

The Impact of Brand Loyalty on Customer Purchase Intention: An Empirical Study on Basketball Shoe Brands of Adidas, Nike and Puma

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Abstract

This study incorporates with the determinants of brand loyalty to testify its impact on the customer purchase intention. The sporting footwear product is one of the most comprehensively branded area in sport setting. A quantitative research design was applied to examine the customer purchase intention. This study was accomplished with special reference to Basketball shoe brands of Adidas, Nike and Puma. The structured questionnaire was used as the main data collection method, 60 respondents equally from Sri Lanka, Japan, India, Nepal, China and Malaysia were selected as sample by using convenience sampling method. The design model surveyed overall, segments and path coefficients to emphasize the provision of independent variables vs. dependent variables. Based on the findings, all the hypotheses were accepted which denotes brand image, customer satisfaction and brand experience impacts on customer purchase decision of Basketball players in the selected Asian countries. The end results of this study also lead to a deeper understanding of a sportswear brand loyalty concept and some implications for practitioners. Brand loyalty and Purchase intention is more intense dearth in sport setting and this study will bung up that literature gap.

Keywords: Brand loyalty, Customer Purchase Intention, Basketball shoe brands, Nike, Adidas, Puma

I – Introduction

Consumers purchase decision is immensely rely on their perception level. They develop relationship or interaction with brands in accordance to their satisfaction. The bond or the strong link that a customer has to a certain product can be defined as Brand loyalty and firms try to keep their customers well satisfied. Firms believe that the satisfied customers become loyal and the loyal customers will bring more benefits to the firm. The more loyal customers are less vulnerable clients who would not be willing to change brand they regularly purchase (Keller, 2001).

The athletic footwear manufacturing is one of the most prominent branded area in the global apparel market. Estimates hold that over three quarters of the total active sportswear market, and nearly 80% of authentic footwear, are branded. (Newbery, 2008). Branding vestiges the industry's major source of competitive advantage. With Stiffening competition among different producers, marketers vastly focus on the branding of their products (Jayalath & Madhushani, 2019).

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The demand for high quality Basketball shoes is immense, which is why the most performance sneakers are expensive and available in limited supply. The best Basketball shoes ultimately supply players with added ankle support, durability and traction. There are three distinct types of Basketball shoes: high-tops, mid-tops and low tops.

High tops provide the best ankle support, mid- tops stop at ankle level enabling players to leverage added movement and low- tops will allow players to best take advantage of speed and quickness.

The best performance Basketball shoes, according to David Wilson of The Adrenalist, are the Nike Air Zoom Huarache 2K4, AddidasAdizero Crazy Light 2.0, Nike Air Force Max 2013 etc. All high performance Basketball shoes differ in style, design and purpose. Even though appearance is a sought-after commodity when determining if a sneaker is good, it is important for players to understand why certain types of shoes are effective.

Sport-specific, and even sport condition-specific, shoes that are highly demands by athletes. Solid brand loyalty impact on customer purchase decision and it help firms to establish and identity themselves in the market place (Aaker, 1996) and reduces vulnerability in competitors action leading to higher margins and greater Co-operation because of, these significant features and the need, players give their focus more on selection of the shoe. Buyer's purchase decision for Basketball shoe is a well-planned and time taken one because the players are going to make rational decisions in order to get the shoes which has the highest value compared to the cost incur.

This study expecting to provide insights of what are the features that a player is looking in a Basketball shoes, what are the most buying brands in the world, what kind of issues can be seen in the Basketball shoes and its market, the relationship and impact of brand loyalty on customer to decide his buying choices? Finally the researcher aims to provide best solutions for the companies in order to do the most corrective action and use the best strategy.

Ii – Literature Review

Brand

Aaker, Keller, Neumeier (2006, as cited in (Cho, 2011)), a brand includes a name, symbol, design, or experience that helps consumers identify products, services, or differentiate offerings among competitors. Aaker, Solomon & Stuart (as cited in (Cho, 2011) a unique element (e.g., name, symbol, design) A brand can be acted as forensic tool, logo, company recognition system, images, personalities, and relationships as an added value (Parsa, et al., 2013).

Brand Image

According to (Park, et al., 1986), the construction and maintenance of the brand image is prerequisite to the brand management. Theoretically, all products and services could be demonstrated by functional, symbolic or experimental elements, through which brand image is established. Throughout prior literature, researchers define brand image mainly from four perspectives: blanket definitions, meanings and messages, personification, cognitive or psychological elements. Brand image has been studied extensively since the 20th century due to its importance in building brand equity.

