

## **ERASMUS UNIVERSITY ROTTERDAM**

Erasmus School of Economics

Bachelor Thesis Marketing

BSc International Bachelor of Economics & Business Economics

### **Perceived Brand Credibility of Nike Among Indian Gen-Z: A Comparative Study Between Sports Fans and Non-Fans**

Student Name: Praagya Goyal

Student ID: 614402

Supervisor: Dr. Bojan Georgievski

Second Assessor: Dr. Edgar Keehnen

Date Final Version: 12th July 2024

## Table of Contents

Executive Summary.....	4
Chapter 1: Introduction.....	5
1.1 Introduction of the topic.....	5
1.2 Nike.....	6
1.3 Sports in India.....	7
1.4 Research Problem.....	8
1.5 Research Questions and Sub-Questions.....	8
1.6 Relevance.....	9
1.7 Research Limitations and Ethical Issues.....	10
1.8 Structure.....	11
Chapter 2: Literature Review.....	12
2.1 Indian Demographic.....	12
2.2 Brand.....	13
2.3.1 What is Brand Credibility?.....	13
2.3.2 How to Measure Brand Credibility?.....	14
2.4.1 What is Perceived Quality?.....	16
2.4.2 How to Measure Perceived Quality?.....	16
2.5.1 What is Brand Loyalty?.....	18
2.5.2 How to Measure Brand Loyalty?.....	19
2.6 Conceptual Research Model.....	21
Chapter 3: Research Methodology.....	21
3.1 Quantitative Research.....	21
3.2 Method of Data Collection.....	22
3.2.1 Pilot Test.....	22
3.3 Survey Methodology.....	23
3.4 Research sample.....	24
3.5 Method of Data Analysis.....	25
Chapter 4: Results and Findings.....	26
4.1 Descriptive Statistics.....	26
4.2 Cronbach's Alpha.....	27
4.3 Factor Analysis.....	27
4.4 Hypothesis 1.....	28

	<b>3</b>
4.5 Hypothesis 2 and 3.....	29
4.6 Simple Linear Regressions Assumptions.....	30
4.7 Simple Linear Regression Model.....	31
4.7.1 Hypothesis 4.....	32
4.7.2 Hypothesis 5.....	32
Chapter 5: Conclusions and Recommendations.....	32
5.1 Key Findings of Academic Literature.....	32
5.2 Key Findings of the Research.....	34
5.3 Comparing Literature and Research.....	34
5.4 Answering the Research Question.....	35
5.5 Recommendations for Nike managers.....	36
5.6 Limitations of the Research.....	37
5.7 Recommendations for Further Research.....	37
Chapter 6: Bibliography.....	39
Chapter 7: Appendices.....	45

## Executive Summary

Recently, Adidas saw a dip in its share price after it was replaced by Nike as the official sponsor and kit provider of the German National Football Team. This is an indication of how a changing sports environment affects the market position of the brand. To study the effect of consumer sentiment on sports apparel brand, this research focuses on Nike's perceived brand credibility among the Gen-Z population in India and how this affects perceived quality and brand loyalty. It also aims to understand if sports fans and non-fans have a significant difference in the manner they perceive brand credibility for Nike. The research question is thus:

*How do Indian Gen Z sports fans and non-fans perceive brand credibility differently among sports brands and how does this impact the perceived quality and brand loyalty?*

The research was conducted by creating an online questionnaire which was disseminated to 18 to 27 year Indians. Aside from demographic questions, the survey utilised a methodology to categorise the respondents as "sports fans" and "non-fans". It also measured three components of brand credibility: trustworthiness, expertise and attractiveness and evaluated the respondents' perceived quality and brand loyalty towards Nike. 152 valid responses were collected and analysed in SPSS using statistical methods like Cronbach's Alpha and Linear Regression Analysis.

The key findings include: 1) Attractiveness is the most important component of brand credibility with a mean score of 4.263/5, while trustworthiness is the least important 2) Expertise is more valued by sports fans while attractiveness is more valued by non-fans and 3) Trustworthiness has a positive direct effect on both perceived quality and brand loyalty.

Based on these findings, Nike could perhaps focus relatively more on attractiveness among the Indian Gen Z segment. They should also use segmenting and targeting marketing to market to sports fans and non-fans differently. While this might take a long time to implement, this can increase Nike's brand credibility in the minds of the consumer. While this research aims to bridge the gap in academic literature, further academic research should be conducted by using this paper as a starting point, especially in the context of STP (Segmenting, Targeting and Positioning) marketing techniques.

## **1. Introduction**

### **1.1 Introduction of the topic**

After being the official sponsor and kit provider for the German National Football team for the last 77 years, Adidas' reign in the country came to an end. The German Football Association (DFB) announced that it will be parting ways with the Bavarian brand and switching to Nike (Parisi, 2024). Being by the team's side for nearly 8 decades and among 14 championship triumphs, the longevity of Adidas' relationship with the DFB shows that the brand's three stripes are woven into the fabric of German football - literally and figuratively (Carp, 2024). The effect was so much so that Adidas' share price saw a dip in the immediate aftermath of the announcement (Carp, 2024), which is a clear indication of how a changing sports sponsorship environment affects consumer sentiment towards the brand.

The German sports market is one of the largest in Europe. There were 8,332 sports club in Germany in 2015, more than any other country in Europe (Guo, 2022) and the total revenue in the sports market was projected to reach \$53.33 million in 2022 (Statista, 2021). Adidas has played a huge role in this growth in Germany. A study conducted showed that 66% of Germany sneakers users say they like Adidas (Kunst, 2024). In a football crazy country, Adidas has embedded itself into the history of German Football and with the advantage of it being a home grown brand, it has established its brand credibility and garnered the loyalty of millions of German football fans. While developing an emotional connection with the people, it has established its credibility as a brand by producing quality products.

Evidence suggests that brand credibility increases the chances of consumers including the brand in their consideration set (Erdem et. al, 2006). Consideration set is defined as the limited set of brands that a consumer actively "considers" when thinking about making a product purchase. Brands also aim to establish a strong emotional connection with the consumer to create brand loyalty. This is not just to create a strong consumer base, but also to save costs. Research shows that acquiring a new customer can cost the company around 5 times more than retaining an existing customer. Increasing customer retention by 5% by having loyal customers can increase profits from 25-95% (Landis, 2022). Brands achieve this by providing a good brand experience. Akoglu and Özbek (2021) conducted a study on the effect of brand experiences on customer loyalty among sports consumers. This study shows that there is 55.8% direct effect of positive brand experience on brand loyalty.

## 1.2 Nike

This thesis will aim to discuss brand credibility in the sports market in India through the context of Nike. Nike, Inc. is one of the largest and most recognised sports and athletic wear brands in the world (Carlson, 2024). Its extensive product portfolio include the famous Air Jordans, Air Force Ones, Converse shoes and athletic apparel. It has also established an incredibly strong brand image with its iconic slogan of “Just Do It” and its trademark “swoosh” that is present on every Nike product. It was founded in 1964 by Phil Knight and Bill Bowerman under the name ‘Blue Ribbon Sports’. 7 years later, it cut ties with their partner company Onitsuka Tigers and became known as Nike, Inc. Onitsuka Tigers since became the brand that everyone knows today, Asics. Nike did not gain recognition until 1984, until when they signed basketball prodigy Michael Jordan and launched the Air Jordan line of shoes (Mayer and Rodini, 2024). In 2021, Nike, Inc. dominated 58% of the global athletic footwear market’s revenue (Yan et. al, 2022). Nike’s revenue has seen considerable growth this century. In 2005, the company made just over 13.5 billion USD in revenue. However, in 2023, this revenue was nearly four times as much, standing at 51.2 billion USD in revenue worldwide. In 2023, Nike has global footwear sales of about 33 billion USD, amounting to 68% of its total revenues (Statista, 2024).

Nike’s success in the market is a combination of its continued product innovation and marketing savvy to develop an emotional and deep connection between its products and its customers (Carlson, 2024). This started off by having an iconic slogan “Just Do it”. This message echoed all around the world as it highlights the hard work and dedication that athletes today show. That was not the end. The phrases “There Is No Finish Line” and “Play Hard” highlight the brand mentality while motivating people to give their best in both sports and life (“How Nike Became the Leading Force...”, 2023). Its use of experiential ads which show stories of ordinary individuals achieving greatness has shown to connect with its target audiences.

Nike is also committed to giving its customers an unforgettable retail experience. Customers can design and customise their own shoes on their app and online, Nike stores have dedicated spaces for play and some select stores in Europe and North America use augmented reality (AR) to transform the fitting experiences. Their collaborations with notable athletes (Serena Williams, Michael Jordan etc. ), musicians (Kanye West and Travis Scott etc.) and designers (Dior etc.) are one of many defining features of Nike’s successful marketing campaign to make them stand out among competitors in the market. Another hallmark of Nike’s marketing campaign is diversity. They have

made advertising campaigns with people from all different walks of life and according to Adobe research from May 2020, US adults deemed Nike as one of the brands with most advertising diversity (“Nike leads consumer brands for diversity in advertising”, 2020). Nike has also made great strides in promoting sustainability across their supply chain and reducing its impact on the environment. As of 2020, 100% of the cotton Nike uses across its products is certified recycled or organic, through the Better Cotton Initiative (BCI) (Nike, 2024). The polyester is made from recycled plastic bottles and Nike’s new recycled nylon yarn reduces their carbon emissions by up to 50% compared to virgin nylon. Nike has also started to put a ‘Sustainable Materials’ sticker on products that are made of at least 20% recycled materials (Nike, 2022).

### **1.3 Sports in India**

A study published in 2010 by the Indian Council for Research on International Economic Relations highlighted that the sports retail segment in India was small, estimating around 3% of the total Indian retail market (Mukherjee et. al, 2010). This is attributed to the fact that India is still very much an education-oriented society and that sports is seen as a means of distraction. However, things have changed. The Indian GDP grew at a staggering rate of 7.2% in 2022 and in April 2023, India overtook China as the world’s most populous country (Hertog, 2023). Young people (under the age of 35), who make up 66% of the total population, are keen on exercise and living a healthier lifestyle. The Indian sports sector is set to reach a total market volume of more than \$100 billion by 2027 - 4 times as much as it was in 2020 (Heinrich, 2024).

Cricket is not seen as just a sport in India, it is embedded in the country’s culture. Cricket accounted for nearly 88% of national spending on sport in India in 2021 (Heinrich, 2024). Kids on the streets of every city in India can be seen with a bat in their hand and sporting a jersey of their cricketing idols. Its dominance is also shown in the sports market. However, this seems to be changing. New sports and new stars are coming to the forefront. Sunil Chettri in Football, P.V. Sindhu in Badminton and Neeraj Chopra are just examples of non-cricket athletes who have come to the forefront in the recent years.

Furthermore, the advent of the digital age has brought global sports to the screens of Indian consumers, especially the tech savvy Gen Z. Players from the EPL, Formula 1 and tennis grand slams have fans in India because they are easily visible on TV and digital mediums for the Indian audience to see (India - a sleeping giant for sports brands and organisations, 2023). Football

has been on the rise in India. FIFA hosted the first ever international tournament in India in the form of the U-17 World Cup in 2017 and in recent years, fan clubs of popular European teams have emerged in cities such as New Delhi, Bangalore and Mumbai (Khan, 2023).

#### **1.4 Research Problem**

More Indians than ever are involving themselves in sports and exercise. The sporting market, although still dominated by cricket, is growing as more people become interested in sports such as badminton, tennis, athletics and especially football. With Nike being predominantly associated with football and its popularity in India increasing, it presents a huge potential for Nike to gain the trust and loyalty of millions of Indians. However, it will take some more time for the Indian mindset of seeing sports as a distraction to completely go away. Youth in parts of India are still very much focused on the hard sciences and seldom think about playing or even watching sports.

