ERASMUS UNIVERSITY ROTTERDAM

Erasmus School of Economics

Bachelor Thesis

The effect of brand labels and characteristics of an endorser on the willingness to pay for football shoes amongst University Students

Name: Akshay Gupta

Student ID: 467417

Supervisor: Prof. Sesil Lim

Second Assessor: Prof. Arie Barendregt

Date Final version: Aug 1, 2020

Executive Summary

This paper deals with assessing if the brand label and characteristics of an endorser affects the willingness to pay (WTP) for football shoes amongst University students. Similar studies have been conducted in the past. However, to the best of my knowledge a research that uses football shoes along with University students, as the chosen sample, is non-existent. Similarly, University students are of interest for football shoe companies since University students tend to be a part of their target market. Furthermore, football shoe companies can use such findings to better choose endorsers. Based on this, the research question is as follows:

What factors contribute to the willingness to pay for football shoes amongst university students?

While, the two theoretical sub-research questions that will help to understand the main findings of previous papers are:

> i. *What are the effects, if any, of a brand on consumer's WTP?*
>
> ii. *Which characteristics, if any, of a brand ambassador affect consumer behavior?*

Similarly, the 2 empirical sub-research questions that will help to answer the main research question are:

> I. *To what extent does the brand label of a football shoe affect the willingness to pay for a football shoe, amongst university students?*
>
> II. *To what extent do the characteristics of a brand ambassador for a football shoe affect the willingness to pay for a football shoe amongst university students?*

When assessing the effects of a brand on the WTP of consumers it has been found that various aspects of a brand: brand equity, brand image, and brand globalness all positively affect consumer behavior. Furthermore, it is assumed that all such aspects of the brand are represented through the brand label itself. Therefore, the brand label of a product must also positively affect the WTP for the product. Based on this the first hypothesis is as follows:

> *H 1: The brand label of a football shoe has a significant positive affect on the WTP for a football shoe amongst university students.*

A number of studies have explored the effects of the characteristics of an endorser on consumer behavior. The main characteristics of an endorser that have been found to affect consumer behavior are: attractiveness, trustworthiness, likeability, and expertness. Previous studies have found all four characteristics to positively affect consumer behavior. Based on this the following hypotheses can be drawn:

> *H 2a. The attractiveness of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.*

H 2b. The like-ability of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

H 2c. The expertise of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

H 2d. The trustworthiness of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

All the data used in this research has been collected through an online survey. In the online survey respondents are first asked about their general demographics. Respondents are then presented with pictures of three football shoes without the brand label or endorser being visible and are asked to state their WTP. This is followed with three pictures of the same shoes but this time the brand label is also visible. Once again, respondents are asked to state their WTP. This is followed with another picture of the same three shoes but now they are worn by footballers (endorser/brand ambassador). The respondents are once again asked to state their WTP. Lastly, respondents are also asked to rate the characteristics of the endorsers.

To answer the first hypothesis a paired t-test is used. The result of the paired t-test suggests, that the brand label of a football shoe positively affects the WTP for the football shoe amongst University students.

Similarly, to answer the second hypothesis an OLS regression is used. The regression suggests, that the attractiveness of an endorser for a football shoe positively affects the WTP for the football shoe amongst University students. While the expertness of the endorser is found to negatively affect their WTP. Lastly, the likeability and trustworthiness of an endorser for a football shoe are found to have no significant effects on the WTP for the football shoe amongst University students.

Overall, to answer the main research question, it can be said that the brand label of a football shoe positively affects the WTP for the football shoe amongst University students. At the same time, the attractiveness of an endorser is found to positively affect WTP, while, expertness is found to negatively affect WTP. Based on this, hypotheses 2b, 2c, and 2d are rejected. While, hypotheses 1 and 2a are not rejected.

To conclude, future researches are recommended to explore as to why expertness is found to negatively affect WTP. And secondly, future researches are advised to apply a similar methodology but with a broader range of: shoes, brands, and endorsers. Doing so would help to increase the validity of this paper and similar past researches.

1. Introduction

In today's world, it is often the case when two similar products, that are barely differentiable, are sold at drastically different prices. For instance, in the case of football shoes majority of the football shoes tend to look more-or-less the same, but yet, the prices start at €100 and go upwards of €300.

Since, football is amongst one of the most played sports in the world it is of relevancy to explore the causes behind these drastic differences in prices but from the perspective of the consumer (Sawe, 2018). Thus, the aim of this research paper is to answer the following research question:

What factors contribute to the willingness to pay for football shoes amongst university students?

It is important to clarify the reason behind choosing university students as the target sample. Given that I myself am a University student and the resources allocated for this research are limited, it is most viable to choose University students as the target sample. Through choosing such a sample I can collect data on a large sample size with confidence. This in return will increase the validity of my paper. However, this being said, University students are still of some relevance. Firstly, to the best of my knowledge there is limited research that have conducted their study using this sample. Secondly, it is also of relevancy to choose this sample because University students are part of the target market for football shoe companies as well. For instance, Nike's target market are 15 to 55 year olds (Oberoi, 2020). University students are typically between the ages of 18 to 24 making them part of the target market for companies such as Nike. Thus, companies can use such a research to better target this market.

Anyhow, one of the factors that might affect the WTP for a football shoe is the presence of a brand label itself. Brands such as Nike, Adidas, and Puma are amongst the most renowned brands in the world (Bhasin, 2019). Furthermore, the annual revenues related to these brands are even higher than the GDP of certain countries. For instance, Nike's revenue for 2017 was $34,400 million, while, Cameroon's GPD in 2016 was $32,230 million. Furthermore, based on Nike's revenue, Nike would have been the 96th country in the world (Belinchón and Moynihan, 2018). Thus, it is of relevancy to find out if the brand labels of such well-established multinational brands have an effect on the willingness to pay of a football shoe, specifically amongst university students.

Another factor that might affect the WTP of a football shoe is the brand ambassador. Companies such as Nike have paid up-to $1 billion to secure certain brand ambassadors for their football shoes (Church, 2020). In the case of brand ambassadors, the effectiveness of a brand

ambassador is often distinguished through the characteristics of the brand ambassador (Yang, 2018). Thus, it is of importance for football shoe companies to find which characteristics of an endorser contribute towards the effectiveness of the endorser. This can help such companies to better choose endorsers. Furthermore, to the best of my knowledge there is no research that explores the effects of the characteristics of an endorser on the WTP for football shoes amongst University students. Therefore, it is of relevancy to explore this topic.

In order to help answer the main research question it is important to create theoretical and empirical sub-research questions. Theoretical sub-research questions deal with previous findings of similar literature papers, whereas, empirical research questions deal with the research of this paper. This paper explores the effects of a brand label and the characteristics of the brand ambassador on WTP. Thus, it is important to first study the findings of previous researches on these topics. This will help to create the hypotheses for this paper. Based on this the first sub-research question that can be created is as follows:

Theoretical sub-research questions

    i.   What are the effects, if any, of a brand on consumer's WTP?

This sub-research question will help to obtain a general understanding of the effects, if any, of a brand on WTP. The second sub-research question that is derived is as follows:

    ii.   Which characteristics, if any, of a brand ambassador affect consumer behavior?

Similarly, this sub-research question will help to identify which characteristics of an endorser (brand ambassador) for a football shoe should this paper focus on.

Empirical sub-research questions

The empirical sub-research questions of this paper help to specifically answer the main research question of this paper. This being said the first empirical sub-research question is:

    i.   To what extent does the brand label of a football shoe affect the willingness to pay for a football shoe, amongst university students?

Similarly, the second sub-research question is:

ii.   *To what extent do the characteristics of a brand ambassador for a football shoe affect the willingness to pay for a football shoe, amongst university students?*

The answer to these two empirical sub-research questions will help provide an answer for the main research question.

One of the primary limitations of this paper is that consumer behavior is measured through WTP. The limitation related to this measure is that even though this method allows respondents to state how much they are WTP, it does not necessarily mean that individuals would actually be WTP the same amount when it comes to a real-life scenario. Given the limited resources available for this research it is rather difficult to overcome this limitation. However, given the limitation of this method, WTP is still a valid method of observing consumer behavior that is commonly used. Some of the papers that have used this method will be discussed in the upcoming chapter.

The overall structure of this research paper is as follows. The next chapter, theoretical framework, expands on past literature related to the two factors that may affect WTP: brand label and characteristics of the endorser. Furthermore, the hypothesis related to each sub-question are also drawn up in this section. This is followed by a chapter on the data and methodology employed in this research. The data for this research is primarily collected through a survey. Thus, the survey is described first. Next the analyses techniques that are used: a paired t-test, an ANOVA test, and an OLS regression are also described.

This is followed by a chapter with the results. This chapter explains the main findings of the analyses. Along with the results, this chapter also briefly describes the sample of the survey. The last chapter of this research paper is conclusions and recommendations. In this chapter, all relevant previous findings along with the main findings of this paper are summarized. To conclude, the limitations of this paper as well as future recommendations for similar researches are presented.

2. Theoretical Framework

2.1: What are the effects, if any, of a brand on WTP?

This theoretical sub-question deals with studying the findings of previous researches regarding the affects, if any, of a brand on WTP. Furthermore, the findings of previous researches will help to create a well-informed hypothesis related to the affects, if any, of a brand label of a football shoe on the WTP for a football shoe.

One of the aspects of a brand that has been explored in previous studies is brand equity. The definition of brand equity that most authors seem to agree with is of Farquhar (1989). He defines brand equity "as the value endowed by the brand to the product". Kim W. and Kim H. (2004) studied the effects of brand equity for quick service restaurants (QSR) on the revenues of QSR. They conducted their study in Korea comprising of 394 respondents. Their study tested four following elements of brand equity: brand awareness, brand image, brand loyalty, and perceived quality. They conclude that brand awareness has the strongest direct effect on sales, while, loyalty has the least effect. Overall, their study suggests that there is some association between the brand equity of QSR and the performance of QSR. However, one of the primary limitations of their research is that it was only conducted in the city of Seoul, in Korea. Another study conducted by Li and Ellis (2014) have also concluded to have similar findings but in the apparel industry. They study the effect of brand equity on WTP for t-shirts amongst university students. Li and Ellis (2014) conclude that the brand of a t-shirt plays a critical role during the purchase decision. Furthermore, the brand "had a modest positive and significant influence on the willingness to pay a price premium" for t-shirts.

Similarly, Anselmsson, Bondesson, and Johansson (2014) study the effects of brand image on the WTP price premiums for food brands. They conducted a quantitative survey and found the strongest determinants for WTP price premiums were: the social image of the brand, uniqueness of the brand, and the country of origin of the product. They also found brand awareness and corporate social responsibility (CSR) to have a weak effect on the WTP a price premium. Anselmsson et al. (2014) point out that one of their limitations was that CSR had a moderate collinearity with some of the other dimensions used. This provides an explanation as to why CSR was amongst the weakest determinants for WTP price premiums. Overall, their research provides evidence on brand image having significant effects on the WTP a price premium for food products.

