

Brand loyalty in purchase of sports apparels



Purpose – The following paper tries to determine whether brand loyalty is a mediator between brand name, product loyalty, price, store environment, promotion, service quality and the intention of a customer to purchase sports apparels. The study presented uses Brand Loyalty to investigate the relationship between brand name, product loyalty, price, store environment, promotion and service quality and consumer's intention to purchase.

Design/Methodology/Approach – A questionnaire was distributed to students of B-schools India in the age group of 18 – 30 years of age asking about their preferences when purchasing sports apparels. The results of the questionnaire were analyzed using the four step method for mediation analysis

Findings – Brand Loyalty partially mediates brand name, product loyalty, price, store environment, promotion, service quality and the consumer's intention to purchase.

Research limitations/Implications – The biggest limitation was that the study was confined to the age group of 18-30 years of age. Also it doesn't explore the factors which constitute the independent variables. Future study needs to widen the scope of study by including consumers in the age group of 30 plus. Also it needs to incorporate the factors which influence consumer to recommend the product to others.

Practical Implications – The managerial implications of the research are immense. It guides managers to choose the most important factors while opening up a new store as the study establishes that service quality is the

most important factor which influences the consumer's decision to buy sports apparels

Originality/Value – This paper is one of the first studies which examines how brand name, product loyalty, price, store environment, promotion and service quality translate into intention to purchase.

Paper Type – Research Paper

Introduction

Indians nowadays have developed a fetish for sportswear. This impact can be seen across all age groups; Be it youngsters in the nascent stages of skill-development in the area of interest in the sports domain, athletic adolescents, young men and women with their addiction to gymnasiums or mid-aged and old people who try and look trendy when they go for their daily walks or perform light exercises. This has resulted in a huge demand for sports apparels and it can be seen in the huge variety of sport apparels developed by major brands like Nike, Adidas, Puma etc.

A positive trend was observed in Italy in purchase of sportswear in summer/spring. (Dusi, 1999). Though there are very few retailers of sportswear in the market but the competition is very fierce among them. A paper by Wernerfelt in 1991 shows that customers are willing to buy more if the brand name is considered to be superior. (Wernerfelt, 1991) Managers realize that brand retention is a very important factor that decides consumer behavior. They also consider customer retention as a very important factor that actually decides performance of a particular brand (Sasser, 1990). Hence knowledge of brand loyalty is a must for managers.

<https://assignbuster.com/brand-loyalty-in-purchase-of-sports-apparels/>

Factors of Brand Loyalty: The independent variables

Brand Name ((Aaker, 1996); (B. D., 2000); (R. W., 1978): Brand name plays a pivotal role in customer retention of advertisements in comparison to a product which is not endorsed by any brand, A brand name may influence a person's buying behavior since hard core followers of a brand purchase all products of a particular brand irrespective of the intrinsic factors. Such dedication to a particular brand is decided by both emotional and physical attributes of the brand name. The complete importance of a brand comes into picture when a choice is to be made between 2 similar products. In such cases the product with a better brand name would be preferred.

Product Quality (G. S., 2005), (D. A., 1988), (C., 2000) Consumer may return to a brand repeatedly if it scores high on product quality. The factors which decide the quality can be fitting, size measurement, color, function and performance of merchandise. Fitting is of paramount importance in apparels since they actually define the comfort level of an individual using them. Material once again is important since it defines the durability of the product. Some customers also relate to a particular color. Also how long it takes for the color to fade also determines its quality. Functional attributes like breathable, water-resistance, easy to wash are other parameters which decide the quality of the product. The performance of the merchandise also effect customer psyche since a merchandise having huge sales would make the customer think that the quality of the product must be good to generate such sales.

Price ((B. D., 2000): (Rayner, 1999); (Krishnamurthi, 1991)): Price is another important factor in consumer behavior. If a customer is a hard-core loyalist
<https://assignbuster.com/brand-loyalty-in-purchase-of-sports-apparels/>

then he would be willing to pay a premium for the brand in consideration and would be relatively less sensitive to prices. A customer has a perceived value of a product in his mind and a favored brand name enhances this value by leaps and bounds. Hence here the customer is willing to pay more than the expected price if the brand name is preferred. A loyal customer is less price sensitive.

