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The Value Behind the Swoosh: Exploring How Financial Performance, Sustainability, and Brand Strength Shape Nike's Stock Performance

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ABSTRACT

As businesses become increasingly global and information spreads almost instantly, investors are looking beyond financial statements when evaluating a company's long-term potential. Factors such as sustainability initiatives, brand reputation, and investor confidence have become increasingly important alongside revenue and profitability. This study examines the relationship between financial performance, ESG initiatives, investor sentiment, brand value, and Nike's stock performance between 2015 and 2026. A mixed-methods approach was used, combining quantitative analysis of secondary data with Nike's stock performance and financial results with qualitative analysis of corporate events, sustainability initiatives, marketing strategies, investor communications, and financial news. Descriptive and exploratory quantitative analysis of secondary data was used to identify patterns in Nike's stock returns and financial performance, while qualitative analysis provided context for major developments affecting investor perceptions. The findings show that Nike experienced several periods of strong stock performance between 2015 and 2021, followed by a significant decline beginning in 2022. This later period also coincided with weaker profitability and lower earnings. At the same time, Nike's brand strength, digital strategy, sustainability efforts, marketing decisions, and ability to respond to major challenges continued to influence how investors viewed the company. Overall, the study suggests that Nike's stock performance cannot be explained by financial performance alone. Instead, financial results, brand value, ESG initiatives, investor sentiment, business strategy, and broader market conditions interacted to shape Nike's market value over the study period.

INTRODUCTION

When investors evaluate a company's stock, financial performance is often the first component they consider. Revenue growth, earnings, and profitability have long been viewed as the primary indicators of a business's performance and the likelihood that its stock will increase in value (Walkshäusl, 2020). However, the way companies are evaluated has changed considerably over the past decade. Investors now pay closer attention to factors not always reflected in financial statements, such as a company's reputation, sustainability efforts, and brand strength, as well as the overall confidence consumers and

investors have in the business (Friede, Busch, and Bassen, 2015). As information spreads almost instantly through financial news, earnings calls, and social media, these non-financial factors can influence investor decisions just as quickly as quarterly earnings reports (Baker and Wurgler, 2007). Because of this shift, understanding stock performance requires looking beyond traditional financial measures and considering the broader environment in which companies operate.

Although previous research has provided valuable insights into the factors influencing stock prices, much of the existing literature has examined financial performance, ESG initiatives, investor sentiment, and brand value in isolation. Financial studies typically focus on accounting measures and profitability, while sustainability research emphasizes ESG performance and corporate governance (Yan et al., 2020; Tamasiga et al., 2024). Marketing research often explores branding and endorsement strategies, whereas behavioral finance examines investor sentiment and market psychology (Madden, Fehle, and Fournier 2006; Baker and Wurgler, 2007). Relatively few studies have examined how these factors interact within a single company over an extended period. This creates an opportunity to better understand how financial performance and broader stakeholder perceptions interact to influence long-term shareholder value.

This study addresses the following research question: What is the relationship between financial performance, ESG initiatives, investor sentiment, brand value and Nike's stock performance between 2015 and 2026? Rather than examining each of these factors independently, the study investigates how they interact to influence changes in Nike's share price throughout the eleven years. By combining financial indicators with measures of sustainability, investor confidence, and brand strength, the research aims to develop a broader understanding of the drivers of long-term corporate valuation.

To answer the research question, this study uses a mixed-methods research design that includes qualitative analyses. Qualitative evidence is drawn from Nike's annual reports, sustainability reports, SEC filings, analyst reports, earnings call transcripts, and financial news articles to identify major corporate events that may have influenced investor perceptions. Trend analysis, and descriptive statistics, are used to examine relationships among the selected variables. In contrast, qualitative content analysis provides additional context by evaluating events such as sustainability initiatives, athlete endorsement partnerships, product launches, reputational challenges, and broader economic developments. Combining these methods allows the study to examine Nike's stock performance from both financial and strategic perspectives.

Nike Inc. provides an excellent example of how these different factors can shape a company's market performance. As one of the world's most recognizable athletic apparel and footwear companies, Nike has built its success on a combination of strong financial results, innovative marketing, global brand recognition, and continued investment in sustainability initiatives (Nike, Inc., 2025; Brand Finance, 2025; Interbrand, 2025). Between 2015 and 2026, the company experienced significant growth but also faced several challenges, including supply chain disruptions during the COVID-19 pandemic, inflation, shifting consumer preferences, increased competition, and global economic shifts (Nike, Inc.; Zhang). Throughout the same period, Nike continued to launch new products, expand its direct-to-consumer strategy,

strengthen its environmental and social commitments, and invest heavily in athlete endorsements and digital innovation (Nike, Inc., 2025).

This study contributes to the existing literature by bringing together several factors that are often examined separately. While previous research has shown that financial performance, ESG initiatives, investor sentiment, and brand value each influence stock returns, relatively little research has examined how these variables interact within a single company over an extended period. By examining Nike between 2015 and 2026, this study provides a more complete picture of the forces influencing shareholder value.

The study also fills an important gap by integrating perspectives from finance, marketing, sustainability, and behavioral finance into a single, cohesive case study. The selected time period includes several major events, such as the COVID-19 pandemic, global supply chain disruptions, changes in interest rates, increased investor attention to ESG, and significant marketing campaigns that shaped Nike's public image (Guo et al. 2020; Lee 2025). Examining these events together helps explain how financial and non-financial factors influenced investor confidence during periods of both growth and uncertainty.

To answer the research question, this study uses a mixed-methods research design that combines quantitative analysis of secondary data and qualitative analysis. The quantitative analysis of the secondary data portion examines Nike's historical stock performance and financial indicators, including annual stock returns, revenue, earnings per share, net income, and profitability. Descriptive analysis is used to identify changes and trends throughout the study period, while exploratory analysis is used to examine relationships between selected financial indicators and stock performance. The qualitative portion draws from Nike's annual reports, sustainability reports, SEC filings, earnings call transcripts, investor presentations, and financial news to examine major events involving sustainability, marketing, athlete endorsements, product launches, investor sentiment, and broader economic conditions. Combining these approaches provides both numerical evidence of changes in Nike's performance and context for understanding why those changes may have occurred.