There have also been studies conducted on the impact of perceived globalness of a brand on the consumer's WTP. Perceived globalness of a brand is defined as the extent to which "consumers believe that a brand is marketed in multiple countries and is recognized in these

countries" (Steenkamp, Batra, and Alden, 2003). Davvetas, Sichtmann, and Diamantopoulos (2015) conducted such a study in Austria using face to face interviews. They concluded that consumers are actually "willing to pay more for global brands as long as their globalness leads to a more favorable brand attitude". It is important to note that one of the limitations of Davvetas et al.'s (2015) study is that they only used theoretical brands in their experiment. Overall, Davvetas et al.'s (2015) study shed light on the globalness of a brand being another factor that can affect the WTP for a brand.

To conclude, there are a number of factors that play a role in determining the effects of a brand on the WTP for a product. Firstly, the brand equity has been found to significantly affect the sales of a company. The effect on sales implies that the brand equity may affect the WTP for a product as well. Furthermore, it can also be said that the brand image can also significantly affect the consumers WTP. Lastly, the globalness of a brand has also been found to significantly affect the WTP for a brand. All of these findings suggest that the brand of a product can significantly affect the WTP for a product.

This paper assumes that all the mentioned factors of a brand are represented through the brand label. Thus, since all the factors of the brand positively affect consumer behavior the brand label must also positively affect consumer behavior. This being said, there has also been research claiming that the presence of a brand label acts as a cue for high quality (Davis, 1985). Once again this suggests that the brand label positively affects consumer behavior. This paper assesses if the same conclusion can also be drawn in the case of football shoes with University students as the target sample. And WTP being the chosen measure for consumer behavior. Based on this the following hypothesis can be drawn:

H 1: The brand label of a football shoe has a significant positive affect on the WTP for a football shoe amongst university students.

2.2: Which characteristics, if any, of a brand ambassador affect consumer behavior?

This question's purpose is to evaluate past findings related to the effects, if any, of the characteristics of a brand ambassador on the willingness to pay for a product. This will further help to form the hypotheses related to this part of the research.

Before diving into this question, it is interesting to first find out what gave rise to the use brand ambassadors (celebrity endorsements) in advertisements. To start off, celebrity endorsements became a popular mean of marketing since it makes it easier for advertisements to grab the attention of consumers. Since, consumers recognize celebrities as a result of their

popularity (Kim, Chloe, and Petrick, 2018; Chung, Derdenger, and Srinivasan, 2013). Furthermore, it is often the case when an endorser acts as the face of the brand allowing consumers to relate to the brand through the endorser (Vaage-Nilsen and Evald, 2013). Mukherjee (2009) further suggests that a brand ambassador plays a critical role since they can affect the image of the brand. And as stated under *sub-research question (i),* Anselmsson et al. (2014) found the brand image to significantly affect consumer behavior. This being said, it is important to determine which characteristics of an endorser affects consumer behavior.

Majority of the existing literature have used the following attributes as representation for celebrity characteristics: attractiveness, like-ability, expertise, and trustworthiness (Zakari, Dogbe, and Asante, 2019). However, under the definition of source-credibility only three of the characteristics are supported: attractiveness, expertise, and trustworthiness (Hovland and Weiss, 1951; Ohanian, 1991). Zakari et al. (2019) defines source credibility as follows, when "information from a credible source (in this case the celebrity), could influence the attitudes, beliefs, opinions or behavior" of the consumer. Thus, source credibility differs from other literature since it does not include like-ability as a characteristic for an endorser. Zakari et al. (2019) further goes on to explain, previous papers that use the characteristics under source credibility consider like-ability and attractiveness as the same concept and use them interchangeably. However, studies such as the one by O'Mahoney and Meenaghan (1998) and Erdogan (1999) claim that that like-ability and attractiveness are very different concepts. This paper will use all four attributes: attractiveness, like-ability, expertise, and trust worthiness. By doing so this paper will contribute by providing another opinion on whether like-ability and attractiveness are interchangeable. Furthermore, studies have been conducted on the effects of each of the four characteristics.

To begin with, it is important to note that attractiveness can be measured through multiple-dimensions, however, this paper specifically focuses on the physical attractiveness of an endorser. In this paper, attractiveness refers to physical attractiveness. This being said, Roy, Jain, and Rana (2013) conducted a study on 463 respondents to investigate their "attitudes towards celebrity endorsement, moderated by their personality traits and source credibility". An interesting finding of their study is that film endorsers create a more positive attitude than sports endorsers amongst consumers. Their study further suggests; to increase the effectiveness of a celebrity endorsement the character traits of the endorser should match the character traits of the target audience. Lastly, they concluded that the attractiveness of a celebrity endorser positively affects the product evaluation and opinion change by customers. It is important to point out that their research was limited to only the Indian market. Other studies, such as the ones by Joseph, (1982), Kahle and

Homer, (1985) have also concluded that the physical attractiveness of an endorser has a positive impact on the attitude and purchasing intent of the customer. Overall, these findings imply that the attractiveness of an endorser positively affects consumer behavior. This paper aims to increase the validity of these previous researches by assessing if similar conclusions can be drawn in the case of football shoes with the target sample of University students. Thus, it is expected that the attractiveness of a celebrity endorser positively impacts consumer behavior. Based on this the following hypothesis can be made:

H 2a. The attractiveness of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

Erdogan (1999) explains like-ability, as the "affection towards a source" resulting from the physical appearance or the behavior of the source. Tantiseneepong, Gorton, White (2012) conducted a study to understand the reaction of consumers towards celebrity-endorsed perfumes. It is important to note that they conducted their study only on females. Their findings suggest that the like-ability of a female consumer towards an endorser plays a "critical role" when assessing the reactions of the female consumers. Other researches have also concluded that the like-ability of consumers towards the endorser has a positive relation with the like-ability towards the endorsement (Escalas and Bettman, 2017; Chan, Ng, and Luk 2013; Fleck, Korchia, and Le Roy, 2012). Overall, these findings imply that the like-ability of an endorser has some positive affect on consumer behavior. This paper will test if their findings also apply to consumer purchasing behavior, which is measured through WTP. Since previous studies suggest that the like-ability of an endorser positively impacts consumer behavior, a similar impact can be expected on consumer purchasing behavior for football shoes. Based on this the following hypothesis can be made:

H 2b. The like-ability of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

Furthermore, Erdogan (1999) defines celebrity's expertise as the "extent to which a communicator is perceived to be a source of valid assertions". Ohanian (1991) has conducted a study on the effects of the perceived image of an endorser on the consumer's intention to make a purchase. In his study one of the dimensions that he used to assess the image of the endorser was the perceived expertise of the endorser. His study found that only the perceived expertise of an

11

endorser explained the intention to make a purchase, "regardless of whether the product was for personal use or for gift-giving". He further goes on to explain that the consumer's behavior towards the recommendation of the source differs significantly based on the perceived level of expertise of the source. Other studies, such as the ones by Steenkamp et al. (2003) and Till and Busler (2000) have also had similar findings. They all claim that perceived expertise of an endorser positively influence's the purchase intention amongst consumers. Overall, these findings suggest that the expertise of an endorser positively affect consumer purchasing behavior. This paper aims to increase the validity of these findings by assessing if a similar conclusion can be drawn in the case of purchasing behavior for football shoes. It is important to note that in this paper expertise refers to perceived expertise. Based on this the following hypothesis can be made:

H 2c. The expertise of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

Lastly, Ohanian (1990) defines trustworthiness as the level of confidence customers put in claims made by endorsers that they consider to be valid. In a study conducted with the purpose of determining what makes online endorsers credible, Djafarova and Rushworth (2017), have used the characteristics of source credibility to evaluate the credibility of the endorser. They conducted in-depth interviews on regular Instagram users to assess if the credibility of an online endorser affected the effectiveness of the endorsement. Their study found that the trustworthiness of an endorser positively affects the effectiveness of the endorsement. Similarly, in a study conducted by Saldanha, Mulye, and Rahman (2018) found that highly trustworthy people can effectively influence the opinions of consumers for good or for worse. Thus, overall it is suggested that the trustworthiness of a consumer towards an endorser positively affects the behavior of the consumer. Since previous studies suggest that the trustworthiness of an endorser positively impacts consumer behavior, a similar impact can be expected on consumer purchasing behavior for football shoes. Based on this the following hypothesis can be made:

H 2d. The trustworthiness of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

Overall, it can be said that all four characteristics: attractiveness, like-ability, expertness, and trustworthiness positively affect consumer behavior. This paper will use endorsers for football shoes

which has barely been previously used. The target group of this paper are University students, once again, this target group has also been used in limited studies. Thus, to the best of my knowledge, a research that uses both endorsers for football shoes with the target sample of University students is non-existent. Furthermore, football companies can use such a research to better choose endorser and to better understand a portion of their target market (University students).

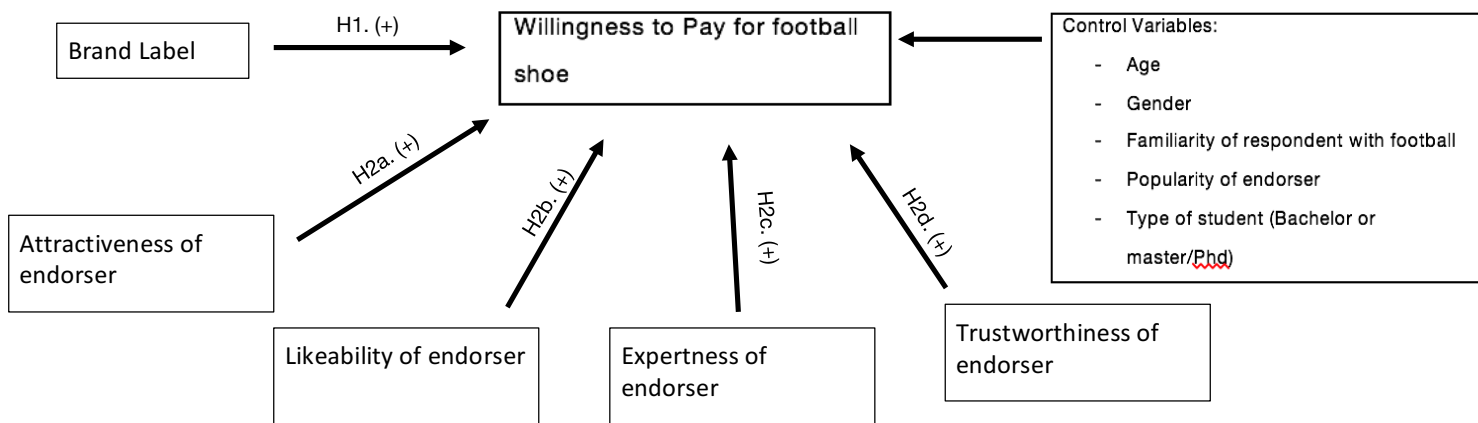Based on all of the above, the following conceptual model can be made:

Figure 1: *Conceptual model- relation between dependent and independent variables*

It is important to note that a number of control variables have also been added since they can also affect the WTP for football shoes. The explanations as to why each of these control variables are added is provided in the following Chapter.