In the increasingly competitive world marketplace, companies need to have a deeper insight into consumer behavior and educate consumers about the brand in order to develop effective marketing strategies. (Malhotra, 2005)

Brand experience

The term brand experience was first coined by (Brakus, et al., 2009) in the '*Journal of Marketing*'. They explored and integrated various concepts in the fields of cognitive science, marketing, philosophy and management practices to understand the meaning of this term, and stated that consumption; products, services and shopping experiences together constitute the overall brand experience. Brand- related stimuli constitute the major source of subjective, internal consumer responses, which we refer to as "brand experience.

Brand Loyalty

According to (Aaker, 1996), consumers tend to continue to purchase the same brand despite the demonstrated benefits (including better features, lower price or convenience) by competitors' products.

Brand loyalty is believed to be one of the main components of brand equity. The more loyal customers there are the stronger position the brand has in the market and there are less vulnerable clients who would be willing to change brand they regularly purchase products from. The best marketing strategy retaining this customer segment that (Aaker, 1996) suggests is loyalty Programs. This could be done by providing loyalty cards, loyalty points program, and etc.

Customer satisfaction

Customer satisfaction is one of the most important and widely used concepts in marketing. In Marketing, customer is known as the King. It shows the importance of the customers. The whole process of the company depends on the customers. (Peterson & Wilson, 1992). Tse & Wilton as cited in (Rizan, 2010) states that the response to the evaluation of the perceived discrepancy between the expectations and service performance is called as the customer satisfaction.

Customer Purchase Decision

Consumer Behavior focuses on how consumer make the decisions to spend their available resources (Time, Money, Efforts) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, How often they evaluate it after the purchase and the impact of such evaluations on future purchases.

Consumers can make buying decisions without evaluation and evaluate the brand during consumption. On other hand the manufactures and small business also have to know the purchasing decision of the final consumers so as to target well the market according to specific products and services required by those consumers.

iii- Results and Findings

The prime intent of this study is to explore the impact of brand loyalty on customer purchase intention. Specifically, this study investigates Basketball shoe purchase decision which impact exact determinants of brand loyalty, through the brand image, customer satisfaction and brand experience.

Major Objective

- To identify the impact of Brand Loyalty on Customer Purchase Decision of Nike, Adidas and Puma shoe brands among Asian Basketball players.

Specific Objectives

- To find the impact of each determinant of Brand loyalty on customer purchase decision.
- To find out the mostly used brand among Nike, Adidas and Puma shoe brands using by the Basketball players
- To come up with new suggestions to improve the customer purchase decision of Basketball footwear.

Formulations of Hypotheses

H₁: Brand Image will be positively affected on Purchase Decision for Basketball shoes

H₂: Customer Satisfaction will be positively affected on Purchase Decision for Basketball

H₃: Brand Experience will be positively affected on Purchase Decision for Basketball Shoes

Research Framework

The conceptual framework which includes Brand loyalty and its dimensions as the independent variables and customer purchase decision as the dependent variable can be shown as follows.

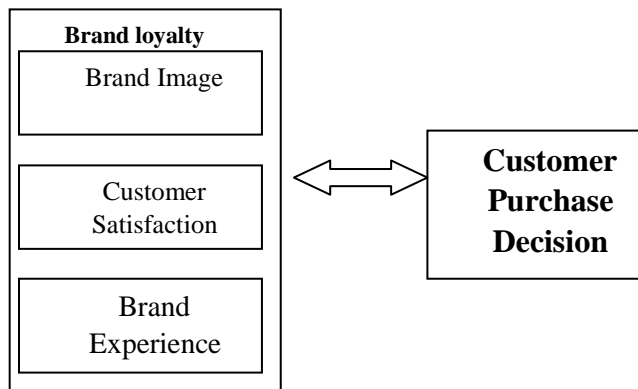


Figure 1: Conceptual Framework

Research approach

This study about the impact of Brand Loyalty on Customer Purchase Decision of Basketball shoes. . Six countries in Asia have been selected for comparison because the decision making can be different from country to country. The research focuses on confirming the opinion and to check which brand is the best and how brand loyalty influences on their decision making behavior. This research attempts to measure a clearly defined marketing phenomenon and this is used to test predetermined hypothesis and to find the best decisions that can be taken to improve the brands.

The study Sample

Sample size was calculated under the convenience sampling method. Since the research is done in Asia and to compare the six countries chosen the researcher decided to collect data from equal number of respondents from each country.

Data analyzing

The data gathered through the structured questionnaire was entered in to SPSS 16.0 software (the statistical package for the social sciences) computer based programme. For this research, the main analysis method used was Regression analysis. Multiple regression analysis shows how multiple independent variables relate to a dependent variable.

In the current research study, the researcher attempts to find the impact of brand loyalty dimensions such as brand image, brand experience and customer satisfaction on customer purchasing Behavior. Hence, customer purchasing behavior can be shown as the dependent variable and the dimensions of brand loyalty can be mentioned as independent variables.

