

Nike Scandal



When it comes to reputations, one of the biggest threats retailers' faces is allegations of human trafficking, slavery, or child labour. In the 1990s, Nike were caught in the middle of a scandal after it was revealed that some of its suppliers engaged in child labour in Pakistan and Cambodia. According to reports, children as young as fourteen worked up to 16 hours a day stitching soccer ball.

During this period, sweatshop conditions were rampant in the factories where Nike's products were made. The company-maintained contracts with these factories, and they were also disregarding labour laws.

The public backlash against Nike, which was 30 years old at the time, tarnished the company's image and negatively affected its bottom line. According to researchers at Stanford University, the company was being accused of exploiting workers to expand its profits.