Nike sneakers can be seen on even people who are not sports fanatics. With disposable income in India increasing at a rate of 13.3% in the last year (“Data correction: India's per capita disposable income..”, 2024), where is the Indian youth going to purchase their apparel? Sports fan are likely to perceive a sports brand such as Nike differently than someone who does not partake in sports as much. What differentiating characteristics do sports fans look at when determining loyalty to a sports brand compared to non-fans? This thesis will focus on the youth of India and what they value in a sports brands in terms of brand credibility, what differences are there between sports fans and non fans and how this affects their brand loyalty and perceived quality

#### **1.5 Research Question and Sub-Questions**

It will be crucial for Nike to understand the behavioural differences among sports fans and non-fans in India. This way, they can adapt their marketing techniques to different segments. Thus, the research question that this thesis will aim to answer is

*How do Indian Gen Z sports fans and non-fans perceive brand credibility differently among sports brands and how does this impact the perceived quality and brand loyalty?*

To answer this question, it is important to break down it into sub-questions. Answering these sub-questions would lead to a better understanding of these topics individually and then finally discuss them together. The subquestions would be:



1. *How is Gen Z in India different than other generations?*
2. *What is brand credibility and how to measure it?*
3. *What are perceived quality and brand loyalty and how to measure them?*
4. *Which aspect of brand credibility is most important for sports fans?*
5. *Which aspect of brand credibility is most important for non fans?*
6. *To what extent does brand credibility affect perceived quality and brand loyalty?*
7. *How can Nike change its marketing to address these differences?*

### **1.6 Relevance**

This research could be useful to multiple different stakeholders in the industry that could use insights in both the academic and corporate environment. Firstly, there is a gap in the academic literature that does not address topics that are going to be explored in this thesis. There are several articles that address brand credibility. Erdem and Swait (2004) explore the concept of brand credibility in 6 product classes: athletic shoes, cellular telecommunications services, juice, personal computers, headache medication and hair shampoo. Sweeney and Swait (2008) explore the effect of brand credibility on brand satisfaction, loyalty commitment and continuous commitment in the retail banking and long distance telephone services. Wang and Yang (2008) explored the same topic in the Chinese automobile industry. However, all the aforementioned articles do not focus on a specific age range and not on the sports industry. These papers also focus more on commitment with the brand rather than on perceived quality and brand loyalty, which is the focus on this thesis. Azadi, Yosefi & Eydi (2015) applied Sweeney and Swait's Model for Sports Brands in Iran. They examined the effects of brand credibility on customer loyalty among sports brands.

However, it does not focus on individual aspects of brand credibility and focuses on the Iranian population, which is demographically and economically different than the target population of this thesis, India. It also does not go into depth when discussing the results and leaves room for discussion. Akoglu and Özbek (2021) studied the affect of brand experiences on brand loyalty through perceived quality and brand trust among sports consumers. This study is very similar to the objective of this thesis since it focuses on perceived quality and brand loyalty. It also devises survey questions to measure the two variables that will be an inspiration for this thesis as well. However, this study does not focus on a specific brand and while using important variables like brand experiences and brand trust, does not factor in brand credibility. Furthermore, none of the

aforementioned studies perform a comparative analysis between two different groups of consumers, which is the primary focus of this paper. Overall, while academic literature in the past has provided groundbreaking insights on the topics of brand credibility among sports consumers, this thesis will aim to further the study by performing a comparative analysis between sports fans and no fans within the Indian Gen Z demographic.

Secondly, this thesis will be relevant for consumers of Nike (both sports fans and non-fans alike). It is important for consumers that the brand is reliable and credible. Brand credibility becomes an important factor for consumers when choosing which brand's products to purchase. Sports fans and non-fans might also have a different outlook on the way they see a sports brand such as Nike. Thus, if this thesis accomplishes in differentiating how they see a brand, they will be conscious when purchasing products and looking out for a specific aspect in the brand's marketing tactics. Finally, this is also relevant for Nike as a company. Marketing involves STP (Segmenting, Targeting, Positioning). Each company tries to segment consumers into different segments and does research to target them in a way that would make appeal to that segment. This thesis could assist Nike in identifying what aspect is more relevant for Indian sports fans compared to non-fans and thus, it could target them in a different way. For example, if non-fans value the brand's attractiveness more than trustworthiness, Nike could do research in how to make the brand look more attractive in terms of appearance and appeal for non-fans such that they buy Nike products.

### **1.7 Research Limitations and Ethical Issues**

This research, much like any other, will face some limitation and ethical issues during data collection and discussion. Firstly, the diversity and size of the sample could be a limiting factor when collecting data. Gathering a representative sample of Gen-Z Indians from different cultural, socio-economic, political and geographical background would be challenging and ultimately might not represent the entire Gen-Z demographic within India. There is a wide spectrum of geographic and socio-economic backgrounds within India and this diversity is important to generalise findings across the entire country. Snowball sampling would be the primary method of data collection since the survey would be sent out to my network and then encourage them to sent it out to theirs, and so on. This way I hope to gather a lot of data, however this would once again affect the diversity. This could result in sample selection bias and the number of responses would need to be very high to reduce this bias.

There is also the possibility of response bias. Often consumers do not give accurate answers when being asked about their personal preferences and consumption behaviour. Participants might provide answers that they think are “expected” rather than answering truthfully. Since this research is being conducted from the Netherlands, data collection would rely upon social media and connections in India. The reliance on social media would be a limitation for this research since that is the only way to access data among the Indian populous from the Netherlands. The scope of the study is also the Gen Z demographic in India. While this age group is one of the biggest in the country, this research would not be relevant for other age groups and thus based on the findings of this study, a more comprehensive study would need to be conducted to understand the characteristics of the rest of the populous.

Ethically, the biggest issue that this thesis would encounter would be privacy and confidentiality issues. It is imperative that all respondents’ information is safe and handled in a responsible way. This is to ensure that identifiable information does not leave the confines of this study and fall into the public domain. As a researcher, it is important to prevent the misuse of individuals’ data. It is also important to inform the participants about the purpose of this study so they know what they are getting into. Thus, it is important to declare the purpose of this study at the start of the survey and that the respondents can choose to exit the study whenever they so choose. Lastly, since this thesis focuses on a specific demographic, it is important to be culturally sensitive to the demographic. It would be essential to be mindful about cultural norms, refrain from making any political statements and overall mentioning anything that could offend the respondents.

## **1.8 Structure**

*Chapter 1: Introduction* - This chapter would be the introduction to the market environment, the central research question and sub questions. It will also discuss the relevance of this study and the possible research and ethical limitations that might arise during the course of this study.

*Chapter 2: Literature Review* - This chapter would aim to define all the important concepts that will be the focus of this thesis. It will draw on pre-existing knowledge from academic articles and research papers and thus formulate its own definitions for the paper. This is also where the hypothesis and conceptual research model will be formed.

*Chapter 3: Methodology* - The methods of data collection, analysing softwares and methodology would be discussed here.

*Chapter 4: Results* - The results from the surveys collected would be discussed here. This includes all data that would be necessary in answering the hypothesis.

*Chapter 5: Discussion* - This is where the hypothesis will be answered and further research possibilities and recommendations will be discussed.

## **2. Literature Review**

### **2.1 Gen Z in India**

There is no agreement on when Millennials end and Gen Zers begin. Most demographers classify Generation Z from early-to mid 1990s to mid 2000s (Fromm and Read, 2018). Among the many generations that have come and gone, Generation Z, also called Post-Millennials, are the first generation to never know the world without internet (Katz et. al, 2021). Consequently, they are the first generation to have grown up in a world full of data, with all information available at their fingertips and infinite connectivity in the digital age. Gen Zers are informed about developments in all aspects of society and happen to be early adopters of technology (Rue, 2018). In addition to their familiarity with technology, Gen Z have also grown up in an era of unprecedented peace. While incidents like 9/11 are very much fresh in the minds of Millennials, most Gen Zers cannot recall the tragedy (Fromm and Read, 2018).

When talking about technology, the one country that comes to mind in recent times is India. It has slowly become a hub for technology and research shows that the digital transformation in India contributes a staggering \$154 bln to India's GDP (Hameed et. al, 2020). There are approximately 472 million Gen Z people in India, around 20% of the Global Gen Z. India is the country with the largest number of young people, including Gen Z, in the world. The Indian Gen Z generation is conscious about their consumption habits, lifestyle and social image. They also place huge emphasis on sustainability and being environmentally conscious (Hameed et. al, 2020). A 2021 Millennial Survey shows that during the pandemic, environment remained the number 1 priority for Gen Z in India. At the same, they also have a positive view on businesses, as 67% of Indian Gen-Z agree with the statement that "business has a very or fairly positive impact on society" (Deloitte, 2021). For brands, Gen Z in India is a huge consumer base and adapting to their expectation could be the key to gaining the loyalty of 472 million people (Hameed et. al, 2020).

## **2.2 Brand**

While being present in the business sphere for centuries, a common understanding cannot be made among the brand experts (Maurya, 2012). The American Marketing Association (1960) define brand as “a name, term, design, symbol, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors”. While the AMA defines the brand as a logo, another way to define it is that “brand is a consumers idea of a product” (Pitcher, 1985). Keeble (1991) says that “a brand becomes a brand as soon as it comes in contact with consumer”. Brand can also be defined as a personality as “symbolic personality that user value beyond functional utility” (Alt and Griggs, 1988; Blackston, 1992; Arnold, 1992; Goodyear, 1993). For the purpose of this research, the definition of brand as given by the AMA will be used while also acknowledging the fact that brand is defined by the consumer’s perception of it.

## **2.3. Brand Credibility**

### **2.3.1 What is Brand Credibility**

Credibility is defined as the “believability of an entity’s intentions at a particular time and is posited to have two main components: trustworthiness and expertiness” (Erdem and Swait, 2004). Thus, consumers must trust that brands have the ability (expertise) and willingness (trustworthiness) to give the consumers what was promised to them. The brand credibility has been shown to be higher for brands with higher marketing mix consistency and higher brand investments (Erden and Swait, 1998). This goes on to show that brands who are transparent and focus a lot on marketing, involving consumers, tend to establish their brand equity and credibility in the minds of the consumer. This leads to loyalty and repeat of purchase intentions. Consumers also like brands who are transparent, share information about the brand and reduce unnecessary risks for consumers.

Erden and Swait (1998) show that expected utility decreases with perceives risk and information costs, all the while increasing with perceives quality. Sweeney and Swait (2008) showed empirical evidence of the effect of brand credibility on consumer behaviour in the context of retail banking and long-distance telephone services. The study found a positive relationship between brand credibility and consumer satisfaction. It also showed a positive relationship between brand credibility and loyalty and continuous commitment, which are the emotional attachment to the brand and the rational decision to continue purchasing products from the brand. The study also showed that customers who perceive a brand as credible are likely to engage in word-of-mouth

(WOM) recommendations and less likely to switch to a competitor brand (Sweeney and Swait, 2008).

While Erdem and Swait only focused on 2 components that establish brand credibility, brand credibility is widely regarded to consist of three components: trustworthiness, expertise and attractiveness. Wang and Scheinbaum (2018) explored which of these three components are the most important when it comes to celebrity endorsements. Celebrities, in today's world, are treated as brands themselves and they use the three components to exude credibility and establish customer loyalty. Attractiveness entails one's physical outward appearance (Wang and Scheinbaum, 2018). It has been found to be a function of how similar, familiar, and likeable someone is (McGuire, 1969). Similarity is the perceived resemblance between the brand and the consumer, familiarity is the consumer's knowledge about the brand and likability is the liking towards the brand the consumer feels due to the qualification, outward appearance and conduct of the brand (McGuire, 1969). For the purpose of the research, the three components, namely: trustworthiness, expertise and attractiveness, will be used to define and measure brand credibility.

Source credibility theory is an important theory that addresses the same 3 components as brand credibility. The theory suggests that the persuasiveness of a message largely depends on the perceived credibility of the source. It was originally proposed by Hovland, Janis and Kelley (1953), who underlined two dimensions of source credibility: attractiveness and trustworthiness. They demonstrated that messages from sources that are perceived to be an expert or trustworthy are more likely to be accepted by audiences. McCroskey (1966) conducted subsequent research on the topic and introduced the third primary component of source credibility: attractiveness. In the field of marketing, source credibility theory is largely applied to celebrity endorsers. Baker and Churchill (1977) and Friedman and Friedman (1976) looked into the role of celebrity endorsers as the "source" which is used to deliver messages to consumers. Their research highlighted that credible celebrity endorsers can enhance attitudes towards brand and improve purchase intentions.