2. Data & Methodology

This section focuses on the methods that are employed related to the research design along with the techniques used to analyze the data. The first sub-section explains the research design of this paper. Whereas, the second subsection explains the analyses that were conducted on the collected data.

3.1: Research Design and Data collection

Typically, there are two types of researches: qualitative and quantitative. A qualitative research is a non-numeric approach that aims to obtain a better understanding of a certain phenomenon. Whereas, a quantitative research tests some phenomena through the use of statistical, mathematical, or computational techniques (Streefkerk, 2019). Since this paper tests a phenomenon a quantitative research is used.

An online quantitative survey is used. An online survey is the chosen form of data collection since a number of questions along with photos had to be presented to every respondent and a survey allows to present this information in a clear and concise manner. Furthermore, given the limited resources of this paper, an online survey allows for a greater accessibility of respondents. Implying that an online survey can help to obtain more responses. In total data from 174 respondents is collected through an online survey. The sampling technique used in this paper is a convenient sampling technique. Since, mostly friends and family were asked to fill in the survey. This was done through spreading the survey on Facebook and Whats-app groups. All the data was collected over a period of two weeks starting from the 22nd of May 2020 till the 5th of June 2020. The exact details of the survey are presented in the following sub-section.

3.1.0: The survey

The online survey was built using the online survey building platform, Qualtrics. This survey uses a within-group design, implying that every respondent is treated as a control and treatment group. The survey can be divided into the following 4 parts. The first part of the survey asks questions regarding the demographics of the respondents. The second part of the survey helps to determine how familiar the respondent is in the field of football. The third part of the survey deals with raising data related to the WTP for a brand label. While, the last part of the survey deals with raising data related to the characteristics of the brand endorser.

In the survey, the data related to WTP is collected by first presenting individuals with three pictures of football shoes without the brand label or endorser being present and are asked to state their WTP. They are then presented with the same three football shoes but with the brand label being visible. And respondents are asked to state their WTP. Finally, they are once again presented with the same three football shoes but this time they are worn by footballers (endorsers/brand ambassadors) and respondents are once again asked to state their WTP. The entire survey can be found under Appendix 2. While the responses of the survey can be found in the excel file.

3.1.1: Survey: Part 1: Demographics

In the first part of the survey, demographics, the following information of the respondents are asked: age, gender, & occupation. The age of the individuals could simply be filled in by the respondent. While, for gender and occupation individuals were presented with multiple choice options. This being said the primary target of this paper are University students, including bachelor, master, and/or PhD students. It is important to note that the nationality of individuals is not of interest to this paper, thus, the nationality of respondents is not asked.

3.1.2: Survey: Part 2: Familiarity

The purpose of the second part of the survey, familiarity, is to collect information on how familiar the respondents are with football. Individuals are first asked to state how much they like football. Next individuals were asked how many times a week they watch football. The assumption made here is: the more often an individual watches football during a week the more familiar the respondent is with football. Lastly, to assess the respondent's knowledge of football shoes, respondents are asked how many football shoes they have owned in the past 5 years. Once again, the assumption made here is: the more number of football shoes an individual has owned in the past 5 years the more knowledge an individual has about football shoes. For all of the questions in this section the respondents are presented with a slider bar through which they can drag the bar to their desired answer. A slider bar is the chosen form of collecting responses since, a slider bar provides respondents with the flexibility to choose an answer from a wide range of options. This being said the scale ranges from the numerical values of 0 to 10. An illustration of this can be seen through the picture below:
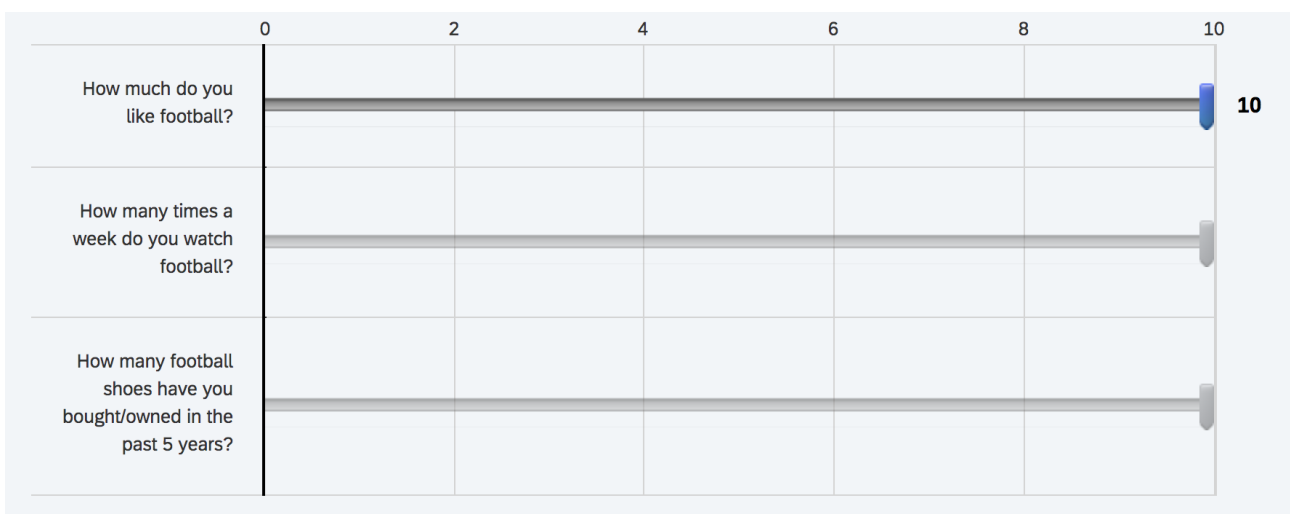
3.1.3: Part 3: Brand and WTP

The purpose of this part of the survey is to collect data on whether the brand label of a football shoe affects the WTP for a football shoe. This paper tests the effects of the following three brands on WTP for the football shoe: Nike, Adidas, and Puma. These are the three chosen brands since they are the most dominant brands in the industry of football shoes.

The data used to test the effect of the brand label is collected through two stages: stage 1 and stage 2. In stage 1, respondents are presented with pictures of three football shoes (one football shoe for each of the brands) without the brand label being visible. Along with each of the pictures, respondents are asked to state their WTP for the football shoe in the pictures. In other words, stage 1 represents the control group. In stage 2 respondents are presented with a picture of the same three football shoes but this time the brand label of the football shoe is also visible. Respondents are once again asked to state their WTP for the football shoe in each the pictures. Stage 2 is basically a treatment group. This can be illustrated through the following two image:


Stage 1: No
brand

Stage 2: With
brand

As visible, in stage 1 an image of the football shoe without the brand label is presented. While, in stage 2 respondents are presented with an image of the same football shoe but with the brand label being visible. Respondents are always first presented with stage 1 (Control) and then stage 2 (Treatment 1). Furthermore, all the images of the football shoes are taken from the official online stores of the brands. However, it is important to note that even though the football shoes in both the stages are exactly the same the picture of the football shoes are taken from different angles, which might affect the responses. To ensure that respondents recognize that the image of the football shoe presented in stage 2 (treatment 1) also contains the brand label, the name of the brand is also provided along with the picture in stage 2. This can be seen through the following image:

Brand: Adidas

As previously stated, along with the images of the football shoes respondents are also asked to state their WTP for the football shoe in each of the stages. Respondents are presented with a slider bar through which they can state their preferred WTP. The scale starts at €0 since this is the lowest possible price of a product. While, the scale goes up-to €350. This is the chosen maximum by taking the highest priced shoe (Adidas shoe, €280) and adding 25% to its original price. The assumption here being that 25% is a substantially considerable amount. Through the slider bar, individuals can drag the bar to state their desired WTP between the values of €0 to €350. An image of how this is presented in the survey can be seen below:

How much would you pay for the shoes below? **(In Euro €)**
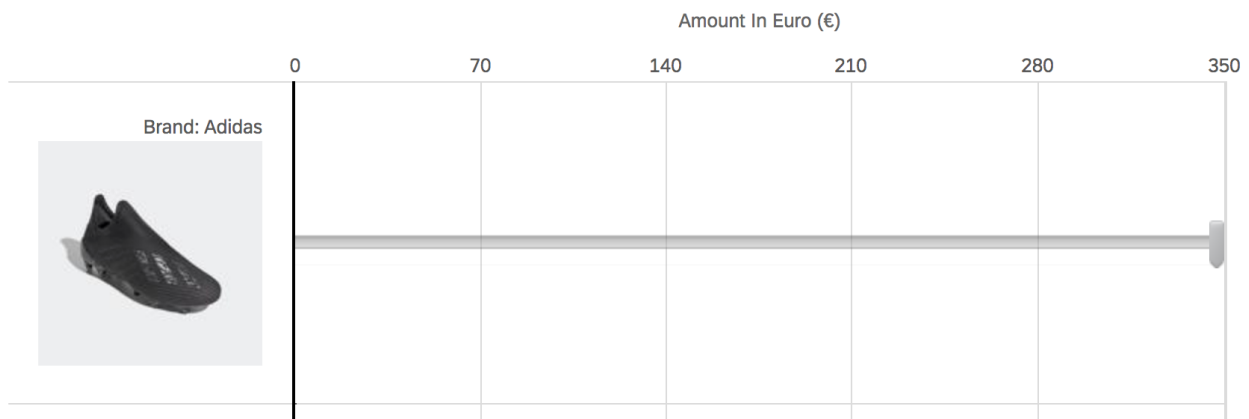
Lastly, respondents are also asked if they recognize the brands. Respondents can either choose "yes" or "no" as an answer to this question.

3.1.4: Part 4: Endorser Characteristics and WTP

This part of the survey collects data on the effects of the characteristics of an endorser on the WTP for the football shoe. This is basically a second treatment group which uses the control group from the previous sub-section. The endorsers of the football shoes are football players themselves. The following three are the chosen footballers: Cristiano Roanldo, Mohhamed Sallah,

and Cesc Fabregas. Each of these footballers are chosen based on their popularity, Ronaldo being the most popular while Fabregas being the least popular. Popularity of the footballers is measured through the number of followers the footballer has on Instagram. Furthermore, each of the chosen footballers are also the official Ambassador's for the football shoes they are seen wearing.

