Better Cotton Initiative to promote sustainable cotton production. Adidas has committed to using only sustainable cotton by 2018 and has implemented its Responsible Sourcing Program to promote ethical and sustainable sourcing practices.
- **Transparency and Reporting:** Nike has been more transparent in reporting its CSR activities and has published sustainability reports for over a decade. Adidas has also increased its transparency in recent years, but has been criticised for its lack of detailed reporting on issues such as supply chain labour conditions.

Overall, both Nike and Adidas have made significant commitments to CSR and sustainability, but have different strengths and weaknesses in their initiatives. Nike has a stronger focus on community development and philanthropy, while Adidas has a stronger focus on environmental sustainability and responsible sourcing.



LIMITATIONS OF THE STUDY

There are several limitations to consider when conducting a comparative study of CSR activities between Nike and Adidas:

- Limited scope: A comparative study of CSR activities between two companies can only provide a limited understanding of the broader CSR landscape.
- Lack of transparency: Despite the increasing emphasis on transparency in CSR reporting, companies may not provide a complete picture of their CSR activities.
- Difficulty in measuring impact: It can be challenging to measure the impact of CSR activities, particularly when comparing companies in different industries.
- Contextual differences: Nike and Adidas operate in different markets and face different challenges, such as varying regulatory environments, cultural norms, and consumer preferences.

CONCLUSION

Adidas still has work to do in important areas like biodiversity and transparency, even though it is already ahead of some of the most notoriously destructive businesses in the sporting gear industry. Therefore, it appears that both businesses have a bit of a labour rights walk ahead of them; let's hope they don't suffer too many blisters along the road. Overall, the two companies

are tied with similar scores across the board; however, while both companies are making strides in terms of the environment and people, they lag behind in terms of animal welfare.

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