### **2.3.2 How to Measure Brand Credibility**

There is no direct way of measuring each of the 3 aforementioned aspects of brand credibility. Thus, they can be made measurable by devising statements that respondents will score on a likert scale. Each of the aspects are measured using 4-6 statements. Existing literature has provided a framework for measuring the three components in various different ways. Existing literature has also used the

same framework to measure brand credibility as a whole, instead of dividing it into components. Sweeney and Swait (2008) use seven items to measure brand credibility in its entirety. Do and Ngo (2019) investigated the effect of brand credibility on positive word-of-mouth. Using the framework designed by Erdem and Swait (2004), the researchers measured trustworthiness with five statements and expertise using two statements. These statements referred to the general brand environment instead of a specific subsection, thus these statements can be replicated for studies across various fields.

While the source credibility model has predominantly been used in the field of celebrity endorsers, academic research on the topic can be fit to the realm of brand credibility. Ohanian (1990) developed a standardised scale to measure the consumers' perceived level of trustworthiness, expertise and attractiveness. The author conducted a comprehensive review of the literature to identify 182 adjectives of trustworthiness, expertise and attractiveness combined. Conducting exploratory research by asking college students for their sense of familiarity with these adjectives and celebrity endorsers, the list of items was narrowed down. Two versions of the same questionnaire was developed and upon conducting exploratory factor analysis (EFA), a final scale of 15 items was devised, with 5 items each for the dimensions of expertise, trustworthiness and attractiveness. This scale has become a valuable tool for academics and researchers in the field of marketing for measuring source and brand credibility. Multiple papers have taken inspiration from Ohanian (1990) to measure the impact of celebrity endorsers on consumer attitudes and behaviour.

Wang and Scheinbaum (2017) conducted a study where they analysed trustworthiness, attractiveness and expertise concerning celebrity endorsers. They found that trustworthy celebrity endorsers are important in advertising for both high and low involvement consumers. In their surveys, they asked respondents to answer four statements for each of the three components and then used the answers from that to analyse which of the three components played the biggest role among consumer perception towards celebrity endorsers. Wang and Scheinbaum (2017) took inspiration from McCracken (1989) and Ohanian (1990) as their scale source and devised measuring statements. The statements are also created in a way to include the context of the study (celebrity endorsers) within the measuring items. The researchers also make use of Erdem and Swait (2004) design and use seven items for measuring brand credibility. The research of Wang and Scheinbaum (2017), leads us to the first hypothesis:

*H1: Trustworthiness is more important for consumers than expertise and attractiveness*

Sports fans are likely to look at the expertise of Nike in developing sports apparel. On the other hand, non-fans are likely to value the aesthetic appeal and “trendiness” of the brand. Thus, this leads to the second and third hypothesis:

*H2: Sports fans value expertise over attractiveness*

*H3: Non-fans value attractiveness over expertise*

## **2.4. Perceived Quality**

### **2.4.1 What is Perceived Quality?**

Consumers tend to form a mental image about a brand and/or its products before making the purchase. Perceived quality is defined as the consumers’ judgement about an entity’s overall excellence or superiority. It does not include an objective component and is based on the expectations of performance of the service (Rowley, 1998, as cited in, Snoj, Pisnik & Mumel, 2004). A number of other definitions of perceived quality have been devised in existing literature. One such definition defines perceived quality as “consumer’s judgement about the product’s conformance to specification (Herbig & O’Hara, 1994, as cited in, Bhuian, 1997). Another definition mentions that perceived quality is the consumer’s evaluation about the product’s capability to add value ((Parasuraman, Zeithaml, & Berry, 1988).

Research has shown that perceived quality can influence various desirable organisational outcomes for brands such as customer satisfaction and purchase intention (Bhuian, 1997). This makes it essential for brands to understand consumers’ perception of quality. This way they can aim to target their efforts towards factors that are important to consumers. Thus, perceived quality is a useful tool for brands to effectively manage their brand reputation among its target consumer base.

### **2.4.2 How to Measure Perceived Quality?**

Just as brand credibility, perceived quality cannot be measured directly. In existing academic literature in the domain of marketing and consumer behaviour, service quality has been used as a determinant to measure perceived quality. Existing academic literature studying the effects of perceived quality in the market environment have devised items which act as a proxy in measuring perceived quality. Exploratory research conducted by Parasuraman, Zeithaml, and Berry (1985)



revealed that consumers use 10 potentially overlapping dimensions when gauging the service quality of a brand. Later, Parasuraman, Zeithaml, and Berry (1988) used the definitions to derive a service-quality SERVQUAL scale. They originally generated 97 items across these dimensions and refined them through scale purification to 22 items scored on a 7-point scale.

Out of the 10 originally identified dimensions, only 5 remained distinct upon purification and the rest collapsed into 2 dimensions that consisted of items from several of the original five dimensions (Parasuraman, Zeithaml & Berry, 1988). The five dimensions that showed to have a distinct effect were tangibles, reliability, responsiveness, assurance and empathy. This instrumental method is widely regarded as one of the methods to measure perceived quality through measuring the five dimensions. Gotlieb, Grewal & Brown (1994) explore the measurement of perceived quality using a performance-based scale adapted from the SERVQUAL instrument developed by Parasuraman, Zeithaml & Berry (1988). The scale used in this research was a performance-based scale where the authors devised two items for each of the five elements suggested by the SERVQUAL scale.

While the SERVQUAL scale was the first major scale devised to measure perceived quality, it did not come without criticisms. The model proposed by Parasuraman, Zeithaml & Berry (1988) is based on an expectation-performance model, where the consumers are asked about their expectation of the service being provided and then their actual perception of the performance. Coulthard (2004) pointed out a number of shortcomings in the methodology of this model. Due to its dual-scale methodology to measure both expectations and performance, it increases response burden and could lead to measurement due to response fatigue (Carman, 1990 as cited in Coulthard, 2004). Respondents complained that the scale was too long and cumbersome, which could inevitably lead to biased and non-accurate results.

To counteract this, Cronin and Taylor (1992) developed the SERVPREF scale. This scale only asks the consumer's perceptions of the actual service performance, not the expectations they have from the service. Research has suggested that the SERVPREF scale might have better predictive power and validity due to the fact that it focuses only on actual experience rather than hypothesising scenarios. This also reduced response time which reduces measurement bias. Another issue with the SERVQUAL is that it only focuses on the aforementioned five dimensions. Replication studies have failed to replicate the 5 dimensional structure used to come up with the scale. Academic literature

since has found a larger number of dimensions and addressed the multi faceted nature of some services (Carman, 1990 as cited in Coulthard, 2004).

Despite these shortcomings, Bhuian (1997) use six items to measure perceived quality which are modified from the study of Parasuraman et. al (1988) and Gotlieb, Grewal & Brown (1994). These items try to capture all the various dimensions of attitude (i.e. affective, cognitive and behavioural), with a particular emphasis on the behavioural dimension to observe differences in consumer's purchase patterns. Narang (2008) used the SERVQUAL scale to measure perceived quality of health care services in India. Originally designed to measure service quality in service industries, literature has expanded and adapted to various contexts, including retail and product based sectors. Each of these studies have contributed to a nuanced understanding of perceived quality. One of the dimensions used to measure perceived quality is reliability, which relates to the dimension of "trustworthiness" in brand credibility. This results in the fourth hypothesis:

*H4: Nike's perceived level of trustworthiness positively influences perceived quality*

## **2.5. Brand Loyalty**

### **2.5.1 What is Brand Loyalty?**

Loyalty is defined as repeated purchases of a particular brands' services or products over a period of time (Yi and Jeon, 2003). Jacoby and Chestnut (1978) came up with a conceptual definition of brand loyalty that has enjoyed widespread support in the marketing literature and covers the most important aspects of it (Mellens, DeKimpe and Steenkamp, 1996). According to their definition, brand loyalty is *"The a) biased, b) behavioural response, c) expressed over time, d) by some decision making unit, e) with respect to one or more alternative brands out of a set of such brands, and f) is a function of psychological (decision-making, evaluative) processes"* (Jacoby and Chestnut, 1978, p.80, as cited in Mellens, DeKimpe and Steenkamp, 1996).

A biased behavioural response means that there has to be a willingness and "systematic tendency" to buy products of a brand or a group of brands. A one-off bias towards a brand (accidental purchase) does not guarantee loyalty for a brand. The action of a consumer must be repeated over certain time span to classify the customer as "loyal" towards the brand. The "decision-making unit" referred to in the definition may be an individual, a group of individuals (family, friends, households), or a firm. It is also important that customers have a set of brands that they are subjects and based on their preferences and other factors, choose to select one or more brands. It also implies

that in order to have brand loyalty, there should be an opportunity for the consumer to choose from alternative brands. According to Jacoby and Chestnut (1978), brands are chosen in line with consumers' internal criteria which results in a commitment towards the brand. This is an essential element of brand loyalty.

Oliver (1997) argues that consumers can become "loyal" at each attitudinal stage attitude development structure. The author suggests that consumers first get loyal at a cognitive stage. In this stage, there is enough brand information available to the consumer which forms a personal belief that one brand is preferable compared to others. Cognition is based on prior consumer knowledge or information gathered through experiences. The consumer is then said to become loyal in an affective and conative sense. At this stage, loyalty is based on feelings (affective loyalty) and experience with the brand is the cause of satisfaction and overall positive emotions. In the conative stage, the consumer has an intention to rebuy products and services of the brand based on positive past experiences. Finally, the consumer becomes loyal in a behavioural manner, which can be termed as "action inertia" (Oliver, 1997). In this final stage, the intention to repurchase materialises and transforms into readiness to act. These psychological definitions of loyalty proposed by existing academic literature has laid the groundwork for further marketing research in the topic.

### **2.5.2 How to Measure Brand Loyalty?**

Mellens, DeKimpe and Steenkamp (1996) published a paper outlining various different ways of measuring brand loyalty in their paper "A Review of Brand-Loyalty Measures in Marketing". They narrowed down the research into four main categories of measurement, namely: brand-oriented attitudinal measure, individual-oriented attitudinal measures, brand-oriented behavioural measures and finally individual-oriented behavioural measures.

Brand-oriented attitudinal measures preferences and commitment. Some researchers have used stated preferences to derive the percentage of people preferring the brand since a loyal customer is likely to prefer a certain brand. This included asking individuals "Which brand do you prefer?" (Guest, 1942). This is, however, a weak indicator of both actual behaviour and any underlying loyalty. To measure commitment, several methodologies and measurements were conducted which include direct rating of brands (Traylor, 1981) and indirectly using the concept of Net Promoter Score (Aaker, 1991). Individual-oriented attitudinal can be split into "1) measures which define

brand loyalty within a specific product category, and 2) those which specify brand loyalty as a general characteristic of the individual”.

In the first one, literature suggests that an individual’s attitude and perception towards a brand ranges from acceptable to absolutely acceptance. Consumers are introduced to a set of brand and asked to rank them on a spectrum from acceptable to unacceptable, with neutral in the middle. The more extreme their placement on either of the two sides, the stronger their preference. Brand loyalty can either be measured by using the number of brands in the acceptable part of the spectrum or the average distance between acceptance and rejection part of the spectrum. For the latter, brand loyalty is estimated using various statements regarding personal, individual behaviour rather than specific brands. Raju (1980) used statements such as “If I like the brand, I rarely switch to another brands”. These statements can be ranked from “strongly disagree” to “strongly agree”. This can be used as an indicator of the individuals’ brand-loyalty.

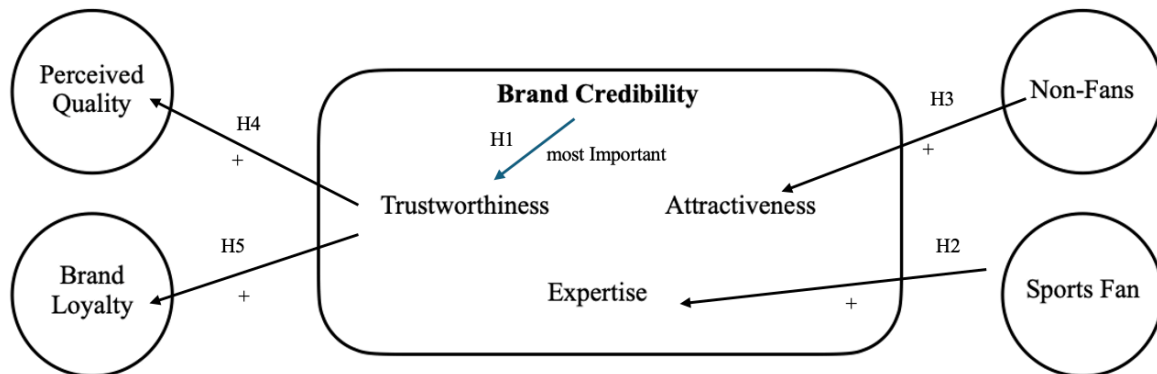
Moving onto the behavioural measures, which define the concept of brand loyalty in terms of the actual purchases of consumers observed over a period of time. While the brand-oriented behavioural measures are quantified in nature and complex to measure, individual oriented measures are comparatively simpler for a bachelor thesis level and more prominently used. This can be divided into two main categories: proportion-of-purchase and sequence-of-purchase measures. The first method assumes that if an individual is brand loyal, the brand they are loyal accounts for a high proportion of their total purchases in the specific product category. Cunningham (1956) devised the market share criterion where he calculated the market share of brands within a household. This way, an individual is considered to be brand loyal if the brand purchased most often has a market share higher than an established threshold. The latter method simply attributes an individual’s purchase sequence as them being brand loyal. Tucker (1964) and McConnell (1968) utilised the “three in a row criterion”. According to this, an individual is said to be brand loyal if they purchase a specific brand three consecutive times.