Store environment A store's environment, its location and the number of outlets it has also influence the consumers shopping pattern ((Evans, 1996); (Milliman, 1982); (Grewal, 2002)). If a consumer is satisfied with the variety of products available in a store and the services provided to him then e becomes loyal. Also characteristics of other shoppers, the behavior of salespersons, the displays, the store design, and the advertisements displayed, signs, colors etc. are other factors that affect consumers. Also if the store is attractive from the inside, the shopper would be encouraged to spend more time inside the store and may purchase more which ultimately would affect his loyalty to the brand which owns the store. Perceived store image also has a direct impact on the intention to purchase.

Promotion ((Czernawski, 1999); (Evans, 1996); (Komal)): Promotion forms one of the most important components of the 4 Ps of marketing. It includes advertising, sales promotion and personal selling. Advertising includes print media, electronic media and billboards. The paper by Evans shows that how advertising shapes a key role in determining whether a person becomes loyal to a brand or not. A lot of times advertisements are the first point of contact between a person and the product and hence the image and perception of the product is formed in the mind of the customer through this

mode only. Thus good advertisements in any form are a way to attract brand switchers and generate loyalty among them. A research paper by Komal Nagar lays emphasis on the fact that consumer promotions have a positive impact on brand switchers but not on brand loyalists.

Service Quality (Yonggui) Service quality is a form of personal selling only since it includes direct contact between a salesperson and the customer. A lot of time impulse buying is motivated by salespersons only. If the salespersons are friendly enough then such kind of stores is generally preferred others. If a bonding develops between the salesperson and the customer then it gradually spreads over to customer and the brand/store. Also personalization in the form of personal attention the customers gets at a store significantly influences loyalty. In banks and other financial institutions service quality is the most important factor that determines reputation.

Research Background and Hypothesis

Price and Brand Loyalty

Wakefield and Inman (2003) define price sensitivity as the extent to which individuals perceive and respond to changes or differences in prices for products or services. Further, Jin and Suh, (2005) define 'Price consciousness' or 'price sensitivity' as 'the degree to which the consumer focuses exclusively on paying low prices'.

Customers are generally seen to be price sensitive, and sales promotions have a significant effect on their choice behavior (Gazquez-Abad, 2009) characterizing the deal-proneness of consumers by analysis of price sensitivity and brand loyalty: an analysis in the retail environment.

Brand loyalty towards clothes in a leading market, sometimes called Generation ' Y' is also significantly influenced by price consciousness It was one of the three variables recognized as having a positive influence on brand loyalty.

According to Cadogan and Foster (2000), price is probably the most important consideration for the average consumer. But Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. Other studies also suggest that Brand loyal customers tend to be less sensitive to price.

Further, research suggests that price shows a positive relationship with brand loyalty Price has also increasingly become a major point in consumers' judgments of offer value as well as their overall assessment of the retailer

In addition, customers have a strong belief in the price and value of their favorite brands and they compare and evaluate prices with alternative brands (Evans, 1996); Consumers' satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that consumers will purchase that product.

Ho: There is no significant and positive relationship between price and brand loyalty on consumer sportswear.

Ha: There is a significant and positive relationship between price and brand loyalty on consumer sportswear.

Product Quality and Brand Loyalty

Quality is relatively tough to define. If Japanese philosophy is to be kept in mind, then quality is zero defects". According to another definition, ' quality' is " conformance to requirements" (Parasuraman, Zeithaml and Berry 1985).

Here a difference needs to be made between perceived and objective quality. Perceived quality has been defined as the consumer's judgment about a product's overall excellence or superiority. Perceived product quality is a global assessment characterized by a high abstraction level and refers to a specific consumption setting Objective quality refers to the actual technical excellence of the product that can be verified and measured (Monroe and Krishman, 1985).

Romano and Vinelli (2001) state that quality must be guaranteed in apparel sector for customers to remain brand loyal.

Consumers today are becoming more and more quality conscious. ' Quality Consciousness' is defined as ' the tendency of consumers to intentionally search and get the highest possible quality products in their purchases (Sporles and Kendall 1986).

Brand loyalty towards clothes among a leading market called Generation ' Y' is significantly influenced by quality consciousness. (Ertekin.)