METHODOLOGY

This study uses a mixed-methods research approach to examine the relationship between financial performance, ESG initiatives, investor sentiment, brand value, and Nike's stock performance between 2015 and 2026. A mixed-methods approach was chosen because Nike's stock performance cannot be fully understood through financial data alone. Financial measures can show what happened to the company and its stock, while qualitative evidence can provide context for the business decisions and outside events that may have influenced investors.

The quantitative analysis of the secondary data portion of the study focuses on Nike's historical stock performance and selected financial indicators. Annual stock returns were used to identify periods of strong and weak market performance. Financial measures including revenue, net income, earnings per

share, gross margin, and return on invested capital were also examined to evaluate changes in Nike's financial condition. Descriptive analysis was used to identify general trends across the study period, while exploratory analysis was used to examine whether selected financial indicators were associated with changes in stock performance.

The qualitative portion of the study examines publicly available information about Nike between 2015 and 2026. Sources include Nike's annual reports, sustainability and impact reports, SEC filings, investor presentations, earnings call transcripts, analyst reports, and financial news coverage. These sources were used to identify major developments involving ESG initiatives, marketing campaigns, athlete partnerships, digital expansion, product launches, leadership changes, supply chain disruptions, inflation, competition, and other events that may have affected investor confidence.

The study relies primarily on secondary data. Financial information was collected from Nike's annual reports and SEC filings, while historical stock data was used to examine changes in market performance. Information about ESG initiatives and brand value was collected from Nike's sustainability reports and established brand rankings, including Interbrand and Brand Finance. Investor sentiment was examined through financial news, analyst commentary, earnings calls, and investor communications.
The data collection process involved identifying relevant sources, recording financial and stock-market information, organizing the information by year, and comparing changes across the study period. Qualitative content analysis was then used to examine important events and identify recurring themes involving Nike's financial strategy, sustainability efforts, brand strength, investor perception, and response to external challenges.

To improve reliability, information was compared across multiple sources rather than relying on a single document or report. Findings found through quantitative analysis of secondary data and qualitative analysis were also compared with one another. For example, periods of major changes in Nike's stock performance were examined alongside the company's financial results and important business events occurring during the same period.

There are several limitations to this approach. The study focuses on one company and therefore cannot establish that the same relationships would occur across all industries. In addition, annual stock and financial data provide a relatively small number of observations for statistical analysis. For this reason, the analysis is exploratory. ESG initiatives, brand value, and investor sentiment also cannot be measured using one consistent numerical scale across the entire 2015–2026 period. These factors are therefore examined primarily through qualitative evidence rather than being treated as directly comparable quantitative variables.

Overall, the mixed-methods approach allows the study to examine Nike's stock performance from two perspectives. The quantitative analysis of secondary data identifies measurable changes in financial and market performance, while the qualitative analysis helps explain the business decisions, events, and stakeholder reactions surrounding those changes.

LITERATURE REVIEW

This literature review examines prior research on the relationships among financial performance, Environmental, Social, and Governance (ESG) initiatives, investor sentiment, brand value, and stock market performance, with a particular focus on Nike and other multinational companies. The review primarily covers studies published between 2015 and 2025, a period during which interest in sustainable investing, corporate transparency, and behavioral finance grew considerably. To identify relevant studies, searches were conducted using Google Scholar, Scopus, Web of Science, company annual reports, SEC filings, and peer-reviewed finance and marketing journals. Additional sources were also identified by reviewing the reference lists of key publications to locate closely related research. The search included keywords such as "Nike stock performance," "financial performance," "ESG," "ESG disclosure," "investor sentiment," "brand value," "shareholder value," "stock returns," "corporate governance," "sustainability," "athlete endorsements," and "behavioral finance." The review focused primarily on studies examining the relationship between financial and non-financial factors and stock performance, particularly those involving publicly traded companies, multinational corporations, and well-established global brands. Studies that focused exclusively on technical trading strategies or industries unrelated to consumer brands were generally excluded because they were less relevant to the purpose of this research.

Several common themes appear throughout the existing literature and provide the structure for this review. Many studies continue to emphasize the importance of financial performance as a key driver of shareholder value. At the same time, more recent research highlights the growing influence of ESG initiatives, investor sentiment, and brand reputation on stock market performance. Other researchers have examined how factors such as macroeconomic conditions, sustainability announcements, financial news, and major marketing campaigns shape investor confidence and affect stock prices. Although these studies offer valuable insights, most examine these topics individually rather than exploring how they interact within the same company over an extended period. This creates an opportunity to develop a more complete understanding of the different factors influencing Nike's stock performance. The following sections examine each theme in greater detail, compare findings from previous studies, identify areas of agreement and disagreement among researchers, and highlight the gaps the present study seeks to address (Table 1: Selected Literature Review).

Table 1: Selected Literature Review

Study	**Methods**	**Country / Global**	**Factors**	**Findings**
Zhang (2023)	Quantitative	USA (Nike)	- Interest rates - Exchange rates - Investor sentiment - Monetary policy	- Rising interest rates negatively affected Nike's stock price - A stronger U.S. dollar reduced overseas earnings.