This being said, this part of the survey is stage 3 (Treatment 2). In stage 3, respondents are presented with images of the same three football shoe models that were presented in stage 1 (control). But the shoes are now worn by footballers. The pictures of footballers wearing these football shoes are treated as endorsements for the football shoe. Respondents are then asked to state their WTP for each of the football shoes under stage 3 (treatment 2). Once again, the WTP of respondents are collected the same way as under *Part 3* and the range is also the same as under *Part 3,* for the same reasons. Furthermore, in case respondents cannot recognize the football players through the image, the name of the footballers is also provided along with the image. A demonstration of stage 3 is presented below:

How much would you pay for the shoes below? **(In Euro €)**
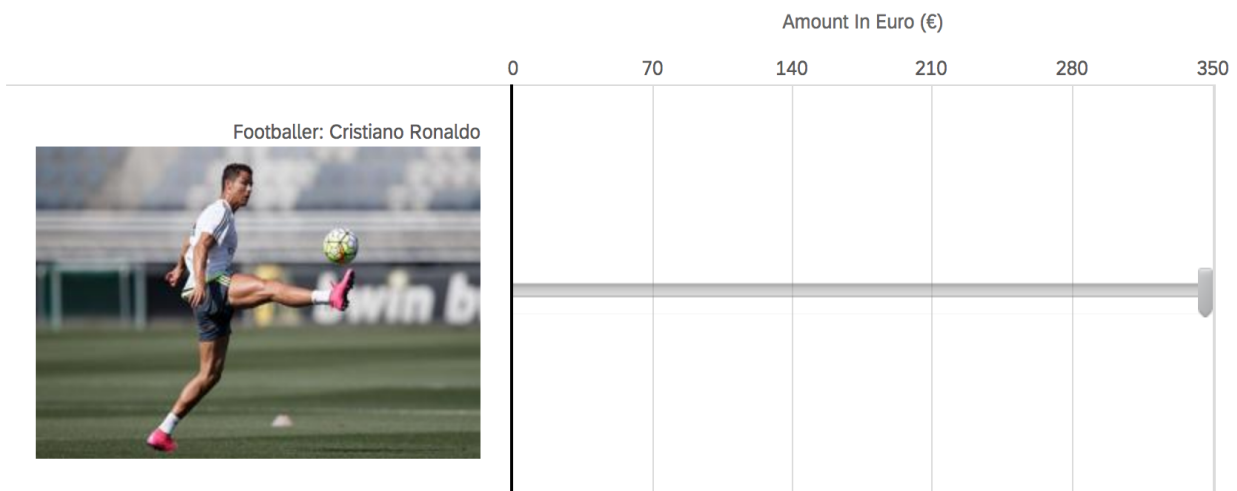
To determine the effects of the characteristics of the footballers on WTP, respondents are asked to rate the characteristics of each of the footballers. This is part of stage 3, which is followed after the WTP questions. Respondents are asked to rate the four following characteristics: likability, trustworthiness, attractiveness, and expertness. To determine which word best represents each of these characteristics in a question, a study by Ohanian (1990) is used. Ohanian (1990) claims that the following words are appropriate representation for each of the characteristics: "trust" for trustworthiness, "attractive" for attractiveness, "like" for likability, and "expert" for expertness. Thus, these words were used when formulating questions regarding the respondent's opinions on each of these characteristics of the footballer. The exact questions can be found in Appendix 2**.**

Respondents were then asked to rate each of their characteristic through the use of slider. The slider ranged from zero to ten. Zero implying the footballer does not abide by the characteristic, while, ten implies the individual definitely abides by the characteristic. The following is a demonstration of how this looked in the survey:
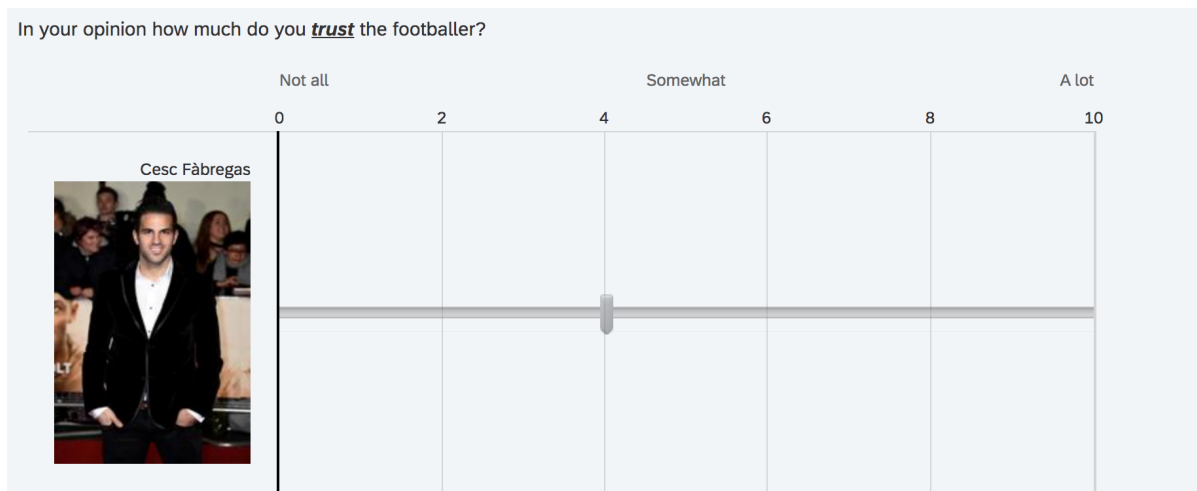
3.1.5: Survey validity

To increase the validity of the survey the following has been employed. The questions related to each of the stages: stage 1 (control), stage 2 (treatment 1), and stage 3 (treatment 2) are presented in this order itself. The order of these questions has not been randomized to prevent the carry over effect of the brand or endorser on WTP. In the case in which respondents are first presented with stage 2 (or stage 3) which is then followed by stage 1, respondents may recognize that the football shoe in stage 1 is the same as the football shoe in stage 2 (or stage 3). As a result, under such a scenario the WTP of respondents for stage 1 may be higher than a scenario in which stage 1 is presented first. Thus, the questions must be ordered to prevent a contrast effect. It is important to note, through ordering the questions it may decrease the internal validity of the survey. However, in such a case the avoidance of a contrast effect is of greater importance than the risks associated with not randomizing the questions.

Furthermore, every stage is presented under one question itself. For instance, in the image below, of stage 1, stage 1 is expressed through only one question:

Stage 2 and Stage 3 also have the same layout with only the images of the shoes changing. To increase the validity of the survey in every stage the order of the images has been randomized. Furthermore, the question for every stage has been separated through page breakers. This may help minimize the chances of respondents from recognizing that every stage uses the same football shoes. Lastly, the order of the questions in part 4 that ask respondents to rate the characteristics of the endorsers has been randomized.

3.2: Methodology employed

This section provides details on firstly how the collected data is prepared so that it can be further analyzed. Secondly, all the analyses used to test the hypotheses are presented in this section as well. This section can be split into three sub-section. The first sub-section provides details on data preparation. The second sub-section will provide details on the analysis conducted to answer *hypothesis 1,* while, the last subsection provides details on the analyses conducted related to *hypotheses 2a, 2b, 2c, 2d.*

3.2.0: Data preparation

In total responses from 174 respondents were collected. Amongst these responses several respondents had not completed the survey. Thus, all incomplete responses were first removed.

Furthermore, since this paper is only interested in University students all other respondents have been disregarded. After removing all such respondent's data on 145 respondents is left.

It is also important to assess if there are any outliers amongst the remaining respondents. This is done through the use of a box plot. As visible in figure 2, in the appendix 3, the box plot for *wtp_shoe* contain a number of outliers, since it has values that fall outside the maximum values of the box plot. Thus, these values must be deleted. After deleting all the outliers that appear in figure 2, 131 respondents were left. It is also important to note that for every respondent 3 separate observations are recorded since; every respondent provides their WTP for each of the 3 shoes. Thus, in total 393 observations are recorded as found in the excel file.

For clarification, in figure 2, *wtp_shoe* (control) refers to the WTP for the football shoe without the brand label or endorser. While, *wtp_brand (*treatment 1*)* refers to the WTP for the football shoe with the brand label. Lastly, *wtp_endorser* (treatment 2) refers to the WTP for the football shoe when worn by a footballer. From now on this terminology is used in further explanations as well.

3.2.1: Methodology employed: Hypotheses 1

To test the first hypothesis, if the brand label of a football shoe has a significant effect on the WTP of respondents, the data collected in stage 1 (control) and stage 2 (treatment 1) are used. To test if the differences in WTP are significant the means of the two groups are compared through a paired t-test.

In order to use a paired t-test the following four conditions must be satisfied:

1. The variable of interest should have either a continuous or ordinal scale.
2. The sample should be representative.
3. The variance between both samples must be equal.
4. The differences between the samples must follow a normal distribution, unless, the sample size is large.

These assumptions of the paired t-test have been satisfied.

To further assess if the different brand labels (of Nike, Puma, or Adidas) also affect the WTP of respondents an analysis of variance (ANOVA) is used. This test will help to determine if there are any statistically significant differences between the mean WTP associated with every brand. The

WTP variable used here is the WTP respondents expressed in stage 2 (Treatment 1). The assumptions of an ANOVA test are as follows:

1. Each group is taken from a normally distributed population.
2. Each of the populations have a common variance.
3. All the samples are independent of each other.
4. Within every sample, the observations are taken randomly and all observations are independent of each other.

Once again, all the stated assumptions for an ANOVA test have been satisfied. The findings of these two analysis will be presented and discussed under the results section which help to answer *hypothesis 1*.

3.2.2: Methodology employed: Hypotheses 2

In order to test the second hypothesis two tests will be conducted. First, a paired t-test is used to determine if an endorsement affects the WTP for a football shoe. Then, an Ordinary Least Square (OLS) regression is used to determine if the characteristics of an endorser affects the WTP for a football shoe. The conditions of a paired t-test have been provided above. They have been satisfied for the second hypothesis. While, the conditions of an OLS regression are as follows:

1. There is no multi-collinearity.
2. Distribution of errors should be normally distributed.
3. There is no heteroscedasticity of errors.
4. There is random sampling of observations.

All of the above conditions are also satisfied. The regressions that are created are as follows.

The first regression that is created is used to check the effects of the characteristics of the endorser on respondents WTP. This regression does not include any of the control variables:

wtp = B0 + B1*trust + B2*attractiveness + B3*likeability + B4*expert + error term

In order to avoid omitted variable bias a number of control variables are added: if they know the footballer (*Know footballer)*, the popularity of the endorser (*Popularity)*, gender, age of respondents

(*age)*, how much the respondents like football (*like football),* how many times a week the respondent watches football (*watch football),* how many football shoes the respondent has owned over the past 5 years (*shoes owned),* and type of student (bachelor student)*.* This is represented through the following regression:

$$wtp = B0 + B1*trust + B2*attractiveness + B3*likeability + B4*expertness + B5*popularity + B6*gender + B7* age + B8* know\ footballer + B9*like\ football + B10*watch\ football + B11*shoes\ owned + B12*bachelor\ student + error\ term$$

In both the regressions the dependent variable is wtp which represents the willingness to pay for the football shoe. This variable represents the previously mentioned variable *wtp_endorser (*WTP in stage 3). Thus, a negative wtp implies that respondents WTP decreases, while, a positive WTP implies that WTP for the football shoe increases.

This being said, the explanatory variables of interest in both regressions are trust, attractiveness, likeability, and expertness. Each of these variables refer to one of the characteristics of the endorser. Furthermore, each of the characteristics are continuous variables that consist of values between 0 to 10.

According to *hypotheses 2a, 2b, 2c, and 2d* all four characteristics are expected to have a positive effect on WTP. Implying that if the rating of the characteristic of an endorser increase then the WTP is also expected to increase. Thus, in line with *hypothesis 2,* the coefficients associated with each of the characteristics are expected to be positive. Furthermore, it is also important to explain why each of the control variables are added.