Therefore, the equation for this research can be constructed as follows.

$$\text{CPB} = \beta_0 + \beta_{\text{BI}} + \beta_{\text{BEX}} + \beta_{\text{CS}} + \epsilon_i$$

Where:

CPB = Customer Purchase Behavior

β_0 = Intercept/ constant of the equation

β = Slope

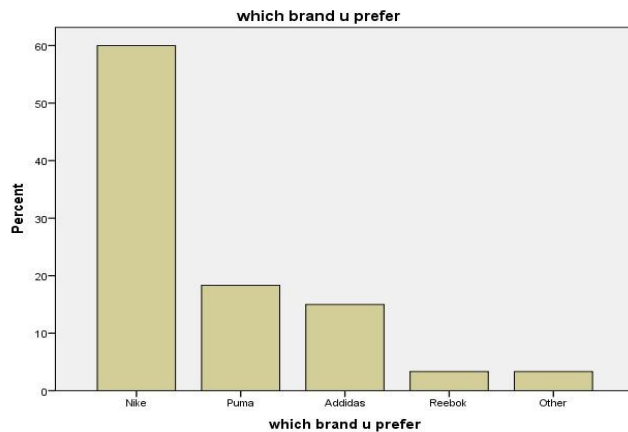
BI = Brand Image

BEX = Brand Experience

CS = Customer Satisfaction

ei = Random Error

Figure 2: The most preferred brand



Source: Research data (2018)

The majority of 58.3% from the sample is male who are in the ages between 20 and 29 years old and % of the sample is in a relationship. 100% of the sample is who are interested in sports and who Basketball players are and more than 50% of them are practicing regularly. For 75% of them, brand of the Basketball shoe is a considering factor in buying and Nike is the highest demanded brand based on the sample data.

Validity Test (KMO)

Table1: Sampling Adequacy

Variable	KMO Value	Comment
Brand Image	0.817	Accepted
Customer Satisfaction	0.497	Accepted (Nearly 0.5)
Brand Experience	0.547	Accepted
Customer Purchase Decision	0.776	Accepted

Source: (Survey Data, 2018)

KMO certifies whether the sample size is large enough to conduct the factor analysis and the value should be greater than 0.5. In this study, the KMO values for all the variables are higher than 0.5 with significance level of 0.000.

Reliability of the Questionnaire

Table 2: Reliability Analysis

Variable	KMO Value	Comment
Brand Image	0.887	Accepted
Customer Satisfaction	0.681	Accepted
Brand Experience	0.602	Accepted
Customer Purchase Decision	0.787	Accepted

Source: (Survey Data, 2018)

The Alfa value should be more than 0.7 to be said that the questionnaire is reliable. In this research, the alpha values were at a higher level than 0.7. Therefore, the researcher can conclude that the questionnaire used for the primary data collection is reliable.

Multicollinearity

Table3: Multicollinearity

Model	Tolerance	VIF
Brand Image	0.840	1.191
Customer Satisfaction	0.916	1.092
Brand Experience	0.888	1.125

Source: Survey Data (2018)

The tolerance values of all the variables are higher than 0.1 and VIF values are below 10. Therefore, the regression analysis can be performed.

Multiple Regression Analysis For this research, the main analysis method used was Regression analysis. Multiple regression analysis shows how multiple independent variables relate to a dependent variable. (Higgiris, 2014).

Table 4: Summary Table

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		Durbin-Watson
					R Square Change	F Change	
1	.738	.54	.520	.3233	.545	22.32	1.418
a. Predictors: (Constant), BEX, CS, BI							
b. Dependent Variable: CPD							

Source: (Survey Data 2018)

R² indicates the explanatory power which means the degree to which extent that the variance of the dependent variable is explained by the independent variables.

According to Table 4, by looking at R², it can be concluded that 55% of the variance of Customer Purchase Decision is explained by brand image, customer satisfaction and brand experience. Only 45% of variance of Customer Purchase Decision is explained by the other influencing factors which are not covered by the current study.

Table 5: Summary of Co efficiency

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	1.617	.362		4.466	.000
BI	.457	.070	.642	6.523	.000
CS	-.034	.065	-.050	-.529	.599
BEX	.192	.079	.233	2.434	.018

Customer Purchase Decision

$$= 1.617 + 0.457 (BI) + 0.034 (CS) + 0.192 (BEX) + \varepsilon$$

a. Dependent Variable: CPD

The B coefficient for brand image is 0.457 and it says that when brand image is changed by 1 unit and it leads to a change of customer purchase decision by 0.457 units while other independent variables remain constant.