For the purpose of this research, I will be using the measures which specify brand loyalty as a general characteristic of an individual. This methodology has been used by Öztürk and Onurlubaş (2020) to measure brand loyalty, among other factors, in the Turkish apparel industry. The authors encompass both emotional and behavioural dimensions and devise five statements to measure brand loyalty. Experience with the brand plays a huge role in consumer’s decision to continue with the

brand and the more trustworthy the brand is, the higher the chance of consumers developing a connection with the brand. Thus, this leads to the final hypothesis:

*H5: Nike's perceived level of trustworthiness positively influences brand loyalty*

## 2.6 Conceptual Research Model



## 3. Research Methodology

### 3.1 Quantitative Research

Academic and scientific choose from two types of research methods: quantitative and qualitative. Research conducted on topics similar to the one of this thesis have consistently made use of the quantitative approach. Bryman (2012) defined quantitative research as a “research strategy that emphasises quantification in the collection and analysis of data...” (Rahman, 2020). Utilising quantitative research methodologies offers several advantages. Firstly, research findings obtained using the quantitative method can be generalised to a larger population. It is impossible to study an entire population and thus researchers collect data from a subset, or “sample” of the population. It is important to select a sample that represents the population. According to Carr (1994), if done correctly, the generalizability power of quantitative research to a larger population is extremely high. Quantitative data can also be used efficiently for data analysis. Advanced analytical tools like SPSS, STATA and Excel reduce the time needed to analyse data in quantitative study compared to qualitative. They allow for precise analysis of data and reduce errors which positively affects the end results of the paper.

The aim of this thesis is to understand which factors are the most important for consumers when it comes to sports apparel brands. Research done on the past has already done significant work in this field and now this thesis aims to confirm hypothesis based on prior academic literature. The method of data collection for this thesis would be a survey and thus data will be collected from a “sample” of the Indian population. To provide accurate managerial implications, the findings need to be applicable to the general population, which is a significant strength of the quantitative method. Academic literature in the past on similar topics has also utilised the quantitative method and thus it is a trusted way of measuring brand credibility, perceived quality and brand loyalty.

### **3.1.2 Method of Data Collection**

While there are a myriad ways of collecting quantitative data, this thesis uses a survey to collect data. There are several reasons why researchers and academics rate surveys very highly in the realm of quantitative data collection. Firstly, surveys are an efficient way of collecting data. Surveys can be designed relatively quickly and distributed easily. With the advent of social media in recent times, distributing surveys through mediums like WhatsApp and Instagram allows the researcher to reach more people than they would have if physical surveys were distributed. Connolly (2007) discussed that surveys conducted online offer a fast means of gathering data from a number of respondents. It is also easy to make surveys since there are a lot of online tools that allow you to make and review the quality of surveys. Secondly, the structured nature of surveys ensures consistency and uniformity in data analysis. All respondents are faced with the same questions and the order of the questions can be randomised or not at the discretion of the researcher. Surveys also typically consist of standardised questions (Likert Scale, Ranking Attributes, Conjoint Analysis) which makes it easy to compare responses and analyse the data accordingly. For this thesis in particular, respondents will indicate how strongly they feel about a particular aspect or variable which will be measured using the Likert Scale.

Qualtrics was used to create the survey. This online tool specialising in creating and distributing surveys. Results can be imported easily and having experience with the software, this was the obvious choice. Qualtrics also allows the researcher to randomise questions, have a variety of question types and allows you see responses in progress along with responses complete.

### **3.1.3 Pilot Test**

To ensure that there were no errors in the survey and that the respondents understood the questions correctly, the survey was given to three respondents for a “test” response before being distributed to a larger audience. These respondents met the criteria needed to part to be a part of this research. They were asked to study the survey a little more carefully and then provide feedback based on their experience with the survey. One of them suggested a few changes in the introduction page to make it easier for the respondent to read.

Another respondent suggested using a different approach and/or questions to measure “expertise” since the initial questions were not too relevant for consumers, rather for Nike workers and internal staff. The items used were phrased differently which were easier for the respondents to gauge. A couple of spelling mistakes were also pointed out. After making the suggested improvements, the feedback was positive. Respondents understood the questions well and reported that the survey takes between 5-6 minutes to complete. The pilot test ended on 7th June 2024 and the survey was distributed to a larger audience on 8th June 2024.

### **3.2 Survey Methodology**

The survey was created in English which is the formal language of business in India. The survey follows a very basic structure. Respondents are first asked their age, gender and whether or not they are Indian/of Indian ethnicity. These demographic questions makes sure that the respondents meet the requirements to be a part of this thesis. These factors are also used as control variables for the entirety of this thesis. Moving on, the respondents are asked three questions that relate to their involvement with sports. These three questions are scored on a 5-point Likert Scale. If the average of the these three is more than 3.5/5, the respondent can be classified as a sports fan. Otherwise, they will be classified as a non-fan. There was no prior framework in academic literature that referred to classification of sports fans and non fans thus these statements were self generated in discussion with the supervisor. The respondents are also asked about their favourite sport and how familiar they are with Nike’s products and marketing strategies.

Subsequently, the three components of brand credibility, namely trustworthiness, expertise and attractiveness are measured. 5 statements were shown per component where the respondent scores it on a 5-point Liker Scale from (1) Strongly Disagree to (2) Strongly Agree. The statement were devised using the Source Credibility Scale developed by Ohanian (1990). Ohanian (1990) used confirmatory factor analysis to identify 5 items each that can be used to measure each of the three

components. While the scale was developed to measure source credibility of a particular individual, the statements have been tweaked to measure brand credibility. There is one statement per item identified in the scale. Inspiration for some of the items was also taken from the research conducted by Wang and Scheinbaum (2017).

The SERVQUAL scale created by Parasuraman, Zeithaml & Berry (1988) was adapted to perceived quality. The five dimensions that stood out in the research were tangibles, reliability, responsiveness, assurance and empathy. While the statements used by the researchers were not directly applicable, they were used as inspiration and one item was generated per dimension, resulting in five items to measure perceived quality. Finally, measures which specify brand loyalty as a general characteristic individuals were used to measure brand loyalty. Three statements from research conducted by Öztürk and Onurlubaş (2020) in the Turkish apparel industry were chosen. Special attention was given to the length of the survey as having a very lengthy survey reduces the probability of respondents giving honest answers and increases the likelihood of response bias. It was also important to use a neutral Likert Scale so as to not lead the respondents in a particular direction.

### **3.2.1 Research sample**

This is a study targeted towards a specific population and thus there were a number of requirements that the respondent had to meet to be considered for this thesis. Firstly, since the survey aims to understand the market environment in India, the respondents have to be Indian. Conducting this survey from the Netherlands, it is difficult to find a lot of Indians living in India through convenience sampling and people of Indian origin living outside India were also considered. However, anyone not from India was excluded from the survey. Secondly, the research focuses on Gen-Z population of India. Thus, the respondents need to be between the age of 18 and 27 and any respondents outside this range were also excluded from the survey.

To allow for ample time to gather a significant number of data points, the data collection period lasted ten days. Snowball sampling and convenience sampling were used to disseminate the survey. These are both non-probability sampling methods. Convenience sampling is when the researcher sends out the surveys among an audience familiar to them and snowball sampling is when this audience passes it on to more people, and so on. 185 people filled out the survey over this period of time. Out of the 185, 33 responses did not meet the criteria to be included in this research. They



were either incomplete, in the fact that one or more questions were unanswered or the respondents were not of Indian origin, or both. The final sample analysed in this survey was 152 respondents.

### **3.3 Method of Data Analysis**

The platform used to analyse the survey responses was SPSS. SPSS is short for Statistical Package for Social Sciences and is a tool developed by IBM that is used by researchers and academicians for complex data analysis. It was specifically designed for data pertaining to the social sciences and thus is a great platform to use for this thesis. Firstly, the descriptive statistics were obtained. Following that, further data analysis was carried out on the data. Cronbach's Alpha was used to measure the internal consistency for the survey items. This method helps determine if all the items used to measure the same concept (eg. trustworthiness, attractiveness and expertise) consistently reflect the concept that they are aiming to measure. It compares the covariance among the items. A high Cronbach's Alpha suggests that the items have internal consistency and in fact succeed in measuring the same underlying construct.

To validate the structure of the survey and refining the survey items, factor analysis was used to determine which items measure the same thing. It identifies clusters or groups of related items to retain as much initial variance as possible. The rotated coefficient were used to determine the results of factor analysis. Oblique rotation assumes that the factors (in this case the survey items) are correlated while orthogonal assumes independence among the factors. Rotation allows for a more interpretable structure. Having devised the statements using proven academic literature, the statements are assumed to be correlated and thus the oblique rotation was used.

To make the linear regression easier, a component score was calculated for each of the following: sports fan/non sports fan, trustworthiness, attractiveness, expertise, perceived quality and brand loyalty. This was done by measuring the score indicated by the respondent on the 5 point Likert Scale and dividing it by the number of items used to measure the concept. For the first hypothesis, the highest of the three average scores of the three components, namely trustworthiness, attractiveness and expertise, would be considered to measure whether or not trustworthiness is the most important factor among the three used to measure brand credibility. If the highest score is a two or a three way tie between the components, they would all be counted. For hypothesis 2 and 3, a multivariate ANOVA, or MANOVA, test was conducted on SPSS. This model is used to check if there is a significant difference between attractiveness and expertise for sports fans and non-fans.

For hypothesis 4 and 5, a simple linear regression is used to measure if there is a positive relationship between trustworthiness and brand loyalty and perceived quality. Significance level of 5% ( $p = 0.05$ ) is used for both the multivariate ANOVA and the linear regression.

## 4. Results and Findings

### 4.1 Descriptive Statistics

Out of the 152 people who completed the survey, 48.7% (74 respondents) identified as male and 51.3% (78 respondents) identified as female. The average age of a respondent who completed the survey was 22.36. Since the survey was distributed predominantly to university students due to convenience sampling, this result is expected. Finally, 100% of the sample indicated that they are of Indian origin. Using the methodology as discussed previously, a respondent was classified as a sports fan if the average of their responses for the sports questions on the 5-point Likert Scale was more than 3.5/5. Out of the 152 respondents, 56.6% (86 respondents) were classified as sports fan while 43.4% (66 respondents) were classified as non-fans. The exact distribution of age and classification of sports fans can be found in Appendix 6.2.1.

Table 1: Descriptive Statistics of Factors

<b>Factor</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Sports Fan</b>	152	1.00	5.00	3.625	1.155
<b>Experience with Nike</b>	152	1.00	5.00	3.938	0.760
<b>Trustworthiness</b>	152	1.00	5.00	3.851	0.617
<b>Expertise</b>	152	1.20	5.00	4.257	0.616
<b>Attractiveness</b>	152	1.00	5.00	4.263	0.675
<b>Perceived Quality</b>	152	1.00	5.00	3.893	0.654
<b>Brand Loyalty</b>	152	1.00	5.00	2.967	0.869

Table 1 highlights the descriptive statistics for each of the factors used. The minimum and maximum of each of the factors is 1.00 and 5.00 respectively, except expertise where the minimum is 1.20. This is an indication that the perceived expertise of Nike, on average, is higher than all the other factors. The ‘Experience with Nike’ factor was measured using two statements: “I use Nike products regularly” and “I have seen Nike’s marketing campaigns”. This was used to determine the respondents experience with Nike. The mean of 3.938 shows that, on average, the respondents have significant experience with Nike and thus the responses are derived from past experience, which makes them more reliable. The average expertise (4.257) and attractiveness (4.263) are the highest

among the 6 factors. This mean that respondents believe Nike to be an expert in the sports apparel industry and perceived it to be a very attractive brand. Out of the 6 factors, the average for brand loyalty is the lowest at 2.967. This shows that while the overall image of Nike is positive among the respondents, they are proportionately not as loyal to the brand.