To begin with, popularity is added because it is possible that the popularity of an endorser may affect the WTP of the respondents. Each of the chosen endorsers have different popularities. Popularity is a categorical variable that can have three of the following values: low (Cesc Fabregas), medium (Mohammad Sallah), and high (Cristiano Ronaldo). Medium is the reference category in the regression.

The control variable gender is added since females and males may have different buying habits that could potentially contribute to differences in WTP. Gender is a binary variable with 1 representing females while 2 represents males. The next control variable that is added is age. Age is also added since as individuals get older the value of money for them changes which could also potentially affect the WTP for the respondents.

It is also important to control for the respondent's familiarity with the endorsers used. This is controlled for since it is possible that if the respondents recognize the footballer than that may affect the WTP of the respondents. This is controlled through the variable *know footballer*. This variable takes a value of 2 if the respondent knows the footballer and 1 if the responder does not know the footballer.

The next three variables that are added are used to assess an individual's familiarity with football. This is added because it is possible that the more familiar an individual is with football the more knowledge they might have regarding football and football shoes. This in return could affect their WTP for the football shoes. The 3 control variables chosen to assess the respondent's familiarity with football are: like football (how much they like football), watch football (how many times a week they watch football), and shoes owned (how many football shoes they have owned in the past 5 years). Each of these variables take a value between 0 and 7.

Lastly, the different types of University students are also controlled for. This is done since students in different stages of their studies might value money differently, which in return may affect their WTP for the football shoes. A value of 1 represents bachelor students while 2 represents master or PhD students.

The findings of these two regressions are discussed in the results section which will help to answer *Hypothesis 2.*

4. Results

4.1: Demographics and data statistics

To ensure that the sample is representative of University students all respondents from other occupations have been removed. As seen in figure 3, in appendix 4, the age of the sample ranges from 18 to 27. The median age of the sample is 21. This is in line with the median age of University students also being 21 (Dale, 2013). It is important to note that more than 60% of the respondents are males, as seen in figure 4 in appendix 5. This can be explained through the fact that that the author of this paper is a male and majority of his friends are also male.

Table 1 further provides summaries of all the other demographic variables. As seen, on average respondents have owned 2.32 football shoes in the past 5 years. This suggests that majority of the respondents have some knowledge regarding football shoes. Furthermore, on average respondents rate their like-ability towards football at 6.84 out of 10. Lastly, on average respondents

watch football 1.7 times a week. Based on this it is safe to say that majority of the respondents have some knowledge regarding football.

Table 1: *Summary of Demographics of respondents*

Variable	Total Sample		Standard deviation
	total (avg.)	[%]	
N	131		
Age	(21.29)		1.70
Gender			0.45
Male	93	[70.99]	
Female	38	[29.01]	
Football Familiarity			
Like football	6.64		2.46
Watch football	1.71		2.28
Shoes owned	2.32		2.12
Type of student			0.37
Bachelor	110	[83.97]	
Master or Phd	21	[16.03]	

4.2: Hypothesis 1: Brand and WTP

To asses if the brand label of a football shoe affects the WTP for a football shoe a paired t-test is used. The paired t-test checks if the means of the two samples: *wtp_shoe* (WTP in stage 1) and *wtp_brand* (WTP in stage 2) are significantly different. Thus, the null and alternate hypotheses of the paired t-test are as follows:

H0: mean(difference)= 0
Ha: mean(difference) < 0

The null hypothesis implies that the mean difference between *wtp_shoe* and *wtp_brand* is equal to zero. Thus, the null hypothesis suggests that the WTP does not differ significantly between the two groups. While, the alternate hypothesis suggests the difference between the two samples, *wtp_shoe* and *wtp_brand,* are significantly less than 0. It is important to clarify that the difference between the two samples are calculated based on the following formula:

Difference in wtp = wtp_shoe - wtp_brand

Thus, if the difference is negative it implies that respondents are WTP more for a shoe on which the brand label is visible as compared to the case in which the brand label is not visible.

The results of the paired t-test can be found under table 2. As seen in the table the p-value for the mean difference being less than 0 is 0.00. Thus, at a significance level of 5% the null hypothesis can be rejected. This implies that the mean difference between the two samples is significantly less than 0. A mean difference of less than 0 implies that individuals are WTP significantly more for a football shoe on which the brand label is visible.

Table 2: *Paired t-test for effect of Brand on WTP*

Variable	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
wtp_shoe	393	91.51	1.37	27.24	88.81	94.21
Wtp_endorser	393	159.68	3.43	67.97	152.94	166.43
Difference	393	-68.18	3.11	61.74	-74.30	-62.05

mean(diff) = mean(wtp_shoe – wtp_endorser)   t = -27.48
Ho: mean(diff) = 0   degrees of freedom = 392

Ha: mean(diff) < 0	Ha: mean(diff) != 0	Ha: mean(diff) > 0
Pr(T < t) = 0.00	Pr(|T| > |t|) = 0.00	Pr(T > t) = 1.00

To further assess if different brand labels (Nike, Adidas, and Puma) of a football shoe also affect the respondents WTP an ANOVA test is used. The WTP value used in this test is the respondents WTP for the football shoes with the brand label being visible (stage 2/treatment 1). The hypotheses of an ANOVA test are as follows:

Ho: The mean WTP is the same for all brand labels.

Ha: The mean WTP is not the same for all brand labels.

It is important to clarify that this test assesses if the mean WTP differs for the brand labels of Nike, Adidas, and Puma. The results of the ANOVA test are found under Table 3**.** As seen the p-value is 0.00 which is less than a significance level of 5%. Based on this the null hypothesis is rejected. This implies that respondents WTP for the brand labels of Nike, Adidas, and Puma are different.

Table 3: *ANOVA test for effect of brand label on WTP*

Source	SS	Df	MS	F	Prob > F
Between groups	169674.83	2	84837.42	20.16	0.00
Within groups	1641412.41	390	4208.75		
Total	1811087.24	392	4620.12		

Barlett's test for equal variances: chi2(2) = **5.42**   Prob > chi2 = **0.067**

To conclude, it can be said that the brand label of the football shoes positively impacts the WTP for the football shoe. Therefore, the results are in line with hypothesis 1 that states: *the brand label of a football shoe has a significant positive affect on the WTP for a football shoe amongst university students.* Thus, hypothesis 1 cannot be rejected.

4.3 Hypothesis 2: Endorser and WTP

Before assessing the effects of the characteristics of an endorser on WTP, it is important to first check if simply the presence of an endorser affects the WTP for football shoes. This can be done by comparing the WTP for the football shoe in stage 1 (control) with the WTP for the football shoes in stage 3 (treatment 2). This is done through the use of a paired t-test.

The null and alternative hypotheses of the paired t-test are as follows:

Ho: mean (difference) = 0

Ha: mean (difference) < 0

It is important to note that the difference between the samples is calculated through the following formula:

Difference = wtp_shoe-wtp_endorser

This implies that if the mean difference between the two samples is less than 0 then the respondents are WTP more for football shoes that are endorsed by a footballer.

The results of the paired t-test are found under Table 4**.** As seen, the p-value for the mean difference being less than 0 is 0.00. At a 5% significance level the null hypothesis can be rejected.

This implies that respondents are WTP significantly more for a football shoe that is endorsed by a footballer.

Table 4: *Paired t-test for effect of endorser on WTP*

Variable	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
wtp_shoe	393	91.51	1.37	27.24	88.81	94.21
Wtp_endorser	393	192.43	3.93	77.96	184.70	200.16
Difference	393	-100.93	3.67	72.82	-108.15	-93.71

mean(diff) = mean(wtp_shoe – wtp_endorser)	t = -27.48
Ho: mean(diff) = 0	degrees of freedom = 392

Ha: mean(diff) < 0	Ha: mean(diff) != 0	Ha: mean(diff) > 0
Pr(T < t) = 0.00	Pr(|T| > |t|) = 0.00	Pr(T > t) = 1.00

In order to determine the effects of the characteristic of an endorser on WTP an OLS multivariate regression is used. It is important to note that the dependent variable is wtp which represents the WTP recorded in stage 3 (treatment 2).

The first regression, found in table 5, consists of wtp and the following characteristics: trust, attractiveness, likeability, and expertness. As seen in table 5, attractiveness, likeability, and expertness have a p-value of less than 0.05. While trust has a p-value of 0.37. Thus, at a 5% significance level attractiveness, likeability, and expertness of an endorser significantly affect the WTP of the respondents. It is interesting to note that attractiveness and likeability increase the WTP but strangely the expertness decreases the WTP.

Table 5: *Effect of characteristics on WTP without control variables*

wtp	Coefficient	Robust standard error	t	P>|t|	95% Conf. Interval		R-squared
trust	1.91	2.14	0.89	0.37	-2.30	6.12	0.14
attractiveness	11.21*	2.22	5.05	0.00	6.84	15.58	
likeability	4.97*	2.37	2.09	0.04	0.30	9.64	
expertness	-4.46*	1.92	-2.32	0.02	-8.24	-0.68	
constant	102.92	14.20	7.25	0.00	75.00	130.84	

*Value is significant at a 5% level

The second regression, found in table 6, includes the characteristics of an endorser along with all the control variables. To begin with, the r-squared has doubled from 0.14 to 0.29. Implying that the inclusion of control variables increases the validity of the regression. Furthermore, the p-value for the attractiveness variable is still less than 0.05. This implies that the attractiveness of an endorser significantly affects the WTP of the respondents. Specifically, as respondents increase the rating of the attractiveness of an endorser by one unit their WTP increases by €7.31.

In table 6, the p-value of the likeability variable is 0.11 which is larger than a significance level of 5%. This implies that the likeability of the respondents towards the endorser has no significant effects on the WTP for the football shoe. Furthermore, in table 6, the expertness variable of an endorser is found to have a p-value of less than 0.05. This implies that the expertness of an endorser significantly affects the WTP for the football. However, as seen in table 6, it is suggested that as the expertness of the footballer increases the respondents WTP decreases. Specifically, their WTP decreases by €5.42 as expertness increases by 1 unit. A possible explanation for this is that individuals do not want to wear football shoes that would increase their perceived expertness in the eyes of others. Thus, if a football shoe is endorsed by an expert their WTP for the football shoe decreases.