This conclusion of brand image can be presented with a 100% confidence level while the significance level is 0.000 and therefore, hypotheses one (**H₁**) can be accepted. The B coefficient for customer satisfaction is 0.034 and it says that when customer satisfaction changes by 1 unit, then the customer purchase decision changes by -0.034 units. As this shows a significance value of 0.599 which is higher than 0.005, therefore, the significance value shows the unacceptance of the negative relationship between customer satisfaction and customer purchase behavior. Therefore, the hypotheses 2 (**H₂**) can be accepted which says there is a positive impact of customer satisfaction on customer purchase decision.

The B coefficient for brand experience is 0.192 and it says that the change of brand experience by 1 unit leads to a change of the customer purchase decision by 0.192 units and the significance level is less than 0.000 and therefore, (**H₃**) which denotes the impact of brand experience on customer purchase decision can be accepted.

Based on the above results, It can be concluded that H1, H2 and H3 can be accepted which denote that brand image and brand experience impact on customer purchase decision of Basketball players in the selected countries in Asia. Therefore, the regression equation for the current study can be written as follows.

Iv- Discussion

The main purpose of the study is to recognize the impact of brand loyalty on customer purchase decision of Basketball player in few countries in Asia.

Impact of Brand Image on Customer Purchase Decision

Brand image has been an important concept in consumer behavior research and is a crucial factor influencing the purchasing of product decision. (Aaker, 1996). Therefore, brand image is a well-accepted important concept for brand loyalty and which motivates the purchase decision. According to the current research study, it reveals that the brand image has a positive impact on customer purchase behavior than other brand loyalty determinants and it emphasizes that brand image is a crucial factor in developing and maintaining loyal customers to the brands.

Impact of Customer Satisfaction on Customer Purchase Decision

Kotler & Keller defines customer satisfaction as the approval or the disappointment of a person when comparing their opinion about services received with their original service expectations. It can be concluded that when customer satisfaction is increased by 1 customer satisfaction, customer purchase decision is increased by 0.034 units. Therefore the companies should invest in improving customer satisfaction and then it will lead to brand loyalty and finally it impacts on customer purchase behavior.

Impact of Brand Experience on Customer Purchase Decision

Brand experience is created when customers use the brand; talk to others about the brand; seek out brand information, promotions, and events, and so on (Ambler, 2004) According to the results of this research, brand experience has a positive impact of 0.192 on customer purchase decision and this can be accepted since significance value is less than 0.05. This result motivates organizations to focus more on new concepts such as experiential marketing and improve brand experience.

V – Conclusion

The study is about the impact of Brand Loyalty on Customer Purchase Decision of selected countries in Asia with special reference to Basketball shoe brands the study was conducted to sixty male Basketball players from Sri Lanka, India, Nepal, Japan, China and Malaysia were selected as the sample. Brand image, customer satisfaction and brand experience were taken as the independent variable dimensions and customer purchase decision was as the dependent variable. The study reveals that all the brand loyalty dimensions have a positive impact on customer purchase decisions while brand image is the highest impacting factor for customer purchase decision and brand experience next. It shows that brand image is the most influential factor which leads to brand loyalty for Basketball shoe brands when customers decide what to purchase. Moreover, Nike is the most preferred Basketball shoe brand in these six countries in Asia. Therefore, it can be concluded that brand loyalty impact on customer purchase decision.

One of the major purposes of the current research is to provide recommendations based on the findings of brand loyalty and customer purchase decisions of Basketball shoe brands in Asia. In overall, the highest impact on customer purchase decision is from brand image. The research reveals that majority is aware and prefer Nike brand as a good shoe brand for Basketball playing. Therefore, the brands should have a good understanding about the perceptions of customers and to see their requirements. A customer driven quality strategy should be adopted because many of the companies use this method as a strategic weapon. Since there are many types of companies, this method will be a great strategy to achieve success.

The current advertising campaigns are acceptable for brands like Nike and Adidas. Other brands should implement a massive advertising campaign through media platforms such as TV, paper and social media because, if the correct message goes to customer's mind, they will perceive the brand and that perception will decide the purchase behavior of customers.

Moreover, for the improvement of brand experience, Service encounters should be carefully managed. For this, the customer touch points where the customers engage with the purchase, should be strengthen and well maintained. By keeping a properly trained and motivated workforce, companies can keep the consistency of selling functions and customer interaction moments. This will help companies to let their employees have a good experience.

Companies can be used some promotional techniques such as discounts, coupons, entrance for games etc. In common, companies should convey the messages properly because communication doing a vital role in giving the awareness, attracting and reminding. Customers who have a good brand image, good experience and satisfied are more loyal to the brands and brand loyalty will definitely lead to customer purchase decision in a positive way.

Enough information about products & services should be provided. Since the customers are Basketball players, they highly rely on information before taking decisions. Therefore, by providing enough up to date information, Basketball shoe sellers can be able for building a loyal customer base.

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