Functional attributes in sportswear include quick-dry, breathable, waterproof, odor-resistant, lightweight, and antimicrobial and finally, durability which is the use life of garments. For instance, some consumers wear their sportswear for heavy work and some for leisure and sports, as they need a

lot of movement, while durability is an important consideration in purchasing sportswear (D. A., 1988)

Perfectionist or quality consciousness is defined as an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available. (Sproles, 1986) This indicates that quality characteristics are also related to performance. Also notable is the fact that consumers may repeat purchase a single brand, or switch between different brands depending on the product quality offered.

Ho: There is no significant and positive relationship between product quality and brand loyalty on consumer sportswear.

Ha: There is a significant and positive relationship between product quality and brand loyalty on consumer sportswear.

Store environment & Brand Loyalty

Retail store perceptions such as store image and familiarity are extensively studied for apparel brands. (Forney, Park and Brandon 2005) Brand reputations and evaluations are built up over time evoke sales as consumers tend to be brand loyal and brand driven under the influence of store attributes such as staff, layout, location atmosphere. Fulberg (2003) adds that using merely music in a store to create attitudinal loyalty for the brands can be possible.

Further Omar (1999) emphasized that the store environment was the single most important factor in retail marketing success and store longevity. If consumers find the store to be highly accessible during their shopping trip

and are satisfied with the store's assortment and services, these consumers may become loyal afterwards (Evans et al., 1996). The stimuli in the store, such as the characteristic of other shoppers and salespeople, store layout, noises, smells, temperature, shelf space and displays, sign, colors, and merchandise, affect consumers and serve as elements of apparel attributes. (Abraham, 1995) Also background music played in the stores affects attitudes and behavior. The slow-beat musical selection leads to higher sales volume as consumers spend more time and money in a conducive environment. Research also suggests a positive and significant relationship between store environment and sportswear brand loyalty.

Ho: There is no significant and positive relationship between store environment and brand loyalty on consumer sportswear.

Ha: There is a significant and positive relationship between store environment and brand loyalty on consumer sportswear

Brand name & Brand Loyalty

Famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names. (Evans, 1996) In case there are a lot of brand names in the market, many of which are unfamiliar, consumers may prefer and trust the major brand names. Also brand personality provides links to the brand's emotional and self-expressive benefits for differentiation. This is important for brands which have only minor physical differences and are consumed in a social setting where the brand can create a visible image about the consumer itself. This is an especially valid point for sports apparels industry.

Brand name is the creation of an image or the development of a brand identity and is an expensive and time consuming process. Consumers generally tend to perceive the products from an overall perspective, associating with the brand name all the attributes and satisfaction experienced by the purchase and use of the product.

Ho: There is no significant and positive relationship between brand name and brand loyalty on consumer sportswear.

Ha: There is a significant and positive relationship between brand name and brand loyalty on consumer sportswear.

Promotion & Brand Loyalty

Promotion is a marketing mix component which is a kind of communication with consumers. Promotion includes the use of advertising, sales promotions, personal selling and publicity. Research suggests that if one brand is sufficiently stronger than the other and if advertising is cost effective, then the stronger brand loyalty requires less advertising than weaker brand loyalty, but a larger loyal segment requires more advertising than a smaller loyal segment. Moreover, stronger brand loyalty requires more trade promotion spending under these conditions. (Aggarwal, 1996)

According to Rowley (1998), promotion is an important element of a firm's marketing strategy. Promotion is used to communicate with customers with respect to product offerings, and it is also a way to encourage purchase or sales of a product or service. Sales promotion tools are used by most organizations in support of advertising and public relations activities, and they are targeted toward consumers as final users.

<https://assignbuster.com/brand-loyalty-in-purchase-of-sports-apparels/>

Advertising is known to be a non-personal presentation of information in mass media about a product, brand, company or store. It greatly affects consumers' images, beliefs and attitudes towards products and brands, and in turn, influences their brand loyalty (Evans et al., 1996).

Ho: There is no significant and positive relationship between promotion and brand loyalty on consumer sportswear.

Ha: There is a significant and positive relationship between promotion and brand loyalty on consumer sportswear.

Service quality & Brand Loyalty

Service quality is commonly defined as the service which should correspond to the customers' expectations and satisfy their needs and requirements (Gronroos, 1990). Service quality is a kind of personal selling, and involves direct interactions between the salespeople and potential buyers. Consumers shop at specific stores because they like the services being rendered and are assured of certain service privileges.

