These environmental initiatives have had a significant impact on Nike's overall operations, resulting in improved energy efficiency and sustainability. By embracing renewable energy sources, Nike has lessened its dependence on non-renewable resources and decreased its greenhouse gas emissions. The reduction of plastic packaging and the integration of recycled materials have not only led to waste reduction but have also contributed to the circular economy by promoting the reuse and recycling of materials.

Moreover, these measures have also positively influenced Nike's brand image and reputation. The company's commitment to sustainability has resonated with consumers who are increasingly concerned about the environmental impact of the products they purchase. Nike's environmental initiatives have positioned the company as a frontrunner in sustainable practices within the sportswear industry, attracting environmentally conscious consumers and bolstering its competitive advantage.

3. Economic

Economic policies and trade restrictions between nations can have significant implications for Nike as a business. The impact can be both positive and negative, depending on the specific policies implemented.

For instance, if a trade deal is established between two nations that reduces tariffs and opens up new markets, Nike stands to benefit from increased sales due to the expanded market size. This would enable the company to capitalise on the newfound opportunities and potentially enhance its profitability. Conversely, if a nation imposes high tariffs on Nike's products, the company's profit margins could be adversely affected due to the increased cost of production.

Apart from tariffs, economic policies and trade restrictions can also influence the cost of labour and the availability of raw materials. If a nation's government enacts legislation that raises the minimum wage, Nike may be compelled to pay higher wages to its employees, thereby reducing its profit margins. Similarly, if a nation restricts the importation of raw materials, Nike may be compelled to seek alternative sources of supply, which could potentially increase its production costs.

Furthermore, economic policies and trade restrictions can impact the competitive landscape in which Nike operates. For instance, if a nation introduces legislation that provides certain tax incentives exclusively to local businesses, Nike may find itself at a competitive disadvantage compared to its rivals. This could potentially hinder the company's ability to compete effectively in the market. Additionally, if a nation restricts the importation of specific products, Nike may find itself unable to compete with companies that can source their goods from other countries, further challenging its market position.

Additionally, the economic policies of nations have also affected Nike's supply chain and sourcing strategies. For instance, the implementation of trade agreements and regulations, such as the Trans-Pacific Partnership (TPP) and the North American Free Trade Agreement (NAFTA), have influenced Nike's decision to establish manufacturing facilities in countries with favourable trade conditions.

By taking advantage of lower labour costs and favourable trade agreements, Nike has been able to maintain competitive pricing and maximise its profit margins. However, changes in economic policies, such as the renegotiation of trade agreements or the imposition of trade barriers, can disrupt Nike's supply chain and sourcing strategies.

Furthermore, currency exchange rates play a crucial role in Nike's international operations. Fluctuations in exchange rates can impact the cost of production, as well as the pricing and profitability of Nike's products in different markets. For example, a strengthening of the US dollar can increase the cost of importing raw materials and manufacturing goods in countries with weaker currencies, affecting Nike's overall profitability.

Moreover, economic policies related to labour and environmental regulations can also impact Nike's operations. Governments may impose stricter labour standards or environmental regulations, which can increase production costs for Nike. This can include higher wages, improved working conditions, or investments in sustainable manufacturing practices. Compliance with these policies can be costly for Nike, but it is also essential for maintaining its brand reputation and meeting consumer expectations.

a. Perfect Competition

The ideal market structure for perfect competition is one where many small firms produce and sell indistinguishable products. These firms are considered price takers, as they have no control over the market price and must accept it as it is. There are no obstacles to entering or leaving this market, and all firms possess complete knowledge of the market as well as their competitors' prices. Profit maximisation is the goal for all firms, and demand is solely influenced by price.

b. Imperfect Competition

Imperfect competition refers to a market structure where there is insufficient number of buyers or sellers to establish a perfectly competitive market. This type of market is marked by some level of monopolistic competition and/or market power, which can be wielded by either the suppliers or buyers.

c. Monopolistic Competition

Monopolistic competition is a market arrangement in which numerous firms offer products that are distinct from one another (i.e., the products are similar but not identical substitutes) and firms possess some influence over the pricing of their products. In monopolistic competition, firms have the autonomy to establish their own prices and promote their products, while still encountering competition from other firms. The key features of monopolistic competition include a significant number of firms, differentiated products, the freedom to enter and exit the market, and relatively low obstacles to entry.

d. Oligopoly

An oligopoly is a market structure where a small number of firms hold a dominant position in the market, giving them considerable control over the prices of their goods or services. This market structure is marked by a strong interdependence between the firms, where the actions of one firm can greatly affect the others in the industry. Oligopoly markets are typically fiercely competitive and have significant barriers to entry, making it challenging for new companies to enter the market.

e. Monopoly

A monopoly market structure refers to a market structure in which a single supplier dominates the provision of a particular good or service. In such a scenario, the sole firm exercises full authority over pricing, production, and distribution of the said product or service. Monopoly markets typically arise due to technological progress, exclusive rights granted by the government, or the existence of natural monopolies.

2. Competition and Profitability

Competition among businesses can exert a significant impact on their profitability. When businesses vie for the same customer base, they may be compelled to reduce their prices to maintain competitiveness. Consequently, this can lead to a decline in their profits, as they earn less revenue for each unit of goods or services provided. Moreover, businesses may find themselves needing to allocate more funds towards marketing and advertising to outpace their rivals. This, too, can diminish profitability, as they incur higher expenses to attract customers.

Another manner in which competition can influence profitability is through the escalation of costs associated with producing goods or services. In order to remain competitive, businesses may be required to invest in new technologies or processes. This, in turn, can elevate production costs, necessitating businesses to charge higher prices for their offerings in order to generate a profit.

Lastly, the entry of new businesses into the market can also impact profitability. These newcomers may offer lower prices or superior services, resulting in existing businesses losing customers. Consequently, this will lead to a reduction in their profits.

3. Relationship between demand, supply, and price

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