Table 6: *Effect of characteristics on WTP with control variables*

wtp	Coefficient	Robust standard error	t	P>|t|	95% Conf. Interval		R-squared
							.29
trust	1.65	2.02	0.81	0.42	-2.33	5.63	
attractiveness	7.31*	2.16	3.38	0.00	3.06	11.56	
likeability	3.60	2.24	1.61	0.11	-0.80	8.00	
expertness	-5.42*	2.24	-2.42	0.02	-9.81	-1.02	
Popularity							
High	10.17	9.19	1.11	0.27	-7.91	28.25	
low	-30.59*	8.96	-3.42	0.00	-48.20	-12.98	
Gender	-10.84	8.66	-1.25	0.21	-27.87	6.20	
Age	-12.18*	2.39	-5.10	0.00	-16.88	-7.48	
Know footballer	-3.15	10.73	-0.29	0.77	-24.24	17.95	
Like football	8.37*	1.96	4.28	0.00	4.52	12.22	
Watch football	-9.47*	1.89	-5.02	0.00	-13.18	-5.76	
Shoes owned	2.98	2.06	1.44	0.15	-1.08	7.03	
Bachelor student	19.19	10.85	1.77	0.08	-2.14	40.52	
constant	369.01	55.33	6.67	0.00	260.23	477.80	

*Value is significant at a 5% level

The last characteristic of the endorser that must be looked at is the endorsers trustworthiness. As seen in table 6, the p-value of this variable is 0.42. which is larger than a significance level of 5%. This means that trustworthiness of an endorser does not have any significant effects on the WTP for football shoes.

It is also interesting to state the effects of popularity of the endorser on the WTP of the football shoe. As suggested in table 6, the respondents are WTP significantly less for a low popularity footballer than for a medium popularity footballer. Specifically, respondents are WTP €30.59 more for a football shoe that is endorsed by a medium popularity footballer as compared to the same football shoe being endorsed by a low popularity footballer. Furthermore, there are no differences in the WTP between medium and high popularity footballers.

To conclude, the analysis suggest that the trustworthiness and like-ability characteristics of an endorser have no significant effects on the WTP for football shoes. While, attractiveness and expertness significantly affect the WTP for the football shoes. Expertness negatively affects WTP while attractiveness positively affects WTP. Based on this hypotheses 2b, 2c, and 2d are rejected. While, hypothesis 2a is not rejected.

Chapter 5: Conclusions and Recommendations

5.1: Discussions

As explained under the theoretical framework section a number of previous researchers have found that various factors of the brand affect consumers WTP. The findings of Anselmsson et al. (2014) suggest that the brand image of food products significantly affect WTP for the food brands. Another aspect that has been found to have significant positive effects on the consumers WTP is the perceived globalness of the brand (*Davvetas, 2015).* Similarly, the findings of Li and Ellis (2014) suggest that the brand itself has significant effects on WTP for t-shirts. Lastly, the finding of Davis (1985) suggest that the brand label positively affects consumer behavior. This paper further assumes that that the brand label represents the stated factors of a brand. Therefore, based on the previous findings it is suggested that the brand label positively affects WTP.

One of the aims of this paper is to assess if the brand label of a football shoe significantly affects the WTP for the football shoe. As suggested through the findings of the paired t-test, under the analysis section, the brand label of a football shoe significantly affects the WTP for the football shoe. This conclusion is in line with the findings of previous papers.

In the case of endorsers, they play a critical role since the endorser can affect the image of the brand (Mukherjee, 2009). Furthermore, as stated above by Anselmsson et al. (2014) the image of a brand affects WTP. Thus, the endorsers affect the WTP for a product indirectly.

Furthermore, the characteristics of the endorser play a critical role in the effectiveness of the endorsement. A number of previous studies have suggested that physical attractiveness of the endorser positively affect the purchasing intent of the customer (Joseph, 1982; Kahle & Homer, 1985; Roy et al. 2013). Similarly, studies such as the ones conducted by Tantiseneepong et al. (2012), Escalas and Bettman (2017), Chan et al. (2013), and Fleck et al. (2012) have found the like-ability of consumers towards an endorser to positively affect the behavior of the consumers. The effects of the expertise of an endorser were primarily studied by Ohanian (1991), Batra et al. (1996), and Till and Busler (2000). All three studies found that the expertise had a positive impact on the consumer behavior. Lastly, Djafarova and Rushworth (2017) and Saldanha et al. (2018) found that the trustworthiness of the endorsers could positively or negatively influence the opinions of the customers.

Another aim of this paper is to asses if the findings related to the effects of the characteristics of an endorser also apply in the case of football shoes. This research only found attractiveness of the endorser to have the same effects on WTP as suggested by previous literature. While trustworthiness and like-ability were found to have no effects on WTP. Lastly, the expertness of the endorser is found to have the opposite effect on WTP than what was expected. These differences between the findings can perhaps be explained through the chosen endorsers or through individuals not wanting to be perceived as being an expert in football in the eyes of others.

Overall, the answer to the main research question: *what factors contribute to the willingness to pay for football shoes amongst university students,* is as follows. Firstly, it can be said that the brand label of a football shoe significantly affects the WTP for football shoes amongst University students. Furthermore, endorsers of a football shoe can significantly affect the WTP for a football shoe amongst University students. Specifically, the characteristics of an endorser that affect WTP for football shoes amongst University students are expertness and attractiveness. Based on this the following hypothesis are rejected:

H 2b. The like-ability of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

<u>H 2c.</u> The expertise of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

<u>H 2d.</u> The trustworthiness of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.

While the following hypotheses are not rejected:

<u>H 1</u>: *The brand label of a football shoe has a significant positive affect on the WTP for a football shoe amongst university students.*

<u>H 2a.</u> *The attractiveness of an endorser of a football shoe positively affects the WTP for a football shoe amongst University students.*

5.2 Managerial Implications

The findings of this paper can be used by football shoe companies when choosing endorsers for a marketing plan. To begin with, companies such as Nike, Adidas, and Puma are recommended not to choose endorsers based on their expertness in the sport. In fact, the lower the expertness of the endorser the better it is. Companies are primarily recommended to choose endorsers based on their attractiveness. Furthermore, the popularity of the chosen endorser should be at least "medium" popular, since this study suggests that individuals are WTP more for a "medium" popular footballer as compared to a "low" popular footballer. Thus, companies can use these suggestions as guidelines when choosing endorsers for their brand and/or products in a marketing plan.

5.3: Limitations and Recommendations

This paper consists of a couple of limitations. Firstly, the sample used in this paper is not fully representative of University students and furthermore a convenient sampling techniques is used. However, this was difficult to prevent given the limited resources for this research paper. Based on this future researches are suggested to try to obtain a more well-balanced and representative sample.

Another limitation of this paper is that the order of the questions related to the WTP of the respondents is not randomized. This is done to avoid the contrast effect. Even though not

randomizing the questions might negatively affect the internal validity of this paper, it is of greater importance to avoid the contrast effect. Thus, it is safer to fix the order of the questions as compared to randomizing them.

At the same time, all the pictures of the shoes differ in various aspects. For instance, the camera angles of all the shoes between stage 1 (wtp_shoe) and stage 2 (wtp_shoe) are different. The poses of the footballers in the pictures in stage 3 are also different. These differences might have affected the WTP for the football shoes which is not controlled for. Once again, given the limited resources of this paper it was difficult to prevent this. Future researches are suggested to present respondents with pictures that differ less on the above stated factors.

Another limitation of this paper is that some respondents might have known the football shoes from before which was not controlled for. Future research can fix this by using not so famous models as the ones used in this paper. Future researches are also suggested to conduct similar researches but with more: brands, products, and endorsers.

Lastly, there is no way to tell if respondents would have acted the same way in real life. Meaning that it is difficult to tell if respondents would be WTP the same amount as they stated since no real-life incentives were added in the survey. Once again this could not be accomplished as a result of the limited resources available for this research paper. Thus, it is suggested for future researches to add appropriate real life incentives.

5.4 Conclusion

Considering the various limitations of this paper, this research has found the brand label, the expertness of an endorser, and the attractiveness of an endorser to affect the WTP for a football shoe. Furthermore, the popularity of the endorser is also found to have significant effects on the WTP for football shoes amongst University students.

The most unexpected finding of this research is that the expertness of an endorser is found to negatively affect the WTP for football shoes. It is suggested for future researches to explore this and find possible explanations for this negative association. It is also suggested to conduct similar researches in different markets and to use more: endorsers, brands, and products.

To conclude, the finding of this paper and future researches can help companies in several ways. Firstly, such researches can help companies such as Nike, Adidas, etc. to realize their brand value. Furthermore, this research can help football shoe companies by providing them with a better understanding of what type of endorsers are the most effective for a marketing plan.

The Appendices

Appendix 1. References

Anselmsson, J., Bondesson, N. V., & Johansson, U. (2014). Brand image and customers'
willingness to pay a price premium for food brands. *Journal of Product & Brand
Management,* 23/2, pp. 90-102.

Batra, R., Myers, J., & Aaker, D. (1996). *Advertising Management*, 5th ed., Prentice-Hall
International, Upper Saddle River, NJ.

Belinchón, F., & Moynihan, R. (2018). 25 giant companies that are bigger than entire countries.
Business Insider:
https://www.businessinsider.com/25-giant-companies-that-earn-more-than-entire-
countries-2018-7

Bhasin, H. (2019). Top 10 Sportswear Brands In the World. *Marketing91:*
https://www.marketing91.com/top-10-sportswear-brands-world/

Chan, K., Ng, Y.L., & Luk, E.K. (2013). Impact of celebrity endorsement in advertising on brand
image among Chinese adolescents. *Young Consumers*, Vol. 14, No. 2, pp. 167-179.

Chung, K., Derdenger, T., & Srinivasan, K. (2013). Economic value of celebrity endorsements:
Tiger woods' impact on sales of Nike golf balls. *Marketing Science*, Vol. 32 No. 2,
pp. 271-293

Church, B. (2020). Cristiano Ronaldo is the first football star to break $1 billion earnings milestone.
CNN:
https://edition.cnn.com/2020/06/05/football/cristiano-ronaldo-forbes-billion-record-spt-
intl/index.html#:~:text=Cristiano%20Ronaldo%20is%20the%20first%20football%20star%20
to%20break%20%241%20billion%20earnings%20milestone

Dale, M. (2013). Trends in the Age Composition of College and University Students and Graduates.
Statcan:
 https://www150.statcan.gc.ca/n1/pub/81-004-x/2010005/article/11386-
eng.htm#:~:text=Over%2075%25%20of%20students%20were,was%2022.8%20years%20in
%202007.

Davis, L.L. (1985). Effects of Physical Quality and Brand Labeling on Perceptions of Clothing Quality. *Perceptual and Motor Skills,* Vol. 61, Iss. 2, pp. 671-677.

Davvetas, V., Sichtmann, C., & Diamantopoulos, A. (2015). The impact of perceived brand globalness on consumers' willingness to pay. *International Journal of Research in Marketing,* Vol. 32, Iss. 4, pp. 431-434.

Djafarova, E., & Rushworth, C. (2017). Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users. *Computers in Human Behavior*, Vol. 68, pp. 1-7.

Erdogan, Z. (1999). Celebrity endorsement: a literature review. *Journal of Marketing Management*, Vol. 15 No. 4, pp. 291-314.

Escalas, J.E., & Bettman, J.R. (2017). Connecting with celebrities: How consumers appropriate celebrity meanings for a sense of belonging. *Journal of Advertising*, Vol. 46, No. 2, pp. 297-308.

Farquhar, P. H. (1989). Managing Brand Equity. *Marketing Research.*

Fleck, N., Korchia, M., & Le Roy, I. (2012). Celebrities in advertising: looking for congruence or likability?. *Psychology and Marketing*, Vol. 29 No. 9, pp. 651-662.