				- Investors reacted to lower-than-expected profits - Macroeconomic conditions significantly influenced valuation
Sandopart (2024)	Qualitative Case Study	Global	- Athlete endorsements - Brand value - Investor perception - Marketing strategy– Abnormal returns	- Cristiano Ronaldo's achievements positively influenced sponsor perception. - Brand-athlete alignment increased shareholder value. - Marketing events affected stock performance. - Investor reactions extended beyond financial statements.
Yan et al. (2020)	Different methods	Global	- ESG performance - Sustainability - Financial performance - Industry competition - Value creation	- ESG alignment contributed to long-term value creation. - Nike demonstrated strong sustainability initiatives. - Financial performance remained linked to strategic management. - ESG metrics increasingly influence investor decisions
Walkshäusl (2020)	Quantitative	Global	- Financial strength - Profitability - Fundamental analysis - Earnings quality - Stock returns	- Strong fundamentals predict future stock returns. - Companies with higher FSCORE outperform weaker firms. - Profitability remains a major driver of valuation. - Financial health provides signals for investors.
Tamasiga et al. (2024)	Literature review	Global	- ESG disclosure - Corporate	- ESG disclosures improve transparency.

			governance - Sustainability - Firm value - Investor confidence	- Strong ESG performance enhances firm value. - Investors increasingly incorporate ESG metrics. - Long-term performance benefits from sustainability reporting.
Guo et al. (2020)	Quantitative	Global	- ESG news - Market volatility - Investor sentiment - Risk management - Information flow	- ESG-related news predicts stock volatility. - Negative ESG events increase risk. - Investor reactions are influenced by ESG information. - News sentiment can affect future returns.
Lee (2025)	Quantitative	Global	- ESG ratings - Financial news - Investor sentiment - Return variation - Market behavior	- Sentiment significantly affects stock returns. - ESG and sentiment interact to influence performance. - Positive sentiment supports stronger returns. - Emotional reactions impact investor decisions.

The research reviewed for this study shows that no single factor can fully explain changes in a company's stock performance. Although financial performance remains one of the most important drivers of shareholder value, recent studies suggest that investors also pay close attention to a company's ESG initiatives, brand reputation, and overall market perception. As investing has become more focused on long-term value rather than short-term financial results, researchers have increasingly examined how financial and non-financial factors interact. Four major themes appear consistently throughout the literature: financial performance, ESG initiatives, investor sentiment, and brand value.

The first theme focuses on the relationship between financial performance and stock returns. Most researchers agree that companies with strong financial fundamentals are more likely to generate stronger long-term returns for investors. Walkshäusl (2020) found that businesses with higher profitability, stronger earnings quality, and healthier financial positions generally outperformed companies with weaker financial fundamentals. These findings reinforce the idea that traditional financial indicators continue to play a central role in investment decisions. However, financial performance does not exist in isolation.

Zhang (2023) showed that Nike's stock performance was also affected by broader economic conditions, including interest rates, exchange rates, and investor expectations. While Walkshäusl concentrated on company-specific financial measures, Zhang demonstrated that external economic forces can influence stock prices even when a company's internal performance remains strong. Taken together, these studies suggest that investors consider both company performance and the broader economic environment when evaluating a stock.

A second theme throughout the literature is the growing importance of ESG initiatives. Over the past decade, sustainability has become more than a corporate responsibility issue—it has also become an important part of how investors evaluate long-term business performance. Yan et al. (2020) argued that companies with stronger ESG performance are more likely to create long-term value because sustainability initiatives improve transparency, strengthen stakeholder relationships, and support better strategic decision-making. Tamasiga et al. (2024) reached a similar conclusion, finding that ESG disclosures improve investor confidence by giving shareholders a clearer understanding of a company's governance and sustainability practices. Guo et al. (2020) approached the topic from a different perspective by examining how ESG-related news affects market behavior. Their findings suggest that both positive and negative ESG news can influence stock volatility, as investors often react quickly to information that alters their perception of corporate risk. Although each study examines ESG from a slightly different angle, they all point to the same conclusion: sustainability has become an increasingly important part of company valuation.

Investor sentiment is another recurring theme in the literature. While financial reports provide measurable information about a company's performance, investor decisions are also influenced by expectations, emotions, and media coverage. Baker and Wurgler (2007) argued that investor sentiment can have a significant effect on stock prices, especially during periods of uncertainty when market confidence changes quickly. More recent research supports this idea. Lee (2025) found that investor sentiment and ESG ratings together help explain changes in stock returns across global equity markets. Similarly, Guo et al. (2020) showed that news about ESG issues can influence investor behavior by increasing market optimism or uncertainty. These studies suggest that stock prices often reflect how investors feel about a company, not just how the company is performing financially. As information becomes available more quickly through financial news, analyst reports, and online media, investor sentiment continues to play a larger role in shaping market performance.

The literature also highlights the importance of brand value and marketing. For companies like Nike, brand reputation is one of their most valuable assets because it influences consumer loyalty, pricing power, and long-term competitiveness. Madden, Fehle, and Fournier (2006) found that strong brands create shareholder value by helping companies maintain a competitive advantage over time. Sandopart (2024) reached a similar conclusion while examining Nike's partnership with Cristiano Ronaldo. The study found that the athlete's achievements generated positive abnormal stock returns because investors viewed the endorsement as beneficial to Nike's future performance and brand image. Although one study

focuses on long-term branding and the other examines a specific marketing event, both show that branding strategies can influence investor confidence as well as financial performance.

Financial performance remains one of the strongest drivers of stock prices, and numerous studies have shown that companies with strong financial fundamentals generally achieve stronger long-term market performance (Walkshäusl, 2020). Investors often rely on measures such as revenue growth, earnings per share, operating margins, and profitability when assessing whether a company is likely to create shareholder value. Walkshäusl (2020), for example, found that companies with stronger financial fundamentals consistently produced higher future stock returns than firms with weaker performance. In addition to company-specific financial results, broader economic conditions also influence investor expectations. Changes in interest rates, inflation, and exchange rates affect business operations and future earnings, making macroeconomic conditions another important factor in stock valuation. Zhang (2023) demonstrated that rising interest rates and a stronger U.S. dollar negatively affected Nike's stock price by reducing overseas earnings and lowering investor expectations. While these studies clearly demonstrate the importance of financial performance, they also suggest that financial indicators alone cannot fully explain movements in stock prices.

Over the past several years, Environmental, Social, and Governance (ESG) performance has become an increasingly important consideration for investors. Companies are now expected to demonstrate responsible environmental practices, ethical corporate governance, and a commitment to social responsibility in addition to generating strong financial results (Friede, Busch, and Bassen). As a result, ESG reporting has become an important source of information for investors evaluating long-term business sustainability and corporate risk. Research by Yan et al. (2020) found that companies with stronger ESG performance are more likely to create long-term value because sustainability initiatives improve transparency, strengthen stakeholder relationships, and support strategic decision-making. Similarly, Tamasiga et al. (2024) concluded that ESG disclosure increases investor confidence and contributes positively to firm value. Since Nike has invested heavily in sustainability initiatives over the past decade, examining ESG alongside financial performance provides a more complete understanding of the factors that may have influenced its stock performance.