The impact of salespeople-consumer relationships more often than not result in long term orientation of consumers towards the store or brand. Trust in salespeople appears to relate to overall perceptions of the store's service quality, and results in the consumer being totally satisfied with the stores in the end. Additionally, personalization (i. e. reliability, responsiveness, personalization and tangibles) significantly influence consumers' experience and evaluation of service, and in turn, affects the brand loyalty of consumers (Mittal, B. and Lassar, W. M., 1996).

Gronroos (1990) notes that the quality of a service as perceived by customers has three dimensions attached to it: functional (or process) dimension, technical (or outcome) dimension, and image.

Ho: There is no significant and positive relationship between service quality and brand loyalty on consumer sportswear.

H1: There is a significant and positive relationship between service quality and brand loyalty on consumer sportswear.

Brand Loyalty as a mediator and Intention to purchase

Brand loyalty is defined largely as a consumer's strong commitment towards a particular brand to the extent where the consumer will be motivated to obtain that brand exclusively on every purchase transaction and is constantly looking out for any marketing activities related to the brand (Baldinger, 1996). Loyalty is one factor that many studies have shown to have a strong influence on purchase decision (Alvarez et al., 2000).

Research suggests that brand loyalty is the main variable which influences the purchase decision process of both national and store brands. Loyalty does not only influence the decision of store choice, but also the brand choice and the quantity of products purchased. Studying purchase intentions is very important in the retail segment, including sports apparels. Several studies have reported a positive correlation between purchase intentions and purchase behavior. (David, 1996)

Impulse purchase is also very important for a segment such as sportswear. (Armstrong, 2006) revealed that approximately 30% of the total purchase of

university athletic teams licensed merchandise was impulsively purchased by the university's students.

Ho: There is no significant and positive relationship between brand loyalty and intention to purchase on consumer sportswear.

H1: There is no significant and positive relationship between brand loyalty and intention to purchase on consumer sportswear.

The model illustrating the constructs is given below:

Methods

Measures

The constructs were measured with the help of Likert scales. They responses ranged from 1(strongly disagree) to 5(strongly agree), except in the case of intention to purchase scale which ranged from 1(strongly disagree) to 7(strongly agree).

Sample

The sample was collected using an online questionnaire. A total of 146 people responded to the questionnaire. No personal information of the respondents was collected, apart from their age, as the study focuses on the age group of 18-30.

Intention to purchase: Intention to purchase was measured with a three-item scale found in a paper by Baker, Michael J. and Gilbert A. Churchill, Jr. (1977). A sample item is " If you needed a sport apparel would you prefer this brand if you saw it in a store longer?"

Brand name: Brand name was measured with a four-item scale found in a paper by Cadogan, J. W. and Foster, B. D. (2000). A sample item is "the prestigious brand name and image attract me to purchase this brand"

Product Quality: Product quality was measured with a five-item scale found in a paper by Sproles, G. B. and Kendall, E. L. (1986). A sample item is "the materials used by the brand of the sportswear are comfortable"

Price: Price was measured with a two-item scale found in a paper by Cadogan, J. W. and Foster, B. D. (2000). A sample item is "the increased price would not hinder my purchase decision"

Promotion: Promotion was measured with a three-item scale found in a paper by Wong Foong Yee and Yahyah Sidek (2008) A sample item is "advertisements of the brands attract me to purchase more frequently."

Service quality: Service quality was measured with a four-item scale found in a paper by Mittal, B. and Lassar, W. M. (1996). A sample item is "the salespersons of the stores are well trained and knowledgeable"

Store environment: Store environment was measured with a four-item scale found in a paper by Dhruv Grewal, R. Krishnan, Julie Baker, Norm Borin. A sample item is "the brand has good store locations and easy to access"

Brand loyalty: Brand loyalty was measured with a four-item scale found in a paper by Odin, Yorick, Nathalie N. Odin, and Pierre Valette-Florence (2001). A sample item is "the brand name is the first thing I look for when I purchase sports apparels"

Step 1:

It summarizes the results of a regression analysis using intention to purchase as the criterion variable and the six independent variables as predictor.

It is clear that the independent variables are significantly related to intention to purchase of sports apparels.

The values achieved are $R^2 = 0.374$, $F = 13.846$, $p < 0.000$.

Service quality and Store environment were most significantly related to intention to purchase.

Step 2:

It summarizes the results of a regression analysis using brand loyalty as the criterion variable and the six independent variables as predictor.

Results signify that independent variables are also significantly related to brand loyalty.