Hovland, C.I., & Weiss, W. (1951). The influence of source credibility on communication effectiveness. *Public Opinion Quarterly*, Vol. 15, No. 4, pp. 635-650.

Joseph, W.B. (1982). The credibility of physically attractive communicators: a review. *Journal of Advertising*, Vol. 11, No. 3, pp. 15-24

Kahle, L.R., & Homer P.M. (1985). Physical Attractiveness of the Celebrity Endorser: A Social Adaptation Perspective. *Journal of Consumer Research,* Vol. 11, Iss. 4, pp. 954-961.

Kim, S.S., Choe, J.Y.J., & Petrick, J.F. (2018). The effect of celebrity on brand awareness, perceived quality, brand image, brand loyalty, and destination attachment to a literary festival. *Journal of Destination Marketing and Management*, Vol. 9, pp. 320-329.

Kim, W. G., & Kim, H. B. (2004). Measuring Customer based Restaurant Brand Equity. *Cornell Hotel and Restaurant Administration Quarterly,* Vol. 45, Iss. 2, pp. 115-131.

Li, Y. M., & Ellis, J. L. (2014). Consumers' willingness to pay using an experimental auction methodology: applications to brand equity. *International Journal of Consumer Studies,* 38, pp. 435-440.

Mukherjee, D. (2009). Impact of Celebrity Endorsements on Brand Image.

Oberoi, M. (2020). Nike's Target Markets: Everything You Need To Know. *MarketRealist:*

https://marketrealist.com/2019/10/nikes-target-markets-everything-you-need-to-know/

Ohanian, R. (1990). Construction and validation of a scale to measure celebrity endorser's

perceived expertise, trustworthiness and attractiveness. *Journal of Advertising*, Vol. 19 No.

3, pp. 39-52.

Ohanian, R. (1991). The impact of celebrity spokesperson's perceived image on consumers'

intention to purchase. *Journal of Advertising Research*, Vol. 31, No. 1, pp. 46-52.

O'Mahoney, S., & Meenaghan, T. (1998). The impact of celebrity endorsements on consumers.

Irish Marketing Review, Vol. 10, pp. 15-24.

Roy, S., Jain, V., & Rana, P. (2013). The moderating role of consumer personality and source

credibility in celebrity endorsements. *Asia-Pacific Journal of Business Administration,* Vol.

5, No. 1, pp. 72-88.

Sawe, B. E. (2018). The Most Popular Sports In The World. *WorldAtlas:*

https://www.worldatlas.com/articles/what-are-the-most-popular-sports-in-the-world.html

Saldanha, N., Mulye, R., & Rahman, K. (2018). Who is the attached endorser? An examination of

the attachment endorsement spectrum. Journal of Retailing and Consumer Services, Vol.

43, pp. 242-250.

Steenkamp, J.B.E.M., Batra, R., & Alden, D.L. (2003). How perceived brand globalness creates

brand value. *Journal of International Business Studies,* 34, pp. 53–65.

Streefkerk, R. (2019). Qualitative vs quantitative research. *Scribbr*:

https://www.scribbr.com/methodology/qualitative-quantitative-

research/#:~:text=Quantitative%20methods%20allow%20you%20to,ideas%20and%20experience

s%20in%20depth.

Tantiseneepong, N., Gorton, M., & White, J. (2012). Evaluating responses to celebrity

endorsements using projective techniques. *Qualitative Market Research: An International*

Journal, Vol. 15, No. 1, pp. 57-69.

Till, B.D., & Busler, M. (2000). The match-up hypothesis: physical attractiveness, expertise, and the role of fit on brand attitude, purchase intent and brand beliefs. *Journal of Advertising*, Vol. 29, No. 3, pp. 1-13.

Vaage-Nilsen, N. and Evald, S.S. (2013). Celebrity endorsement: can personality help solve the puzzle. A Masters' thesis submitted to Copenhagen Business School, available at: http:// studenttheses.cbs.dk/bitstream/handle/10417/4573/nikolas_vaage-nilsen_og_sebastian_skov_ evald.pdf?sequence=1.

Yang, W. (2018). Star power: the evolution of celebrity endorsement research. *International Journal of Contemporary Hospitality Management*, Vol. 30 No. 1, pp. 389-415.

Zakari, M., Dogbe, C.S.K., & Asante, C. (2019). Effect of celebrity endorsement on telecommunication companies' reputation. *Management Research Review,* Vol. 42, No.12, pp. 1297-1314.

Appendix 2. The Survey

Survey Completion

0% ——————————— 100%

. How old are you?

. What is your gender?

○ Male

○ Female

What is your occupation?

○ School Student

○ Bachelor student

○ Master or Phd Student

○ Employeed

○ Un-employed

○ None of the above

→
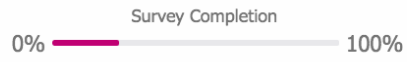
. Kindly answer the questions:

Nah		Somewhat			A lot
0	2	4	6	8	10

How much do you like football?

———————————————————————————————————○

How many times a week do you watch football?

———————————————————————————————————○

How many football shoes have you bought/owned in the past 5 years?

———————————————————————————————————○

← →

. How much would you pay for the shoes below? **(In Euro €)**

Amount In Euro (€)

| 0 | 70 | 140 | 210 | 280 | 350 |

○

○

○

←   →

. How much would you pay for the shoes below? **(In Euro €)**

Amount In Euro (€)

| 0 | 70 | 140 | 210 | 280 | 350 |

Brand: Nike

Brand: Adidas

Brand: Puma

←   →

42

.

How much would you pay for the shoes below? **(In Euro €)**

Amount In Euro (€)

| 0 | 70 | 140 | 210 | 280 | 350 |

Footballer: Mohamed Salah

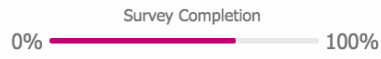Footballer: Cristiano Ronaldo

Footballer: Cesc Fàbregas

Survey Completion

0% ━━━━━━━━ 100%

. Do you **recognise** the people in following pictures?

	Yes	No
Cesc Fàbregas	○	○
Mohamed Salah	○	○
Cristiano Ronaldo	○	○

. Do you **know** the following brands?

	Yes	No
Puma	○	○
Nike	○	○
Adidas	○	○

← →

Survey Completion

0% 100%

. In your opinion is the footballer an **expert** in football?

| No | | | Somewhat | | | Definitely |
| 0 | 2 | 4 | 6 | 8 | 10 |

Cristiano Ronaldo

Mohamed Salah

Cesc Fàbregas

. How much do you *__like__* the footballer?

No			Somewhat			Definitely
0	2	4		6	8	10

Mohamed Salah

Cesc Fàbregas

Cristiano Ronaldo

. In your opinion how *__attractive__* is the footballer?

No 0	2	4	Somewhat 6	8	Definitely 10

Cesc Fàbregas

Mohamed Salah

Cristiano Ronaldo

. In your opinion how much do you ***trust*** the footballer?

