

Management

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NIKE AND RESPONSIBLE SOURCING Submitted by: [Id Number] Time] [Unit
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INTRODUCTION

In connection with the thrust of the sports apparel chain to position itself as a vanguard of Fair Trade where products are sourced from responsible suppliers, the Nike brand presents a problem as its workers are reportedly being intimidated by armed soldiers. Essentially, this paper will argue that on a combined utilitarian ethics and business sustainability standpoint, it would be wise to discontinue marketing Nike products until such time that the issue has been addressed by the supplier.

ANALYSIS

From the utilitarian ethics view, a decision is made based on which outcome would favor the majority hence there is a need to determine which path leads to more benefits to more people. The availability of Nike to other marketers would mean that customers can just buy them there. This presents a major problem as a myriad of literature indicate that sports shoe customer preferences is highly skewed towards those products which are visually appealing and having performance-enhancing features (Locke 2003, 52). That is to say, customers are not likely to choose an alternative over Nike just because of supplier issues but would instead seek out the product in other stores especially when the features of the shoes are very appealing (Lim and Philips 2007, 146). This would result to shifting customer loyalty resulting to losses in sales consequently harming business operations and employee compensation (Jordaan 2011, 622; Tengblad and Ohlsson 2007, 657).

On the other hand, several high-profile companies such as Starbucks and Apple have also found to their dismay and cost that reputations can be profoundly affected by the environmental and social impacts of their supply networks (Gereffi et al 2005, 101). The negative effect becomes more profound considering the power of social networking to influence customer perception (Carroll and Shabana 2010, 88). Hence, discontinuing sale of Nike products would prevent any negative PR and the accompanying losses especially considering that the company has just adopted the Fair Trade principle. This chosen path can also benefit society in general as it promotes a culture of responsible business practices thru caring for how products are being sourced (Schwartz et al 2007, 506; Wells 2009, 570). However, given the possibility of customers to just seek Nike products on other stores and the strength of the brand, it would be prudent to not totally abandon the brand.

CONCLUSION

Combining business with ethical practices requires a reconciliation between profitability and ethical principles the company promised to uphold. In this case, the most plausible course of action is to discontinue marketing Nike products until such time that they have sorted out their supplier issues. Abandoning them completely is not an option given their strong marketability.

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