The values out of regression are $R^2 = 0.358$, $F = 12.913$ and $p < 0.000$.

Service quality again was most significantly related to brand loyalty.

Step 3:

It summarizes the results of a regression analysis using intention to purchase as the criterion variable and brand loyalty and six independent variables as predictor.

From the results obtained we can see that all the independent variables and brand loyalty are significantly related to intention to purchase.

The values out of regression are $R^2 = 0.391$, $F = 12.650$ and $p < 0.000$.

Brand loyalty and store environment were more significantly related to intention to purchase than other variables.

The values of beta for all the independent variables in step 1 were greater than their values in step 3. This signifies that the relationship, although still significant, is reduced in magnitude. Hence there is a partial mediation effect. Service quality was most significantly related to intention to purchase out of all the six independent variables. Price and promotion, on the other hand, were least significantly related.

Discussion and Implications

The current study explored the intention to purchase vis a vis Brand Loyalty. Brand name, Product quality, Price, Service Quality, Store environment and promotion as independent variables. The mediator here was Brand Loyalty. The study was unique in the sense that it explored the intention to purchase while considering the factors of brand loyalty. This study provides an effective tool to apparel makers while opening up a new store in the sense that it enables them to exploit the major factors to leverage upon the buyer's intention to purchase by focusing more on the factors which affect the Brand Loyalty the most.

Among the factors of Brand Loyalty service quality emerged as the single biggest factor which partially mediated by Brand Loyalty influences the customer's intention to purchase. The results entail that sales person consumer relation will more often than not result in long term association of the consumer with the brand. Also it is clear from the results obtained that

<https://assignbuster.com/brand-loyalty-in-purchase-of-sports-apparels/>

users don't consider promotion as a factor while deciding upon the apparel to purchase as it has the lowest correlation with the consumer's intention to purchase. Also price considered as an important factor in previous researches emerged as another factor which is insignificant compared to other variables except for store environment. This can be explained on the basis that the consumer's already have an image of the brands. This is enforced by factors like service quality, product quality etc. and the price factor is not given any weightage. There is also a second reason for this. This is that all the brands we included in the consideration set of the people filling up the survey are priced similar. This is a very important result in the sense that it guides the apparel stores to provide better service. Another important result which emerged was the insignificance of promotion. Promotion here comprises both advertisements plus the discounts given in the form of clearance sales, sweep stakes, coupons etc. This doesn't contribute to consumer's long term brand loyalty. Although it can lead to sudden interest in consumer's mind regarding the particular brand offering the discount but it certainly doesn't translate into long term brand loyalty.

Brand name is another factor which emerges as a strong variable which important influences the consumer's intention to purchase. Consumers tend to perceive the products from an overall perspective, associating with the brand name all the attributes and satisfaction experienced by the purchase and use of the product. But it is clear from the research that it cannot be attributed as the single biggest factor which influences the consumers brand loyalty or intention to purchase.

Limitations

The biggest limitation of the study which stems from the design of the research is the focus on the age group 18 to 30 years of age. We controlled this variable consciously to study the behavior in this age group. But the age group 30+ is a very big chunk of consumers who buy sports apparels. Taking into account their preference is bound to change certain findings in the study presented above. Another important limitation of the study is that the study doesn't explore the factors which make up the independent variables i. e. factors like promotion entail a multitude of factors like advertisements, personal selling, discounts, clearance sales and sweepstakes. All these factors in promotion and many more in factors like store environment, service quality could not be explored. This stemmed from the fact that if we had decided to explore all these factors then the questionnaire would have been very long. Another thing where the study lacks is that it doesn't explore how to retain customers. Although brand loyalty is very important factor in retention of consumers but this is not the only factor.

Scope for Future Research

There is a lot of scope for improvements and enhancing the results obtained in the research presented. The biggest perhaps is to include the consumers in the age group above 30 years and above. This is because that they form a big chunk as consumers in the sports apparels. The inclusion of consumers in this age group will provide a holistic study of their preferences. Another way forward is to incorporate in the study the factors which influence the consumers to recommend the product to other. Word to word mouth is very important factor especially in the peer group in the age group of 18 - 30

years of age. Also as stated in the limitations study we could not include the factors which make up the independent variables e. g. exploring which factors influence the most in service quality so that the store owner can concentrate on those factors more in order to provide customer an enriching experience so that long term relationship between consumers and the brand.