Investor sentiment has also become an important part of modern financial markets. Although measurable financial results influence stock prices, they are also affected by expectations, emotions, media coverage, and public opinion (Baker and Wurgler, 2007). Investors frequently react to news before financial results are reflected in company reports, causing stock prices to move in response to shifting market sentiment. Baker and Wurgler (2007) argued that investor sentiment plays a significant role in stock market behavior, particularly during periods of uncertainty when investors rely more heavily on expectations than on objective financial information. More recently, Lee (2025) found that investor sentiment and ESG ratings together explain variation in stock returns, suggesting that investors increasingly consider both financial and non-financial information when making investment decisions. Guo et al. (2020) also showed that ESG-related news can increase market volatility because investors respond quickly to positive and

negative developments involving corporate sustainability. These studies highlight the growing importance of understanding investor psychology alongside financial performance.

Another factor that may influence shareholder value is brand strength. For companies competing in global consumer markets, a strong brand creates advantages that extend beyond product sales. Brand recognition helps build customer loyalty, supports premium pricing, and strengthens competitive positioning, all of which can contribute to stronger financial performance over time (Madden, Fehle, and Fournier 2006). Marketing activities can also influence investor confidence, particularly when they strengthen public perception of a company. Sandopart (2024) found that Cristiano Ronaldo's achievements generated positive abnormal stock returns for Nike because investors viewed the athlete's success as beneficial to the company's brand image and future performance. These findings suggest that marketing strategies and brand value can have meaningful effects on stock performance beyond their immediate impact on sales.

Taken together, the literature makes it clear that financial performance, ESG initiatives, investor sentiment, and brand value all contribute to stock market performance. At the same time, it also reveals an important limitation in existing research. Most studies focus on only one or two of these factors rather than examining how they interact within the same company. Financial research often emphasizes profitability and earnings; ESG research focuses on sustainability and governance; marketing studies examine branding and endorsements; and behavioral finance explores investor psychology. Looking at these areas separately provides valuable insights, but it does not fully explain why a company's stock price changes over time.

This study builds on previous research by bringing these different perspectives together in one case study. Instead of examining financial performance, ESG initiatives, investor sentiment, and brand value independently, it explores how these factors collectively influenced Nike's stock performance between 2015 and 2026. Taking this broader approach provides a more complete picture of the forces that shape shareholder value and investor decision-making over time.

The literature also points to several opportunities for future research. Although many studies examine ESG performance, financial fundamentals, or investor sentiment individually, relatively few have explored how these factors collectively influence a single global company over an extended period. There is also limited research examining how these relationships changed during major events such as the COVID-19 pandemic, global supply chain disruptions, and the growth of ESG investing. Future studies could compare Nike with other multinational consumer brands or investigate whether these relationships differ across industries and international markets.

NIKE CASE STUDY

Nike Inc. has been one of the most recognizable companies in the global sportswear industry for decades. Since its founding in 1964, the company has grown into a worldwide leader in athletic footwear, apparel,

and sporting equipment through continuous product innovation, effective marketing, and partnerships with some of the world's most influential athletes. Its strong brand recognition, loyal customer base, and global presence have allowed Nike to remain competitive even as consumer preferences and market conditions have continued to evolve. At the same time, the company has faced increasing pressure from competitors such as Adidas, Lululemon, On, and Hoka, requiring Nike to continuously adapt while maintaining its position as an industry leader (Nike, Inc.; Brand Finance).

Nike is an especially valuable company to examine because its stock performance has been influenced by much more than financial results. Between 2015 and 2026, the company experienced several important developments that shaped both investor confidence and overall market performance. During this period, Nike expanded its direct-to-consumer business, invested heavily in digital platforms, introduced new sustainability initiatives, and continued building its brand through high-profile athlete endorsements and global marketing campaigns (Nike, Inc.; Interbrand).