#### 4.2 Cronbach's Alpha

It is important that the responses given for each item measuring a specific factor are internally valid and in-line with other responses for other items measuring the same factor. To measure internal consistency and how closely related a set of items are as a group, Cronbach's Alpha was used. A Cronbach's Alpha of 0.70 is considered "acceptable" in the social science research sphere.

Table 2: Cronbach's Alpha of the 7 factors measured using items

<b>Factor</b>	<b>No. of items used to measure it</b>	<b>Cronbach's Alpha</b>
<b>Sports Fan</b>	3	0.893
<b>Experience with Nike</b>	2	0.264
<b>Trustworthiness</b>	5	0.794
<b>Expertise</b>	5	0.822
<b>Attractiveness</b>	5	0.851
<b>Perceived Quality</b>	5	0.810
<b>Brand Loyalty</b>	3	0.595

Table 2 shows that all the factors except 'Experience with Nike' and 'Brand Loyalty' have an alpha of more than 0.70, which means that the statements used to measure the factor correlate with each other and have good internal consistency. The factors with a weak alpha are generally considered to indicate poor internal consistency and that they do not measure the same construct efficiently. One possible reason for this is the low number of items used to measure the constructs. The two factors with the lowest alpha use 2 and 3 items to measure them respectively. Schrepp (2020) analysed that the alpha value increases with the number of items.

#### 4.3 Factor Analysis

Along with checking the reliability of survey items, the validity is also important. Factor Analysis (FA) helps explore the relationship between survey items and reducing the total number of dimensions to make the analysis easier and retain as much information from the original survey with the least number of "factors" (Knekta, Runyon & Eddy, 2019). The Kaiser-Meyer-Ohlin

(KMO) test and the Bartlett's sphericity test are the two measures used. Further analysis can be conducted if the KMO coefficient is higher than 0.5 and the p-value of the Bartlett's sphericity test is significant ( $p < 0.05$  for 5% significant level) (Napitupulu, Kadar & Jati, 2017). Upon analysis, the KMO coefficient is 0.870 and the significance of Bartlett's sphericity test is  $< 0.001$ . Thus, further factor analysis can be conducted on the survey data.

As mentioned in the methodology, the statements are assumed to be correlated to each other and thus oblique rotation is used. From SPSS results, it is shown that 65% of total variance in the data can be explained with just 7 variables. The rotated component matrix resulted in 6 reduced components, while 7 components were expected. The results of the factor analysis can be found in Appendix 6.3.

#### 4.4 Hypothesis 1

Wang and Scheibaum (2018) found that for celebrity endorsers, trustworthiness "trumped" attractiveness and expertise. To measure the second hypothesis, which states that "Trustworthiness is more important for consumers than expertise and attractiveness", the descriptive statistics table and a pie chart were used. Table 3 shows the mean results of the 3 aforementioned components.

Table 3: Mean composite scores of trustworthiness, expertise and attractiveness

<b>Factor</b>	<b>N</b>	<b>Mean</b>
<b>Trustworthiness</b>	152	3.851
<b>Expertise</b>	152	4.257
<b>Attractiveness</b>	152	4.263

Contrary to the hypothesis, table 3 highlights that trustworthiness is the least important factor among the three. In order, the most important factor among the sample of this research is attractiveness, then its expertise and finally its trustworthiness. This result is supported by Figure 1. The numbers on the outside end of the wedges suggest in how many responses, that particular component was the most important. As seen in table 3 as well, figure 1 also shows that attractiveness was the important component to the sample population of this research, closely followed by expertise. Trustworthiness was by far the least important. In 51 responses, the highest composite score was a tie between either two or all three components. Thus, the total number indicated is more than the original 152 responses collected.

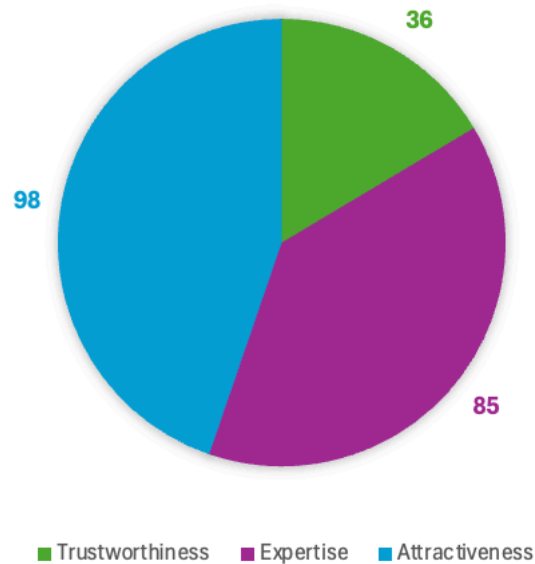


Figure 1: Pie Chart results for hypothesis 2

#### 4.5 Hypothesis 2 and 3

One of the aims of this research is to identify if there are any differences in the way sports fans and non-fans perceive a sports apparel brand. Logic would suggest that since sports fans are more knowledgeable about the world of sports, would aim to look at the more “technical” side of the brand, thus expertise. While on the other hand, non-fans are perhaps more interested in the physical attractiveness of the brand’s identity and thus would only look at the visual aspects, thus attractiveness. Hypothesis 2 states that “Sports fans value expertise over attractiveness” and hypothesis 2 suggests that “Non-fans value attractiveness over expertise”. To measure if there is any significant difference between the two groups, a MANOVA, or a multivariate ANOVA was used.

The first thing that is of significance is the Wilk’s Lambda. The Wilk’s Lambda is a statistic that measures how well a set of independent variables can discriminate between different dependent variables. The Wilk’s Lambda came out to be 0.945 at a significance level of 0.014 ( $p < 0.05$ ). This means that there is a significant difference between sports fans and non fans. Since this is a statistically significant result, further tests were conducted. From the table titled “tests of between-subject effects” it can be seen that being a sports fan has a statistically significant effect on both expertise (significance of 0.004,  $p < 0.05$ ) and attractiveness (significance of 0.017,  $p < 0.05$ ). This means that there is a significant difference between sports fans and non-fans for both attractiveness and expertise. Wilk’s Lambda and the “tests of between-subjects effects” table can be found in Appendix 6.4.1. Table 4 highlights the results of the estimated marginal means obtained from the multivariate ANOVA.

Table 4: Estimated Marginal Means table

	<b>Dependent Variable</b>	<b>Mean</b>	<b>Std. Error</b>
<b>Non-Fans</b>	Expertise	4.094	0.074
	Attractiveness	4.115	0.082
<b>Sports Fans</b>	Expertise	4.381	0.065
	Attractiveness	4.377	0.072

Table 4 suggests that non fans value attractiveness more than expertise while sports fans value expertise more than attractiveness. The table for the estimated marginal means can be found in Appendix 6.4.2. While the difference between the marginal means is relatively less, the tests of between-subjects affects table has shown that these differences are significant and thus can be interpreted in the model. These results are in line with the hypothesis and thus both hypothesis 2 and 3 can be accepted.

#### 4.6.1 Simple Linear Regression Assumptions

Simple linear regression is the simplest of linear regression models where there is one dependent and one independent variable. There are 4 assumptions the two variables need to adhere to if a simple linear regression analysis is to be conducted. Going forward, independent variable will be referred to as 'X' and the dependent variable will be referred to as 'Y'.

The first assumption is linearity, which states that the relationship between X and Y must be linear. Secondly, there should be no relationship between the residuals and the Y, which means that Y should be independent on errors. This is also known as homoskedasticity. Thirdly, the data should follow a normal distribution. The first assumption can be checked by looking at the Pearson Correlation coefficient. Table 5 shows this.

Table 5: Pearson Correlation Coefficient for the 2 relationships investigated

<b>Relationship</b>	<b>Pearson Correlation Coefficient</b>
<b>Trustworthiness*Perceived Quality</b>	0.725
<b>Trustworthiness*Brand Loyalty</b>	0.451

As can be seen in the table, the Pearson Correlation Coefficients for both the models that will be used in the simple linear regression is positive. Thus, the first assumption is satisfied. The second

assumption can be checked by plotting a scatter plot of the standardised residuals against the standardised predicted for the dependent variables. The scatterplot for brand loyalty and perceived quality can be found in Appendix 6.5.3. The points are approximately equally distributed on the axis and there seems to be no recognisable relationship between the two. Thus, homoskedasticity can be assumed.

The third assumption requires the errors to be normally distributed. This was checked using two different methods. Firstly, the expected cumulative probability was plotted against the observed cumulative probability for both the dependent variables (brand loyalty and perceived quality). If the data points follow the 45-degree line as indicated in the graph, it means that the data follows a normal distribution. The data points in both the scatter plots do not follow the 45 degree line. This can be found in Appendix 6.5.4. The second method utilised to check for normality is the Kolmogorov-Smirnov and Shapiro-Wilks' tests for normality. The null hypothesis of these tests is that normality is assumed. The significance level for all the three variables is less than 0.05, thus rejecting the null hypothesis. This means that the variables are not normally distributed. However, if the number of observations in the sample divided by the number of variables is greater than 10, the lack of the normality condition does not cause a bias in the simple linear regression model.

#### 4.7 Simple linear regression model

A simple linear regression was carried out and the results of that can be seen in Table 6. The unstandardised beta is used for all the variables in the model.

Table 6: Simple Linear Regression

	<b>Model 1</b>	<b>Model 2</b>
<b>Constant</b>	1.011	0.335
<b>Trustworthiness</b>	0.766***	0.631***
<b>Age</b>	-0.012	0.746
<b>Gender</b>	0.127*	0.892
<b>R<sup>2</sup></b>	0.538	0.204
<b>F-value</b>	57.444***	12.646***
<b>P-value</b>	<0.001	<0.001

*Notes: Trustworthiness is the independent variable, age and gender are control variables. Gender is a dummy variable and age is a continuous variable which can take any value between 18 to 27. In Model 1, perceived quality is the*

*dependent variable and in model 2, brand loyalty is the dependent variable. The significance is indicated as \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.10$*

#### **4.7.1 Hypothesis 4**

Hypothesis 4 forecasts that Nike's perceived level of trustworthiness positively influences perceived quality. For this hypothesis, model 1 is relevant where perceived quality is the dependent variable. The F value is extremely high and it is significant at the 0.05 significance level and the overall significance of the model is  $< 0.001$ , thus Model 1 is significant. The coefficient of trustworthiness is significantly positive and a coefficient of 0.766 suggests that for an increase in trustworthiness by one point, perceived quality increases by 0.766 points. The  $R^2$  value of 0.538 suggests that 53.8% of the variance in perceived quality can be explained by this model of trustworthiness. Overall, the results show that trustworthiness positively affects perceived quality and thus, hypothesis 4 is accepted.

#### **4.7.2 Hypothesis 5**

Hypothesis 5 forecasts that Nike's perceived level of trustworthiness positively influences brand loyalty. For this hypothesis, model 2 is relevant where brand loyalty is the dependent variable. The F value is high and it is significant at the 0.05 significance level. Also the overall significance of the model is  $< 0.001$ , thus Model 2 is significant. The coefficient of trustworthiness is positive and this coefficient of 0.631 suggests that an increase in trustworthiness by one point increases brand loyalty by 0.631 points. The  $R^2$  value of 0.204 suggests that 20.4% of the variance in perceived quality can be explained by this model of trustworthiness. While it is less than the effect of trustworthiness on perceived quality, it is still significantly positive. Overall, the results show that trustworthiness positively affects brand loyalty and thus, hypothesis 5 is also accepted.

## **5. Conclusions and Recommendations**

### **5.1 Key Findings of Academic Literature**

Recent studies have shown that India has the highest proportion of Gen-Z people in India. Approximately 20% of the global Gen-Z are in India. This segment of the population also places huge emphasis on sustainability and being environmentally conscious (Hameed et. al, 2020). Thus for brands targeting Gen-Z, India is the prime market. The American Marketing Association (1960) define brand as "a name, term, design, symbol, or a combination of them, intended to identify the



goods or services of one seller or group of sellers and to differentiate them from competitors”. Other definitions by Pitcher (1985) and Keeble (1991) have also been prominently used.