No 0	2	4	Somewhat 6	8	Definitely 10

Cristiano Ronaldo

Cesc Fàbregas

Mohamed Salah

← →

Survey Completion

0% ━━━━━━━━━━━━━━━━━━ 100%
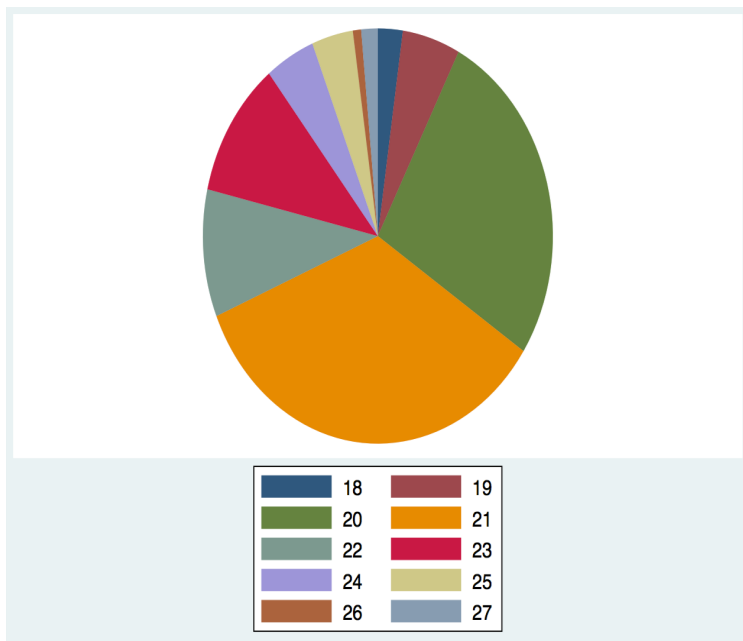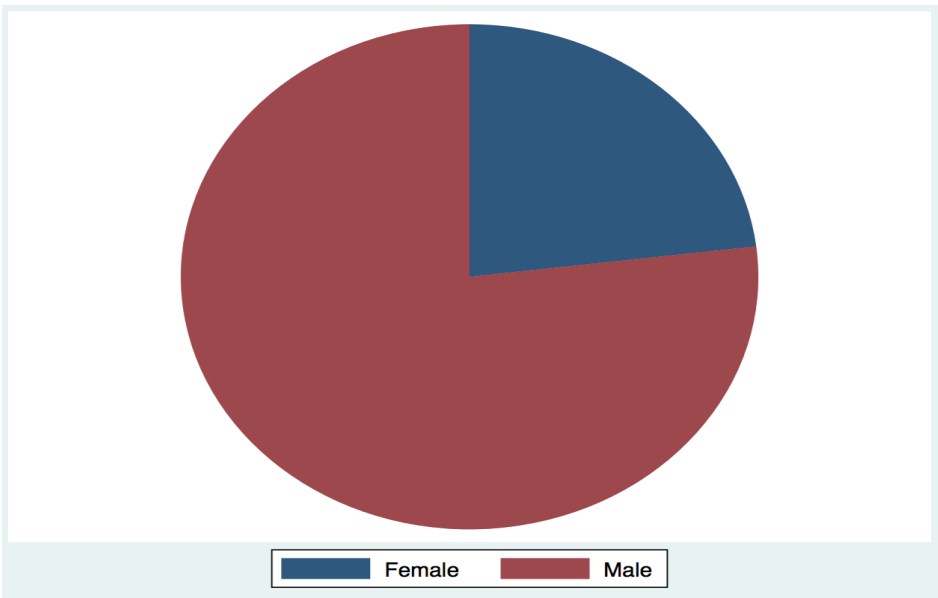
We thank you for your time spent taking this survey.
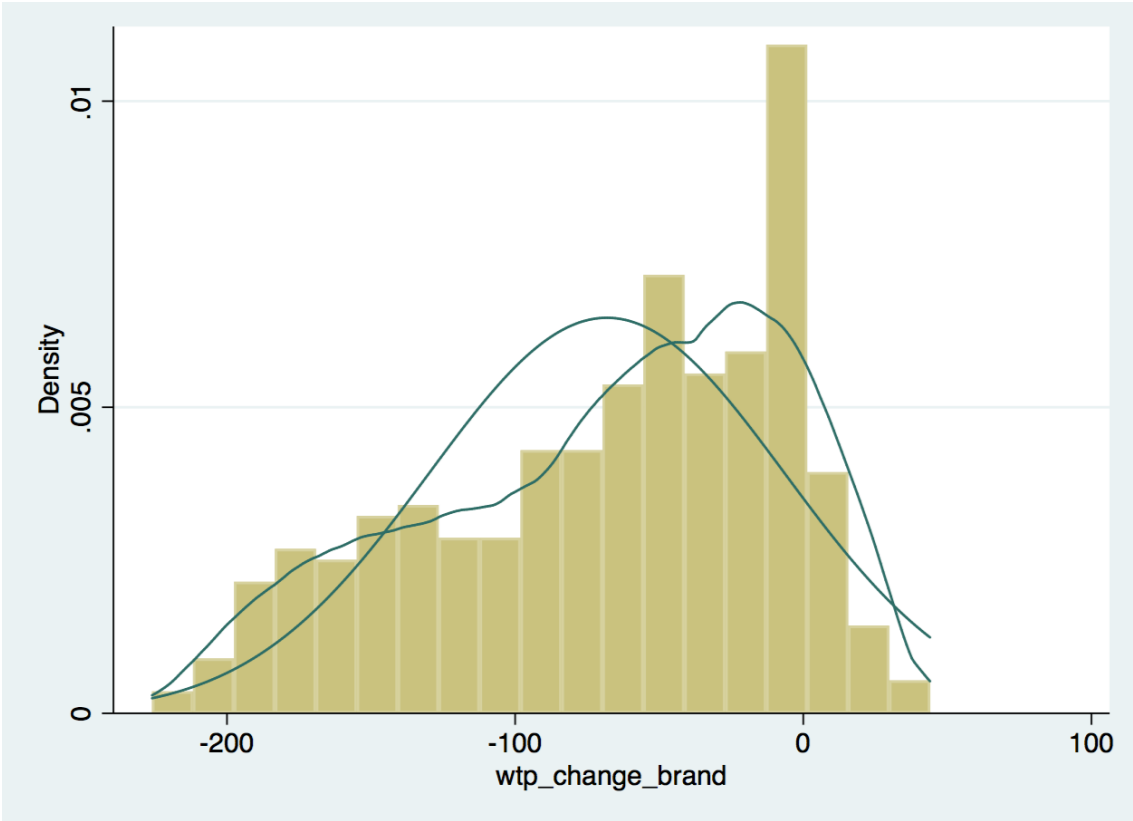Your response has been recorded.
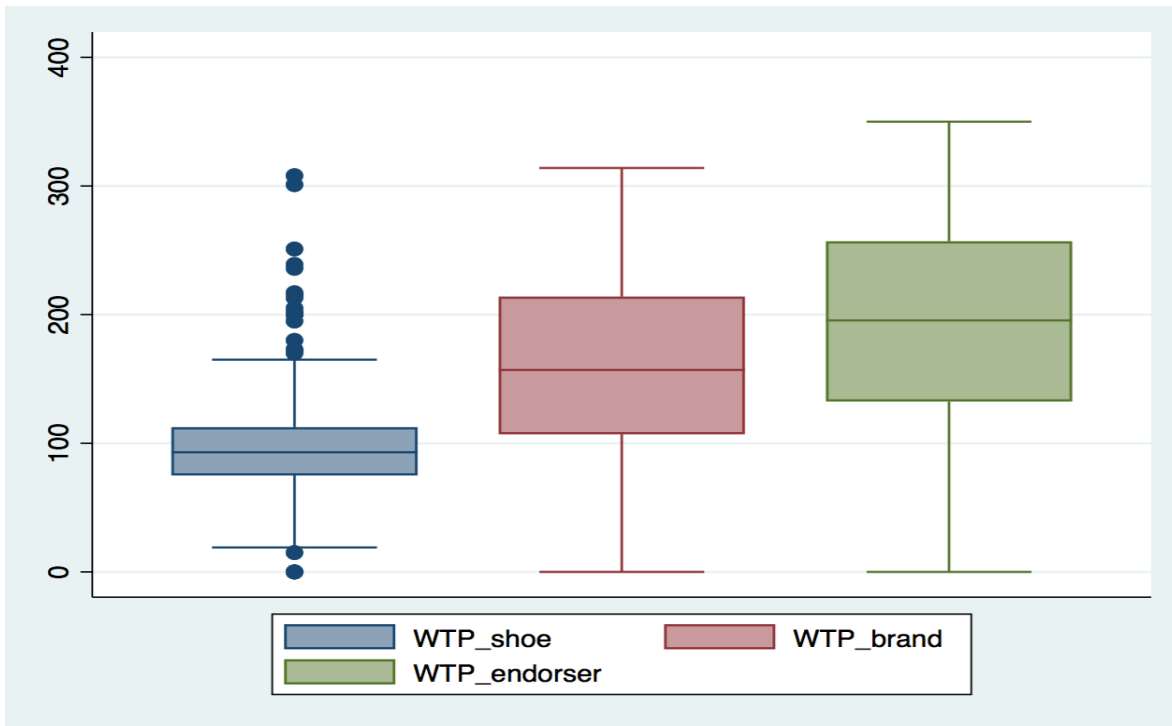
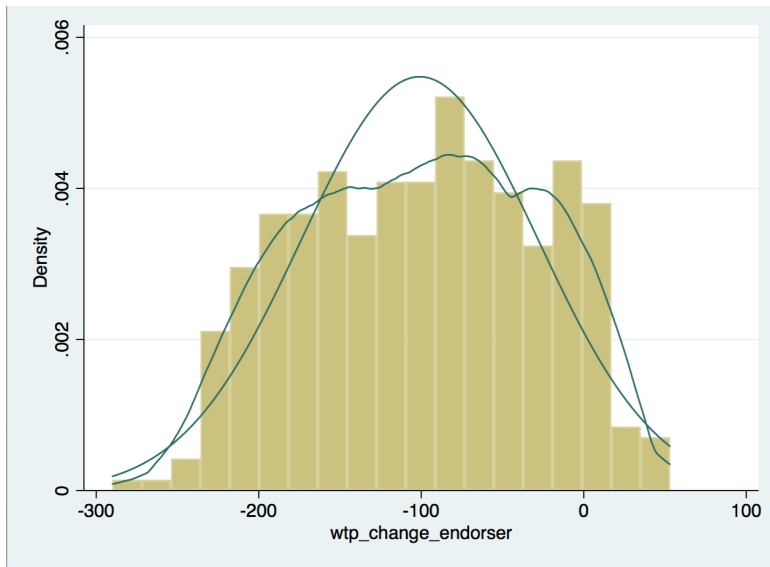**Appendix 3. Figure 2:** Boxplot for WTP at different stages

Appendix 4. Figure 3: Distribution of age of respondents

Appendix 5. Figure 4: Distribution of gender of respondents

Appendix 6. Figure 5: Distribution of differences in WTP for shoe with brand label and WTP for shoe without brand label

Appendix 7. Figure 6: Distribution of differences in WTP for shoe with endorser and WTP for shoe without brand label

Appendix 8. Table 7: Correlation of independent and dependent variables

	Trust	Attractiveness	Likeability	Expertness	Popularity	Gender	Age	Know footballer	Like football	Watch football	Shoes owned	Bachelor student
Trust	1.00											
Attractiveness	0.46*	1.00										
Likeability	0.63*	0.63*	1.00									
Expertness	0.49*	0.54*	0.57*	1.00								
Popularity	-0.22*	-0.26*	-0.27*	-0.28*	1.00							
Gender	-0.01	-0.04	0.07	0.14*	0.00	1.00						
Age	-0.13*	-0.09	-0.09	-0.09	0.00	-0.25*	1.00					
Know footballer	0.33*	0.39*	0.45*	0.64*	-0.27*	0.27*	-0.09	1.00				
Like football	0.15*	0.11*	0.23*	0.14*	0.00	0.44*	-0.25*	0.25*	1.00			
Watch football	0.07	-0.01	0.09	0.15*	0.00	0.25*	-0.09	0.24*	0.56*	1.00		
Shoes owned	0.07	0.09*	0.08	0.06	0.00	0.28*	-0.17*	0.26*	0.57*	0.52*	1.00	
Bachelor student	-0.15*	-0.09	-0.11*	-0.17	-0.00	-0.13*	0.53*	-0.15*	-0.17*	-0.14*	-0.14*	1.00

*Value is significant at a 5% significance level
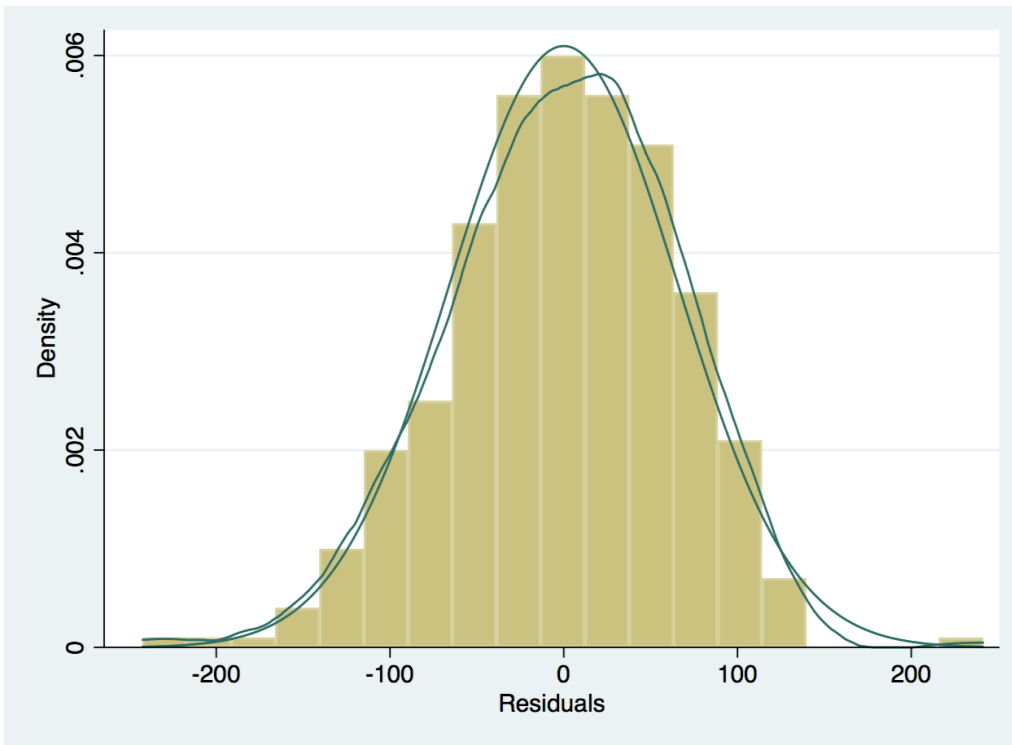
Appendix 9. Figure 7: Distribution of residuals