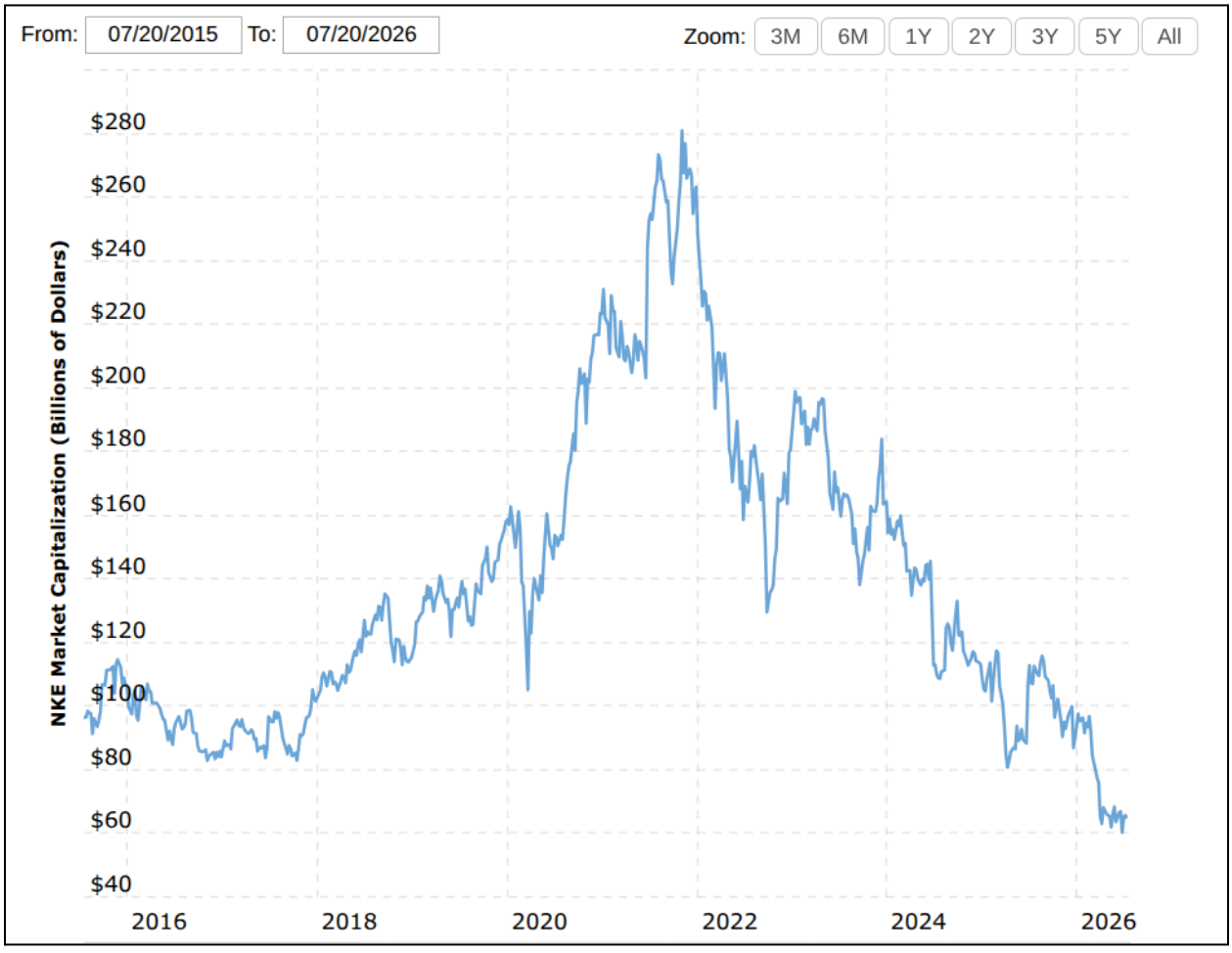


Figure 1: Nike's Financial Performance From 2015-2026

The company also faced challenges largely outside its control, including the COVID-19 pandemic, global supply chain disruptions, rising inflation, and changing consumer spending habits (Zhang, 2023). These events created periods of both growth and uncertainty, making Nike an ideal case for examining how financial performance, ESG initiatives, investor sentiment, and brand value interact to influence stock performance. Rather than focusing on a single event, this case study examines how a series of strategic decisions and external market developments affected Nike's market value throughout the eleven-year study period (Table 2).

Table 2: Timeline of the events

Date	**Event**	**Impact on the stock price performance**
2015	Nike continued to report strong revenue growth and expand internationally.	Strong financial performance supported steady investor confidence and continued growth in the company's share price.
2016	The company increased its investment in digital commerce, mobile applications, and the Nike+ ecosystem.	Investors viewed Nike's digital strategy positively because it positioned the company for long-term growth and stronger customer engagement.
2017	Nike introduced the Consumer Direct Offense strategy, placing greater emphasis on direct-to-consumer sales and digital channels.	The strategy improved expectations for future profitability and strengthened investor confidence.
2018	Nike launched the Dream Crazy campaign featuring Colin Kaepernick.	Although the campaign generated public controversy, higher sales and stronger brand engagement ultimately contributed to positive investor sentiment and long-term stock growth.
2019	Continued expansion of e-commerce, sustainability initiatives, and product innovation.	Strong business performance reinforced Nike's reputation as a leading global brand and supported shareholder confidence.
2020	The COVID-19 pandemic resulted in temporary store closures and supply chain disruptions worldwide.	Nike's stock initially declined with the broader market but recovered quickly as digital sales accelerated and online demand increased.
2021	Consumer spending recovered, and digital sales reached record levels	Strong earnings and improving financial performance contributed to significant gains in

	following the pandemic.	Nike's share price.
2022	Inflation, higher operating costs, supply chain challenges, and excess inventory reduced profitability.	Investors became more cautious as margins slowed and earnings weakened, placing downward pressure on the stock.
2023	Slower sales growth in China and increased competition from emerging athletic brands.	Concerns about future growth and profitability contributed to greater stock price volatility.
2024	Nike introduced cost-cutting measures, leadership changes, and renewed investments in innovation and product development.	Investor reaction was mixed as the market evaluated whether these initiatives would improve future financial performance.
2025	The company continued focusing on innovation, digital expansion, and ESG initiatives while responding to changing market conditions.	Investor confidence depended largely on Nike's ability to return to stronger revenue growth and maintain its competitive position.
2026	Nike continued implementing its turnaround strategy by prioritizing product innovation, strengthening wholesale partnerships, expanding digital capabilities, and improving operational efficiency.	Investors closely watched whether these strategic initiatives would restore stronger revenue growth and profitability. By the end of the study period, Nike's stock performance reflected the combined influence of financial performance, ESG initiatives, investor sentiment, brand value, and broader market conditions.

Nike, Inc. was selected as the focus of this case study because it provides a strong example of how financial performance, ESG initiatives, investor perception, and brand value can influence the long-term success of a global company. Since its founding in 1964, Nike has grown from a small athletic footwear company into one of the world's most recognizable brands (Nike, Inc.). Through continuous innovation, effective marketing strategies, and partnerships with influential athletes across different sports, Nike has built a powerful brand identity and maintained a leading position within the global athletic apparel industry (Interbrand; Brand Finance).

The period from 2015 to 2026 was chosen for this case study because it represents a time of major transformation for both Nike and the broader business environment. Over the years, Nike expanded its direct-to-consumer approach, invested heavily in digital platforms, increased its focus on sustainability, and continued to strengthen its global brand through advertising campaigns and athlete partnerships (Nike, Inc., 2025). However, the company also faced several challenges, including the effects of the COVID-19 pandemic, supply chain disruptions, rising inflation, shifting consumer preferences, and

intensifying competition from brands such as Adidas, Lululemon, On, and Hoka (Zhang, 2023). These developments make this timeframe valuable for analyzing how Nike's strategic decisions and external market conditions affected its overall performance and stock value.