Brand credibility is defined as “believability of an entity’s intentions at a particular time and is posited to have two main components: trustworthiness and expertness” (Erdem and Swait, 2004). While Erdem and Swait only focused on 2 components, brand credibility consists of 3 components: trustworthiness, expertise and attractiveness. Sweeney and Swait (2008) showed empirical evidence of the effect of brand credibility on consumer behaviour in the context of retail banking and long-distance telephone services. Source credibility theory is an important theory that also addresses the same 3 components, however in the context of physical “brands”, predominantly celebrities. Sweeney and Swait (2008) used seven items to measure brand credibility in its entirety. Ohanian (1990) developed a standardised scale to measure the consumers’ perceived level of trustworthiness, expertise and attractiveness which has since been used in multiple papers, including Wang and Scheinbaum (2017). They analysed the three components with regard to celebrity endorsers endorsing airlines and concluded that trustworthiness trumps attractiveness and expertise.

Perceived quality is defined as the consumers’ judgement about an entity’s overall excellence or superiority. It does not include an objective component and is based on the expectations of performance of the service (Rowley, 1998, as cited in, Snoj, Pisnik & Mumel, 2004). Bhuaiian (1997) showed that perceived quality can influence various desirable organisational outcomes important for brands. The two most prominent scales to measure perceived quality among the service industry were the SERVQUAL scale developed by Parasuraman, Zeithaml, and Berry (1988) and then SERVPREF scale developed by Cronin and Taylor (1992). Originally designed to measure service quality in service industries, literature has expanded and adapted to various contexts, including retail and product based sectors.

Jacoby and Chestnut (1978) came up with a conceptual definition of brand loyalty. According to their definition, brand loyalty is *“The a) biased, b) behavioural response, c) expressed over time, d) by some decision making unit, e) with respect to one or more alternative brands out of a set of such brands, and f) is a function of psychological (decision-making, evaluative) processes”* (Jacoby and Chestnut, 1978, p.80, as cited in Mellens, DeKimpe and Steenkamp, 1996). There are a variety of ways outlines through which brand loyalty can be measured, however the method most commonly used are the measures which specify brand loyalty as a general characteristic of the individual.

## 5.2 Key Findings of the Research

The key findings of this research are derived from the survey conducted among the Indian Gen-Z population. All of the factors measured using multiple survey items (7 to be precise, namely: Sports Fan, Experience with Nike, Trustworthiness, Expertise, Attractiveness, Perceived Quality and Brand Loyalty) had good internal consistency (i.e. high Cronbach's Alpha) except 'Experience with Nike' and 'Brand Loyalty'. Factor Analysis resulted in 6 reduced components while 7 were expected.

For the sample of Indian Gen-Z'ers in this research, the most important factor of brand credibility was attractiveness, closely followed by expertise. The mean score, on a 5-point Likert Scale, was 4.263 for attractiveness and 4.257 for expertise. Attractiveness also had the highest mean score out of the three components in 98 responses. Hypothesis 1, which predicted that trustworthiness is more important than expertise and attractiveness, was therefore rejected.

It was predicted that sports fans would value expertise more than attractiveness while non-fans would value attractiveness over expertise.

This hypothesis was formulated on the basis on conversations with colleagues and simple logic. A multivariate MANOVA was conducted to confirm these predictions. The significance of the Wilk's Lambda ( $p = 0.014$ ) along with the significance levels of attractiveness ( $p = 0.004$ ) and expertise ( $p = 0.017$ ) from the "tests of between-subject effects" table showed that there is a significant difference between the way sports fans and non-fans view the two components of brand credibility. Table 4 shows the estimated marginal means of non-fans and sports-fans for the two components. It can be concluded that non fans value attractiveness more than expertise while sports fans value expertise more than attractiveness. Hypothesis 2 and 3 were thus accepted.

Finally, a simple linear regression analysis was conducted to check if trustworthiness positively influenced perceived quality and brand loyalty. The 3 conditions that must hold for simple linear regression to work were checked on SPSS and satisfied. Table 6 shows the results of the analysis. It can be concluded that trustworthiness has a positive effect on perceived quality and on trustworthiness, thus hypothesis 4 and 5 were also accepted.

## 5.3 Comparing Literature and Research

Parallels can be drawn between the findings of existing academic literature and the findings of this research. Academic literature in the past has found relationships between multiple marketing

concepts like the ones that have been used in this study. Akoglu and Özbek (2021) found that brand experience has a positive effect on perceived quality and brand loyalty. While brand experience and brand credibility, researchers have shown that brand credibility is derived from experienced with the brand and thus can they would both interact with other variables in a similar manner. This research also showed that, using trustworthiness as a proxy, brand credibility has a positive effect on both perceived quality and brand loyalty,

One significant difference found was the component which is the most valued by consumers. Wang and Scheinbaum (2017) found that using Ohanian's Source Credibility Model, respondents valued trustworthiness more than attractiveness and expertise. However, in this research it was concluded that trustworthiness is the least important out of the three components, after attractiveness and expertise. However, in Wang and Scheinbaum's research the "brand" were celebrities endorsers while in this research its a brand. Finally, no research in the past aimed to differentiate respondents in groups and use the underlying characteristics of the group as an interaction effect. Thus, this research can be a step towards more researchers doing the same.

#### 5.4 Answering the Research Questions

Table 7 shows the overview of which of the hypotheses were rejected and accepted.

*Table 7: Result of the hypotheses*

<b>Number</b>	<b>Hypothesis</b>	<b>Result</b>
<b>1</b>	Trustworthiness is more important for consumers than expertise and attractiveness	Rejected
<b>2</b>	Sports Fans value expertise over attractiveness	Accepted
<b>3</b>	Non-fans value attractiveness over expertise	Accepted
<b>4</b>	Nike's perceived level of trustworthiness positively influences perceived quality	Accepted
<b>5</b>	Nike's perceived level of trustworthiness positively influences brand loyalty	Accepted

The research question that this paper aimed to answer was "How do Indian Gen Z sports fans and non-fans perceive brand credibility differently among sports brands and how does this impact the perceived quality and brand loyalty?". From the results and the summary of the hypotheses in Table 7, it can be said that the Indian Gen Z value attractiveness more than expertise and trustworthiness

in Nike. Indians Gen Z sports fans value expertise more than attractiveness while the opposite is true for non-fans. Finally, using trustworthiness as a proxy for brand credibility as a whole, there is a positive effect of it on perceived quality and brand loyalty.

### **5.5 Recommendations for Nike managers**

Nike has enjoyed a decade of steady growth in all parts of the world, including India. This research highlights that Nike has a strong brand image in India. The three components of brand credibility: trustworthiness, expertise and attractiveness, were on average, rated very highly. The mean scores given to these were 3.851, 4.257 and 4.263 respectively. Thus, Nike's perceived brand credibility is high and they should continue to do what they are doing in India. Based on the results of the first hypothesis, which highlighted that attractiveness is the most important factor for Indian Gen-Z'ers, Nike could perhaps focus relatively more on trying to be a visually appealing brand. This could be through creative marketing campaigns, continuing to develop the physical appeal of its products and perhaps even utilising Indian sports stars like Virat Kohli and MS Dhoni as their ambassadors. This would add to both the attractiveness and expertise of the brand, both factors ranked highly by Indian Gen-Z'ers.

The second recommendation that Nike and its managers could benefit from is STP marketing. As can be seen from the results of hypothesis 2 and 3, sports fans and non-fans value different aspects of brand credibility. Nike could perhaps segment an area that has more sports fans than non-fans and run advertisements and marketing stunts boosting the "expertness" of Nike, while in other areas where there are more non-fans, Nike could benefit from creative and visually aesthetic advertising. University partnership with top universities in India would also be a cost effective solution to directly target the student population, which is a huge part of the Gen-Z population in India.

Brand loyalty for Nike seemed to score less than other variables and thus Nike could try and implement loyalty programs and other incentives to make the youth of India the "Nike Generation". This could include providing student discounts, specially designed items for the youth and early access to students. They would also benefit from investing in CSR and portraying themselves as a sustainable and environmentally conscious brand. Research has shown that these are defining characteristics of the Gen-Z demographic and they are likely to be loyal to a brand who stands for the same things.

## **5.6 Limitations of the Research**

There are several limitations that this research suffers from. The diversity and sample size is the primary limitation. India is a huge country with people from all religions, over 25 states and more than 700 languages spoken. It is nearly to have a representative sample, however, further strides could have been made to make the sample more representative. Incorporating a question to ask where in India the respondents would have further helped in providing recommendations for Nike. This would also help make the sample more representative, Only 152 respondents were collected due to time constraints, however this sample size was not at all representative of over 400 million Indian Gen-Z'ers. A longer time frame should have been considered for data collection.

The methodology considered to investigate the relationship could have also been more robust. Firstly, a brand that is considered to be more "average" on the sports apparel brand spectrum could have been considered instead of Nike. The overall brand image of Nike among the response was highly positive. This might not be true for the entirety of the sports apparel industry. Perhaps a more "average" brand would be more representative of the industry. Secondly, since there was no existing literature on how to measure if a person is a sports fans or not, the methodology for this was created. Perhaps a differently methodology would provide more robust results.

While it is impossible to focus on the entirety of the Indian demographic is not possible, Gen-Z represents a small percentage of the population. The characteristics of Gen-Z are different than that of the rest of the age groups and thus this study cannot be extrapolated to other age groups. Furthermore, the Cronbach's alpha for two of the components, "Experience with Nike" and "Brand Loyalty", was insignificant. This is likely due to the fact that only 2 and 3 survey items were used to measure these components. The more components that are used, the higher the internal consistency and thus higher the Cronbach's Alpha.

## **5.7 Recommendations for Further Research**

There are learnings that can be taken away from this research that future researchers would benefit from. The first recommendation would be have a broader sample size. Having a sample size of anywhere between 250-350 respondents would certainly improve the external validity. This would ensure that no demographic is under or over represented in the sample size of the research and ensure the sample is representative.

They would also benefit from doing the sample research for brands and other age groups in other countries. This could be done in various different ways. For example, multiple brands within the same industry can be taken and looked at. Different industries such as airlines, streaming platforms and smartphone brands are good industries to look at. While this research focused only on India, further research could replicate similar studies in other countries and perhaps with more resources, multiple countries at the same time.

The use of an interaction variable was highly significant in this research, however only two groups of respondents were classified: sports fans and non-fans. Further research can aim to divide respondents into more well-defined groups. These groups can be based on cultural factors, geographic background, inclination towards a certain brand etc. This would be greatly beneficial for brands in segmenting and targeting their target population. Another recommendation that would require significant time and resources is to conduct longitudinal studies to see if preferences of a similar sample change over time and what effect time could have on variables such as perceived quality and brand loyalty. This can be used to gather the perception of respondents before and after a particular event, such as changes implemented based on the first round of survey responses.

## Chapter 6: Bibliography

2021 Millennial and Gen Z Survey. (2021). Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/in/Documents/about-deloitte/in-deloitte-millennial-survey-2021-India-report-noexp.pdf>

9. 2. 3—Assumptions for the slr model | stat 500. (n.d.). Retrieved 8 July 2024, from <https://online.stat.psu.edu/stat500/lesson/9/9.2/9.2.3>

Aaker, D. (1991). Brand equity. *La gestione del valore della marca*, 347, 356.

An, J., Do, D. K. X., Ngo, L. V., & Quan, T. H. M. (2019). Turning brand credibility into positive word-of-mouth: integrating the signaling and social identity perspectives. *Journal of Brand Management*, 26(2), 157-175.

Arvidsson, A. (2019). Perceived quality of products: A framework and attributes ranking. Chalmers University of Technology. [https://research.chalmers.se/publication/513485/file/513485\\_Fulltext.pdf](https://research.chalmers.se/publication/513485/file/513485_Fulltext.pdf)

Baker, M. J., & Churchill, G. A., Jr. (1977). The impact of physically attractive models on advertising evaluations. *Journal of Marketing Research*, 14(4), 538-555.

Bernardi, R. A. (1994). Validating research results when Cronbach's alpha is below .70: A methodological procedure. *Educational and Psychological Measurement*, 54(3), 766-775.