This case study examines Nike's performance using both quantitative analysis of secondary data and qualitative evidence. The quantitative analysis of secondary data focuses on Nike's stock returns and financial indicators, including revenue, net income, earnings per share, gross margin, and return on invested capital. The qualitative analysis uses annual reports, sustainability reports, SEC filings, investor presentations, earnings call transcripts, and financial news to examine important business decisions and events. Rather than looking only at financial outcomes, the case study considers how financial performance interacted with sustainability efforts, leadership decisions, marketing strategies, brand strength, investor sentiment, and external market conditions. Using both types of evidence provides a broader understanding of how different factors contributed to Nike's stock performance between 2015 and 2026.

DISCUSSION

The findings from the literature review and Nike case study were used to develop a framework explaining how different financial and non-financial factors influence Nike's stock performance. Throughout the research process, repeated themes appeared across academic studies, Nike's annual reports, sustainability reports, investor communications, and financial news sources. These themes were organized into broader categories that represented the major influences on Nike's long-term value, including financial performance, brand strength, ESG initiatives, external challenges, and investor perceptions. The purpose of the framework is to demonstrate that Nike's stock performance was not influenced by one single factor, but rather by the interaction between company decisions, stakeholder reactions, and market conditions. This approach aligns with previous research suggesting that corporate valuation increasingly depends on both traditional financial measures and broader factors such as sustainability, reputation, and investor expectations (Yan et al., 2020; Tamasiga et al., 2024).

The first major theme identified from the research was financial performance and business strategy. Previous studies have consistently shown that financial strength remains one of the most important factors investors consider when evaluating a company's future potential. Walkshäusl (2020) found that companies with stronger financial fundamentals, including profitability and earnings quality, tend to achieve stronger long-term stock performance. The Nike case study supported this finding by showing that revenue growth, profitability, innovation, and strategic expansion influenced investor expectations throughout the 2015–2026 period. The financial performance category includes:

1. **Financial Performance and Business Strategy**

- Revenue growth and profitability
- Earnings performance

- Operational efficiency
- Direct-to-consumer strategy
- Digital platform expansion
- Product innovation
- International growth
- Competitive positioning

These factors represent the foundation of Nike's ability to create shareholder value. Strong financial results provide investors with evidence that a company is capable of maintaining growth and adapting to changing market conditions (Walkshäusl, 2020). However, the research also suggests that financial performance alone cannot fully explain changes in Nike's stock performance because investors increasingly consider additional factors beyond traditional financial statements.

The second theme identified was brand strength and marketing influence. Previous marketing research has shown that strong brands can create shareholder value by improving customer loyalty, strengthening competitive advantages, and increasing a company's ability to maintain long-term performance (Madden, Fehle, and Fournier, 2006). The Nike case study demonstrated how marketing strategies, athlete partnerships, and global campaigns contributed to Nike's reputation and investor confidence. This category includes:

2. **Brand Strength and Marketing Strategies**

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- Athlete endorsements and partnerships
- Major advertising campaigns
- Consumer loyalty and trust
- Global brand recognition
- Product innovation and cultural relevance
- Social media and digital engagement
- Connection between Nike and consumers

Nike's brand has remained one of its strongest competitive advantages. Campaigns such as Dream Crazy and partnerships with influential athletes demonstrated that marketing decisions can influence both consumer behavior and investor perception. Research by Sandopart (2024) similarly found that athlete-brand relationships can influence investor reactions because investors often view successful partnerships as indicators of stronger brand value and future growth opportunities.

The third theme identified was ESG initiatives and corporate responsibility. Research on sustainability and corporate governance has shown that environmental, social, and governance practices have become increasingly important factors in how investors evaluate companies. ESG initiatives can improve transparency, strengthen stakeholder relationships, and reduce concerns about long-term business risks (Yan et al., 2020; Tamasiga et al., 2024). This category includes:

3. ESG Initiatives and Corporate Responsibility

- Environmental sustainability goals
- Supply chain improvements
- Ethical labor practices
- Corporate governance
- Sustainability reporting and transparency
- Social responsibility programs
- Long-term environmental commitments

The framework shows that ESG initiatives do not directly determine Nike's stock performance by themselves. Instead, they influence how stakeholders evaluate Nike's responsibility, reputation, and future potential. Research has shown that ESG-related information can influence investor decisions and market reactions, particularly when sustainability events affect perceptions of corporate risk (Guo et al., 2020; Lee, 2025).

Another major theme identified was external challenges and changing market conditions. Although Nike controls many internal decisions, external factors also influenced investor expectations throughout the study period. The case study highlighted events such as the COVID-19 pandemic, global supply chain disruptions, inflation, and increased competition as major influences on Nike's performance. This category includes:

External Challenges and Market Conditions

- COVID-19 pandemic effects
- Global supply chain disruptions
- Inflation and rising costs
- Interest rate changes
- Foreign exchange pressures
- Increased competition from Adidas, Lululemon, On, and Hoka
- Changing consumer preferences
- Economic uncertainty

These challenges demonstrate that stock performance is influenced by both company-specific factors and broader economic conditions. Zhang (2023) found that macroeconomic factors, including interest rates, exchange rates, and investor expectations, significantly affected Nike's stock valuation. Nike's ability to adapt during difficult periods, such as accelerating digital sales during the pandemic, influenced how investors evaluated the company's future growth potential (Nike, Inc., 2025).

The final theme identified was investor perception and stock market response. Investor sentiment connects all other elements of the framework because it represents how the market interprets Nike's financial performance, brand strength, ESG initiatives, and response to challenges. Baker and Wurgler (2007) explained that investor sentiment can significantly influence stock prices, particularly during periods of uncertainty when expectations and emotions play a larger role in investment decisions. This category includes:

Investor Perception and Market Response

- Investor confidence
- Analyst expectations
- Financial news coverage
- Market reaction to major announcements
- Perceived future growth opportunities
- Trust in company leadership
- Long-term shareholder value expectations

Investor perception represents the final stage of the framework because it reflects how the market evaluates all previous factors. Positive financial results, strong branding, effective sustainability practices, and successful responses to challenges can improve investor confidence. On the other hand, uncertainty, negative publicity, or weaker performance can negatively affect investor expectations (Baker and Wurgler, 2007; Lee, 2025).