Bhuan, S. N. (1997). Marketing cues and perceived quality: Perceptions of Saudi consumers toward products of the US, Japan, Germany, Italy, UK and France. *Journal of Quality management*, 2(2), 217-234.

Bolt, T., & Hampton, R. (n.d.). Factor Analysis . In *Integrating Personality/Character Neuroscience with Network Analysis*.

BrandVM. (n.d.). Nike marketing. BrandVM. Retrieved July 8, 2024, from <https://www.brandvm.com/post/nike-marketing>

Carlson, D. (n.d.). Nike, Inc. Encyclopedia Britannica. Retrieved July 8, 2024, from <https://www.britannica.com/money/Nike-Inc>

Carr, L. T. (1994). The strengths and weaknesses of quantitative and qualitative research: What method for nursing? *Journal of Advanced Nursing*, 20(4), 716-721. <http://dx.doi.org/10.1046/j.1365-2648.1994.20040716.x>

Castillo-Rodriguez, A., Onetti-Onetti, W., & Chinchilla-Minguet, J. L. (2019). Perceived quality in sports centers in southern Spain: A case study. *Sustainability*, 11(14), 3983.

Connolly, P. (2007). *Quantitative data analysis in education: A critical introduction using SPSS*. London & New York, NY: Routledge.

Cronin, J. J., Jr., & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55-68. <https://doi.org/10.1177/002224299205600304>

Dawar, N., & Parker, P. (2008). Perceived quality and image. *Journal of Business Research*, 61(8), 715-723. [https://home.csulb.edu/~pamela/pubs/Quality\\_and\\_Image\\_JBR\\_2008.pdf](https://home.csulb.edu/~pamela/pubs/Quality_and_Image_JBR_2008.pdf)

Dobrinčić, D. (2024). Research of the influence of quality perception, customer satisfaction and brand image on sports footwear brand loyalty. *Economic Research-Ekonomska Istraživanja*, 37(1), 1-15. Retrieved from <https://hrcak.srce.hr/file/454771>

Erdem, T., & Swait, J. (2004). Brand credibility, brand consideration, and choice. *Journal of consumer research*, 31(1), 191-198.

Friedman, H. H., & Friedman, L. (1976). Whom do students trust? *Journal of Communication*, 26(1), 48-49.

Fromm, J., & Read, A. (2018). *Marketing to Gen Z: The rules for reaching this vast--and very different--generation of influencers*. Amacom.



- Gotlieb, J. B., Grewal, D., & Brown, S. W. (1994). Consumer satisfaction and perceived quality: complementary or divergent constructs?. *Journal of applied psychology*, 79(6), 875.
- Guest, L. (1944). A study of brand loyalty. *Journal of Applied Psychology*, 28(1), 16.
- Guo, C. (2022). Leadership and change management within Adidas. *Academic Journal of Humanities & Social Sciences*, 5(17), 33-37. <https://www.francispress.com/uploads/papers/YPBrIQgkLmYvObbW93FSzFREM8HRm0mseonoR84R.pdf>
- Hameed, S., & Mathur, M. (2020). Generation Z in India: digital natives and makers of change. In *The new generation Z in Asia: Dynamics, differences, digitalisation* (pp. 89-104). Emerald Publishing Limited.
- Hertog, S., Gerland, P., & Wilmoth, J. (2023). India overtakes China as the world's most populous country.
- Hovland, C. I., Janis, I. L., & Kelley, H. H. (1953). *Communication and persuasion*. Yale University Press.
- Knox, S., & Walker, D. (2001). Measuring and managing brand loyalty. *Journal of strategic marketing*, 9(2), 111-128.
- Knekta, E., Runyon, C., & Eddy, S. (2019). One size doesn't fit all: Using factor analysis to gather validity evidence when using surveys in your research. *CBE—Life Sciences Education*, 18(1), rm1.
- Lafferty, B. A., & Goldsmith, R. E. (1999). Corporate credibility's role in consumers' attitudes and purchase intentions when a high versus a low credibility endorser is used in the ad. *Journal of business research*, 44(2), 109-116.
- Lawley, D. N., & Maxwell, A. E. (1962). Factor analysis as a statistical method. *Journal of the Royal Statistical Society. Series D (The Statistician)*, 12(3), 209-229.

- Loei, F. W. (2016). Analyzing the effect of celebrity endorsement and brand credibility on brand loyalty (a study on Nike shoes in Manado). *Jurnal Berkala Ilmiah Efisiensi*, 16(3).
- Mellens, M., Dekimpe, M., & Steenkamp, J. B. E. M. (1996). A review of brand-loyalty measures in marketing. *Tijdschrift voor economie en management*, (4), 507-533.
- Meyer, J. & Rodini, L. (2024). History of Nike: Company timeline and facts. The Street. <https://www.thestreet.com/lifestyle/history-of-nike-15057083>
- Molinillo, S., Japutra, A., & Ekinci, Y. (2022). Building brand credibility: The role of involvement, identification, reputation and attachment. *Journal of Retailing and Consumer Services*, 64, 102819.
- Moolla, A. I. (2010). A conceptual framework to measure brand loyalty (Doctoral dissertation, North-West University).
- Mukherjee, A. (2010). Sports Retailinf in India: Opportunities, Constraints and Way Forward (No. 250). Working Paper.
- Murray, D., & Howat, G. (2002). The relationships among service quality, value, satisfaction, and future intentions of customers at an Australian sports and leisure centre. *Sport Management Review*, 5(1), 25-43.
- Napitupulu, D., Kadar, J. A., & Jati, R. K. (2017). Validity testing of technology acceptance model based on factor analysis approach. *Indonesian Journal of Electrical Engineering and Computer Science*, 5(3), 697-704.
- Narang, R. (2010). Measuring perceived quality of health care services in India. *International journal of health care quality assurance*, 23(2), 171-186.
- Nike leads consumer brands for diversity in advertising. (n.d.). EMARKETER. Retrieved 8 July 2024, from <https://www.emarketer.com/content/nike-leads-consumer-brands-diversity-advertising>
- Oliver, R. L. (1999). Whence consumer loyalty?. *Journal of marketing*, 63(4\_suppl1), 33-44.

O'Brien, R. G., & Kaiser, M. K. (1985). MANOVA method for analyzing repeated measures designs: an extensive primer. *Psychological bulletin*, 97(2), 316.

Ohanian, R. (1990). Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness. *Journal of advertising*, 19(3), 39-52.

Onurlubas, E. and Öztürk, D. (2020), "Hizmet kalitesinin müşteri memnuniyeti üzerindeki etkisi: butik oteller üzerine bir uygulama", *Gümüşhane Üniversitesi Sosyal Bilimler Enstitüsü Elektronik Dergisi*, Vol. 11 No. 3, pp. 756-766.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988//Spring). Servqual: A Multiple-Item Scale For Measuring Consumer Perc. *Journal of Retailing*, 64(1), 12. <https://www.proquest.com/scholarly-journals/servqual-multiple-item-scale-measuring-consumer/docview/228609374/se-2>

Parisi, D. (2024, March 26). Athlete and sports team sponsorships are becoming bigger business for brands. *Glossy*. <https://www.glossy.co/fashion/athlete-and-sports-team-sponsorships-are-becoming-big-business-for-sportswear-and-fashion-brands/>

Peterson, R. A., & Wilson, W. R. (1992). Measuring quality perceptions. *Marketing Letters*, 3(3), 49-60. <https://link.springer.com/article/10.1007/BF00993994>

Rahman, M. S. (2020). The advantages and disadvantages of using qualitative and quantitative approaches and methods in language "testing and assessment" research: A literature review.

Raju, P.S.. 1980, Optimum Stimulation Level: Its Relationship to Personality, Demographic and Exploratory Behavior, *Journal of Consumer Research*, 7, 3, 272-282.

Rue, P. (2018). Make way, millennials, here comes Gen Z. *About Campus*, 23(3), 5-12.

Schrepp, M. (2020). On the Usage of Cronbach's Alpha to Measure Reliability of UX Scales. *Journal of Usability Studies*, 15(4).

Simplified. (n.d.). Nike marketing strategy: How they do it. Simplified. Retrieved July 8, 2024, from <https://simplified.com/blog/marketing/nike-marketing-strategy-how-they-do-it>

Snoj, B., Korda, A. P., & Mumel, D. (2004). The relationships among perceived quality, perceived risk and perceived product value. *Journal of product & brand management*, 13(3), 156-167.

Sport in India: From cricket country to sports nation. (n.d.). Retrieved 8 July 2024, from <https://www.ispo.com/en/sports-business/sport-india-cricket-country-sports-nation>

Spry, A., Pappu, R., & Bettina Cornwell, T. (2011). Celebrity endorsement, brand credibility and brand equity. *European journal of marketing*, 45(6), 882-909.

Statista. (n.d.). Nike, Inc. Statista. Retrieved July 8, 2024, from <https://www.statista.com/topics/1243/nike/#topicOverview>

Statista. (n.d.). Sports apps - Germany. Statista. Retrieved July 8, 2024, from <https://www.statista.com/outlook/amo/app/sports/germany>

Tavakol, M., & Wetzel, A. (2020). Factor Analysis: A means for theory and instrument development in support of construct validity. *International Journal of Medical Education*, 11, 245–247. <https://doi.org/10.5116/ijme.5f96.0f4a>

Watson, A., & Sasse, M. A. (1998, September). Measuring perceived quality of speech and video in multimedia conferencing applications. In *Proceedings of the sixth ACM international conference on Multimedia* (pp. 55-60).

Wijaya, B. S. (2013). Dimensions of brand image: A conceptual review from the perspective of brand communication. *European Journal of Business and Management*, 5(31).

Wang, S., & Scheinbaum, A. (2018). Trustworthiness Trumps Attractiveness and Expertise: Enhancing Brand Credibility via Celebrity Endorsement. *Journal of Advertising Research*.

Yi, Y., & Jeon, H. (2003). Effects of loyalty programs on value perception, program loyalty, and brand loyalty. *Journal of the academy of marketing science*, 31(3), 229-240.

Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Journal of the academy of marketing science*, 28, 195-211.

Yan, C., Brown, C., & Greenleaf, A. (2022). Just Do It: Analysis of Nike's Marketing Strategies and Growth Recommendations. *Journal of Student Research*, 11(4).

## **Chapter 7: Appendices**

### **7.1 Survey**

Welcome to this research questionnaire. I am conducting this thesis as part of my Bachelor Programme at Erasmus University Rotterdam. My research in the field of Marketing is aimed at understanding what aspects of a sports apparel brand are important for consumers. I also want to understand if sports fans perceive a sports apparel brand differently than a non-fan, along with the perceived quality and brand loyalty towards the brand.

I have chosen to analyse the sports apparel division of the well known brand Nike within the Indian market as the scope of this research. You will be asked some demographic questions, how involved you are with sports, how familiar you are with Nike and finally some questions on your perception of Nike as a brand, based on your experience.

All responses collected through this questionnaire will only be used in the context of this research. After the analysis is complete, all data will be discarded in line with Erasmus University's privacy policy. By participating in this study, you consent to the processing of personal information in the context of this study, you will however stay anonymous. For any questions regarding the methodology and privacy concerns, please do not hesitate to contact me at [614402pg@eur.nl](mailto:614402pg@eur.nl).

Thank you so much for your participation in advance!

### **Demographic Questions**

How old are you? (slider from 18 to 27)

What gender do you identify with the most?

- Male
- Female
- Prefer Not To Say
- Non-Binary/Third Gender

Were you born in India/Are you of Indian ethnicity?

- Yes
- No

**The question for each of the following items was “To what extent do you agree with the following statements”**

#### **Interest in Sports**

- I have a strong interest in sports
- I frequently watch sports events on TV or online
- I regularly follow sports news and updates

What is your favourite sport? (short answer field)

#### **Familiarity with Nike**

- I use Nike products regularly
- I have seen/am familiar with Nike’s marketing campaigns

**The question for each of the following items was “To what extent do you agree with the following statements based on your experience with Nike”**

#### **Trustworthiness**

- Nike consistently delivers on its promises
- Nike is transparent and truthful in its advertising
- Nike is consistent in delivering quality products
- Nike is consistent in its customer interactions and values feedback
- I trust Nike with my business

**Expertise**

- I believe Nike to be a leader in the sportswear industry
- Nike has a long standing reputation for excellence in athletic gear
- Nike is knowledgeable about the latest trends in the industry and designs products accordingly
- Nike makes use of qualified personnel to develop top-tier products
- Nike is skilful in designing sports apparel which is evident from their durability and comfort

**Attractiveness**

- Nike's advertising campaigns are visually appealing
- Nike presents itself as a premium and styling brand
- Nike's visual identity is appealing
- Nike's overall brand presentation is elegant and refined
- Nike's marketing is trendy and fashionable

**Perceived Quality**

- Nike products are of high quality and durable
- Nike products consistently meet my expectations
- Nike efficiently handles returns and exchanges
- Nike staff are knowledgeable and can answer my questions effectively
- Nike understands my specific needs and preferences

**Brand Loyalty**

- When I go shopping, Nike is the only sports apparel brand I buy
- I will continue to use Nike products in the future
- If Nike products are not available, I will not buy other brands or will go to other stores

**6.2 Descriptive Statistics***6.2.1 Frequency Tables for Age and Gender*

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18	11	7.2	7.2	7.2
	19	7	4.6	4.6	11.8
	20	23	15.1	15.1	27.0
	21	33	21.7	21.7	48.7
	22	11	7.2	7.2	55.9
	23	12	7.9	7.9	63.8
	24	17	11.2	11.2	75.0
	25	12	7.9	7.9	82.9
	26	13	8.6	8.6	91.4
	27	13	8.6	8.6	100.0
Total		152	100.0	100.0	

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	74	48.7	48.7	48.7
	2	78	51.3	51.3	100.0
Total		152	100.0	100.0	

### 6.2.2 Descriptive Statistics

➔ Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Age	152	18	27	22.36	2.656
Gender	152	1	2	1.51	.501
Indian	152	1	1	1.00	.000
Sports_fan	152	1.00	5.00	3.6250	1.15490
Nike_knowledge	152	1.00	5.00	3.9375	.75973
Trustworthiness	152	1.20	5.00	3.8513	.61741
Expertise	152	1.00	5.00	4.2566	.61608
Attractiveness	152	1.00	5.00	4.2632	.67517
Perceived_Quality	152	1.00	5.00	3.8934	.65424
Brand_Loyalty	152	1.00	5.00	2.9671	.86868
Valid N (listwise)	152				

### 6.3 Results for Factor Analysis

#### KMO and Bartlett's Test

➔	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.870	
	Bartlett's Test of Sphericity	Approx. Chi-Square	2282.222
		df	378
		Sig.	<.001



### Total Variance Explained

Component	Total	Initial Eigenvalues		Rotation Sums of Squared Loadings		
		% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.795	34.982	34.982	4.514	16.120	16.120
2	2.424	8.658	43.640	4.182	14.937	31.058
3	2.101	7.505	51.145	3.456	12.343	43.401
4	1.339	4.782	55.928	2.721	9.720	53.120
5	1.279	4.568	60.495	1.683	6.012	59.132
6	1.061	3.791	64.286	1.443	5.154	64.286
7	.928	3.316	67.602			
8	.912	3.256	70.858			
9	.792	2.828	73.686			
10	.737	2.633	76.319			
11	.684	2.441	78.760			
12	.616	2.201	80.960			
13	.563	2.010	82.971			
14	.545	1.946	84.917			
15	.512	1.830	86.747			
16	.449	1.603	88.350			
17	.436	1.559	89.908			
18	.397	1.417	91.326			
19	.376	1.344	92.670			
20	.328	1.171	93.841			
21	.314	1.120	94.961			
22	.292	1.044	96.004			
23	.251	.898	96.902			
24	.226	.809	97.711			
25	.198	.706	98.417			
26	.174	.623	99.040			
27	.147	.525	99.565			
28	.122	.435	100.000			

Extraction Method: Principal Component Analysis.

### Rotated Component Matrix<sup>a</sup>

	Component					
	1	2	3	4	5	6
Loyalty2	.733					
Trust3	.710		.309			
PercQual1	.645	.325				
PercQual2	.574		.377			
Trust5	.571		.305			.365
Expert2	.569	.471				
Trust1	.554		.444			
Expert3	.539	.463				
Nike1	.512				.410	
Expert1	.508	.433				
Attract5		.746				
Attract4		.740				
Attract2		.724				
Attract3	.347	.687				.323
Expert5	.483	.561				
Attract1	.383	.514				.414
Expert4		.482	.406			
PercQual5			.709			
PercQual3	.306		.692			
Trust2	.312		.688			
Trust4			.631			
PercQual4			.629			
Sports3				.904		
Sports2				.903		
Sports1				.878		
Loyalty3					.803	
Loyalty1			.411		.665	
Nike2						.777

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax without Kaiser Normalization. <sup>a</sup>

a. Rotation converged in 8 iterations.

### Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Expertise	3.086 <sup>a</sup>	1	3.086	8.535	.004
	Attractiveness	2.555 <sup>b</sup>	1	2.555	5.783	.017
Intercept	Expertise	2682.332	1	2682.332	7419.621	<.001
	Attractiveness	2692.825	1	2692.825	6094.355	<.001
sportsfanforttest	Expertise	3.086	1	3.086	8.535	.004
	Attractiveness	2.555	1	2.555	5.783	.017
Error	Expertise	54.228	150	.362		
	Attractiveness	66.278	150	.442		
Total	Expertise	2811.320	152			
	Attractiveness	2831.360	152			
Corrected Total	Expertise	57.313	151			
	Attractiveness	68.834	151			

a. R Squared = .054 (Adjusted R Squared = .048)

b. R Squared = .037 (Adjusted R Squared = .031)

*Sports1* refers to the first item in the sports fan component, *Nike1* refers to the first item in the familiarity with Nike components, and so on.

## 6.4 Results for the Multivariate ANOVA

### 6.4.1 Wilk's Lambda and Tests of Between Subjects Effects tables

#### Multivariate Tests<sup>a</sup>

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.982	3991.070 <sup>b</sup>	2.000	149.000	<.001
	Wilks' Lambda	.018	3991.070 <sup>b</sup>	2.000	149.000	<.001
	Hotelling's Trace	53.571	3991.070 <sup>b</sup>	2.000	149.000	<.001
	Roy's Largest Root	53.571	3991.070 <sup>b</sup>	2.000	149.000	<.001
sportsfanforttest	Pillai's Trace	.055	4.364 <sup>b</sup>	2.000	149.000	.014
	Wilks' Lambda	.945	4.364 <sup>b</sup>	2.000	149.000	.014
	Hotelling's Trace	.059	4.364 <sup>b</sup>	2.000	149.000	.014
	Roy's Largest Root	.059	4.364 <sup>b</sup>	2.000	149.000	.014

a. Design: Intercept + sportsfanforttest

b. Exact statistic

### 6.4.2 Estimated Marginal means

#### Estimated Marginal Means

##### 1. Grand Mean

Dependent Variable	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Expertise	4.238	.049	4.140	4.335
Attractiveness	4.246	.054	4.138	4.353

##### 2. sportsfanforttest

Dependent Variable	sportsfanforttest	Mean	Std. Error	95% Confidence Interval	
				Lower Bound	Upper Bound
Expertise	.00	4.094	.074	3.948	4.240
	1.00	4.381	.065	4.253	4.510
Attractiveness	.00	4.115	.082	3.953	4.277
	1.00	4.377	.072	4.235	4.518

## 6.5 Linear Regression Assumption testing

### 6.5.1 Pearson Correlation Coefficients for Trustworthiness → Perceived Quality

**Correlations**

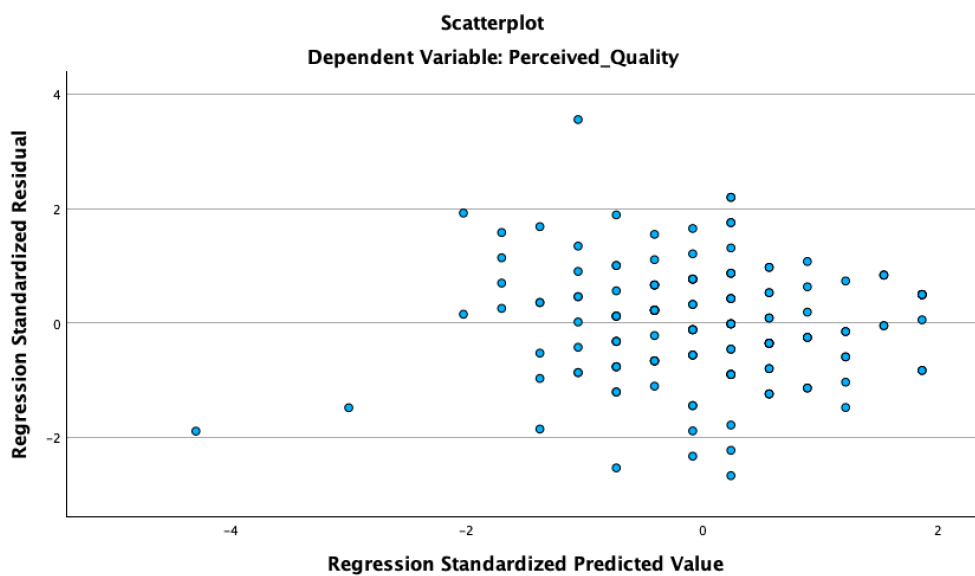
		Perceived_Quality	Trustworthiness
Pearson Correlation	Perceived_Quality	1.000	.725
	Trustworthiness	.725	1.000
Sig. (1-tailed)	Perceived_Quality	.	<.001
	Trustworthiness	.000	.
N	Perceived_Quality	152	152
	Trustworthiness	152	152

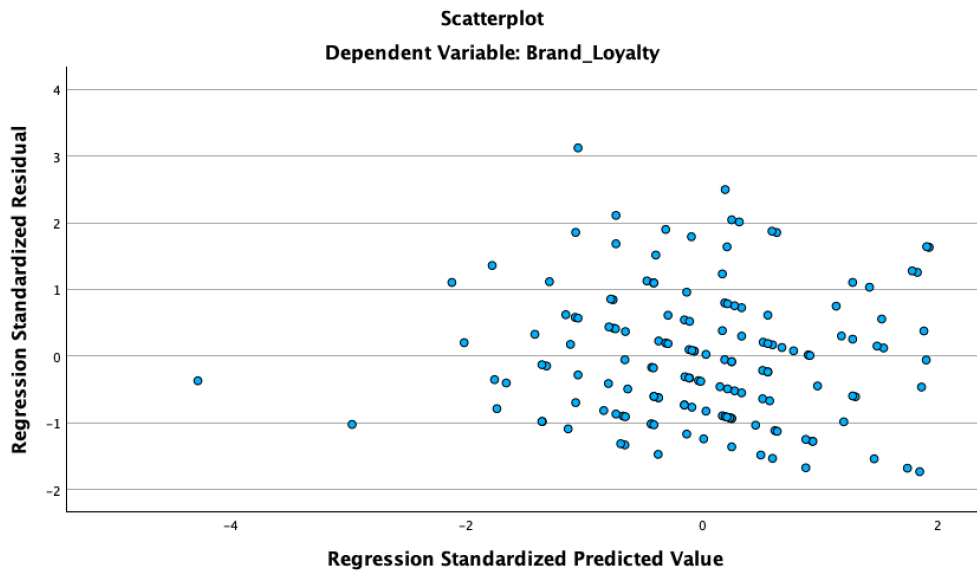
### 6.5.2 Pearson Correlation Coefficients for Trustworthiness → Brand Loyalty

**Correlations**

		Brand_Loyalty	Trustworthiness
Pearson Correlation	Brand_Loyalty	1.000	.451
	Trustworthiness	.451	1.000
Sig. (1-tailed)	Brand_Loyalty	.	<.001
	Trustworthiness	.000	.
N	Brand_Loyalty	152	152
	Trustworthiness	152	152

### 6.5.3 Checking for homoskedasticity for Perceived Quality and Brand Loyalty





6.5.4 Test of Normality (Kolmogorov-Smirnov and Shapiro-Wilk's test) and normal probability plot for Perceived Quality and Brand Loyalty

**Tests of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Trustworthiness	.096	152	.002	.960	152	<.001
Perceived_Quality	.097	152	.001	.951	152	<.001
Brand_Loyalty	.129	152	<.001	.958	152	<.001

a. Lilliefors Significance Correction