Based on these themes, the framework developed from this research can be viewed as a connected process rather than a collection of separate factors. Nike's internal strategies and decisions, including financial management, marketing efforts, and sustainability initiatives, influence stakeholder perceptions. These perceptions then shape investor sentiment, which ultimately affects how the market evaluates Nike's future potential.

The framework in Figure 1 demonstrates that Nike's stock performance between 2015 and 2026 was influenced by the interaction between financial and non-financial factors. While financial performance remained an essential component of valuation, the research shows that brand reputation, sustainability efforts, stakeholder relationships, and adaptability also contributed to Nike's long-term success. This finding supports previous research suggesting that modern corporate value is increasingly shaped by a combination of financial results and broader stakeholder-based factors (Madden, Fehle, and Fournier, 2006; Yan et al., 2020).

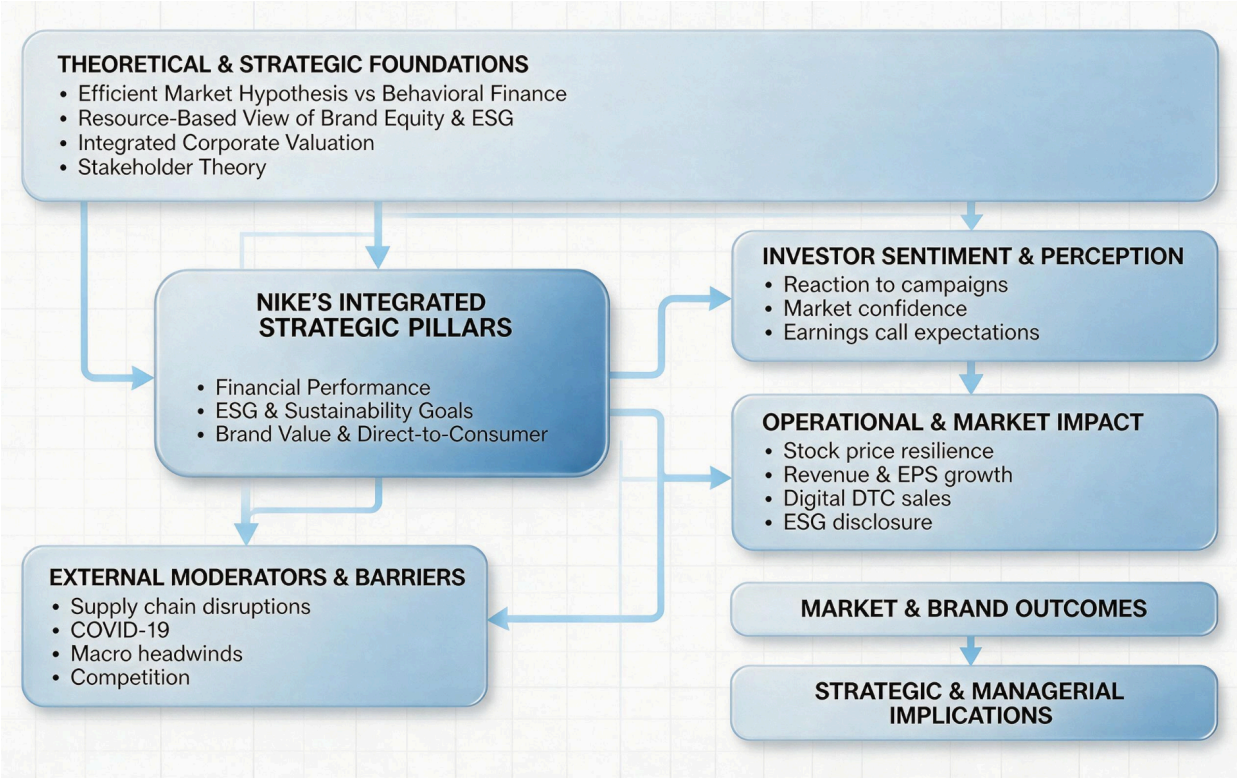


Figure 1: Conceptual framework

The Nike case study shows that stock performance is influenced by more than just financial results. While revenue growth, profitability, and business performance remained important, Nike's brand strength, sustainability efforts, and ability to connect with consumers also played a major role in shaping investor confidence.

Nike's marketing strategies, including athlete partnerships and major campaigns such as Dream Crazy, demonstrate how branding can influence both customer behavior and investor perception. These strategies helped Nike maintain a strong emotional connection with consumers and supported the company's long-term brand value. This supports previous research showing that strong brands can create shareholder value by increasing customer loyalty and competitive advantage (Madden, Fehle, and Fournier, 2006).

The case also supports the idea that investor sentiment affects stock performance. During major events such as COVID-19 and supply chain disruptions, investors reacted not only to Nike's financial results but also to how effectively the company adapted. Nike's growth in digital sales and direct-to-consumer strategies helped rebuild confidence during uncertain periods.

Additionally, Nike's sustainability initiatives show the growing importance of ESG factors in business valuation. While ESG efforts alone do not determine stock performance, they can strengthen brand reputation and investor trust when combined with strong financial management. Overall, Nike

demonstrates that successful companies must balance financial performance with strong branding, sustainability, and stakeholder relationships.

The Nike case study supports the research question by showing that financial performance, ESG initiatives, investor sentiment, and brand value all contributed to Nike's stock performance between 2015 and 2026. The company's success was not driven by a single factor but by the interplay among strong financial results, effective marketing, sustainability efforts, and investor confidence.

The analysis shows that Nike's brand strength helped maintain customer loyalty, while ESG initiatives and strategic decisions influenced how investors viewed the company's long-term potential. At the same time, external challenges such as COVID-19, supply chain issues, and changing consumer behavior affected investor expectations and stock performance.

Overall, Nike's experience highlights that modern companies are evaluated on more than just financial performance. Long-term shareholder value depends on a company's ability to combine strong business results with a trusted brand, responsible practices, and adaptability to changing market conditions.

IMPLICATIONS

This study has contributed to existing knowledge by analyzing how financial performance, ESG initiatives, investor sentiment, and brand value have collectively influenced Nike's stock performance between 2015 and 2026. While previous studies have often focused on a single determinant of stock returns, this research has adopted a broader perspective by evaluating multiple interconnected factors. As a result, the study has provided a more comprehensive understanding of the drivers of corporate valuation in a globally recognized consumer brand.

The study has addressed an important gap in the literature. Research by Walkshäusl (2020) has demonstrated the importance of financial fundamentals in predicting stock returns, while studies by Yan et al. (2020) and Tamasiga et al. (2024) have explained ESG performance and firm value. Other researchers have examined investor sentiment (Lee, 2025) and the impact of athlete endorsements on shareholder value (Sandopart, 2024). However, limited research has combined these variables within a single case study focused specifically on Nike. By integrating financial, sustainability, marketing, and investor-behavior perspectives, the study offers a significantly more comprehensive explanation of stock market performance.

The findings have practical importance for investors, corporate managers, and financial analysts. Investors increasingly consider non-financial indicators when evaluating companies, and the study highlights how brand reputation and ESG performance may complement traditional financial metrics. Corporate managers may use these analyses when designing sustainability strategies, marketing

campaigns, and stakeholder engagement initiatives. Financial analysts may also benefit from incorporating qualitative factors into valuation models alongside conventional financial indicators.

The study's broader significance extends beyond Nike and the stock market. The analysis has depicted the growing role of sustainability, corporate transparency, and stakeholder trust in shaping long-term business success. As companies face increasing expectations from consumers, investors, and regulators, understanding the interaction between financial performance and non-financial factors has become increasingly important. Therefore, the study contributes to broader discussions of sustainable value creation, responsible corporate governance, and the evolving relationship between business strategy and shareholder value.

LIMITATIONS

Like any research project, this study has several limitations that should be considered when interpreting the findings. The study uses both quantitative analysis of secondary data and qualitative evidence, so limitations exist in both parts of the research.

First, the study focuses on a single company, Nike. This provides the opportunity to examine Nike in detail, but it also limits how widely the findings can be applied. The factors that influence Nike's stock performance may not have the same effect on companies in other industries. Future research could compare Nike with other global athletic brands such as Adidas, Lululemon, or On to determine whether similar patterns exist.

Second, quantitative analysis of secondary data relies primarily on annual observations. While annual data are useful for identifying long-term trends, the relatively small number of observations limits the strength of statistical analysis.

Third, Nike's fiscal year and the calendar year used for stock returns do not perfectly match. Nike's fiscal year ends on May 31, while stock returns are commonly measured by calendar year. Because of this difference, financial results and stock returns should be viewed as related indicators rather than perfectly matched measurements.

Another limitation involves ESG initiatives, brand value, and investor sentiment. These factors cannot be measured using one consistent numerical scale throughout the entire 2015–2026 period. As a result, they were examined primarily through qualitative evidence rather than being treated as directly comparable quantitative variables. This limits the ability of the study to calculate a precise statistical relationship between these factors and Nike's stock performance.

The study also cannot establish direct causation. Changes in Nike's stock price can occur because of many factors at the same time, including financial results, investor expectations, interest rates, inflation,

exchange rates, competition, and broader market conditions. Therefore, the relationships identified in this study should be interpreted as associations and patterns rather than proof that one factor directly caused a change in Nike's stock price.

Finally, 2026 is not a completed calendar year in the stock-market analysis. The 2026 stock figure is therefore reported as year-to-date performance rather than a full-year return. Future research conducted after the end of 2026 could update the study using complete annual stock-market data.

Despite these limitations, combining quantitative analysis of secondary data and qualitative evidence provides a more complete view of Nike's performance than relying on either approach alone. The quantitative analysis of secondary data identifies measurable changes, while the qualitative analysis helps explain the business and market conditions surrounding those changes.

CONCLUSION

The purpose of this research was to examine the relationship between financial performance, Environmental, Social, and Governance (ESG) initiatives, investor sentiment, brand value, and Nike's stock performance between 2015 and 2026. Using a mixed-methods approach, the study combined quantitative analysis of secondary data of Nike's stock and financial performance with qualitative analysis of business decisions, sustainability initiatives, marketing strategies, investor perceptions, and major economic events.

The quantitative analysis of secondary data findings show a clear change in Nike's stock performance over the study period. Nike experienced mostly positive annual returns between 2017 and 2021, including a gain of approximately 41% in 2020. Beginning in 2022, however, the company experienced consecutive negative annual returns through 2025, followed by another significant decline in 2026 year-to-date. This change occurred during a period when Nike's financial performance also weakened. Revenue declined from $51.4 billion in fiscal 2024 to $46.3 billion in fiscal 2025 and remained approximately flat in fiscal 2026. Net income and earnings per share also remained below their fiscal 2024 levels.

At the same time, the quantitative analysis of secondary data results show that financial performance alone does not explain Nike's stock performance. The company's stock performed strongly in 2020 despite the major disruption caused by the COVID-19 pandemic. This suggests that investors were also considering Nike's ability to adapt, particularly through its digital business and direct-to-consumer strategy. This example demonstrates why stock prices cannot be understood simply by looking at a company's current financial results.

The qualitative findings provide additional context for these changes. Nike's brand strength, athlete partnerships, advertising campaigns, sustainability initiatives, and digital strategy all contributed to how the company was perceived by consumers and investors. External factors, including COVID-19, supply

chain disruptions, inflation, changing consumer preferences, and increased competition, also influenced expectations surrounding Nike's future performance.

The mixed-methods approach was useful because the quantitative analysis of secondary data showed what was happening in Nike's financial and stock performance, while the qualitative analysis helped explain the events and decisions surrounding those changes. Neither approach alone would provide the same level of context. Overall, the evidence suggests that Nike's stock performance between 2015 and 2026 was shaped by an interaction of financial and non-financial factors. Financial performance remained an important foundation for valuation, but brand strength, ESG initiatives, investor sentiment, strategic decisions, and external market conditions also affected how investors evaluated the company.

Ultimately, Nike's experience demonstrates that long-term shareholder value is influenced by more than financial performance alone. A company's ability to maintain a strong brand, respond to changing conditions, build investor confidence, and balance business performance with broader stakeholder expectations can all play a role in how the market values the company.

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