

Investigating the Effect of Brand Experience on Reaction of Sport Goods Consumers (Case Study: Nike and Adidas Sports Apparel Consumers in Iran)

Mahrookh Mokhtaran, Fereshteh Bakhtiyari*

Department of Management, Firoozkooh Branch, Islamic Azad University, Firoozkooh, Iran

*Email: m.bakhtiyari229@gmail.com

Abstract

Nowadays, several studies have been done in the area of consumer behavior towards the nature of purchasing and after purchasing behavior of customers, while the consumer experience towards the brand may be one of the most important factors influencing consumers' reaction towards the brand. This study, with the aim of evaluating the effect of brand experience on consumers' response tries to investigate the consumers' behavior after experiencing sporting goods brands (Nike and Adidas). The present study in terms of method is descriptive - survey. Also, the statistic population of this study is the Nike and Adidas apparel consumers in Tehran and sampling is in the form of non-randomly (availability) and the data collection tool is a standardized questionnaire. It is noted that after sampling, 460 questionnaires were distributed and finally, 385 questionnaires were chosen. After collecting the questionnaires, the confirmatory factor analysis was used to inferential analysis of data and particularly, the structural equation model is used for hypotheses testing. In this study, eight hypotheses were proposed. The results showed that the impact of brand experience on the brand reputation, brand equity and attitude towards brand was significantly and positively confirmed. Also, the impact of brand credibility and brand attitude on brand equity was confirmed and the hypotheses based on the effect of brand equity on willing to pay more, brand development, and brand preference were positively and significantly approved.

Keywords: brand experience, brand credibility, brand equity, attitude towards brand, the willingness to pay more, brand development, brand preference

Introduction

Brand is important for any company and establishing and maintaining the proper position in the minds of customers is one of the important goals of marketers. Customers buy brand not goods, in other words, brand is something that customer buys and goods is something that is produced in the factory. Goods can be imitated by rivals but brand is unique.

Brand experience is explained as the inner and subjective feelings (feeling, sensation and cognition) and behavioral responses evoked by brand-related stimuli that are a part of brand's designing and identity, packaging, communication and environment (Brakus et al, 2009). Although the term of brand experience includes all types of consumers' experiences, emotions, [symbols and non- utilitarian, aspects that have been noted more in recent years](#) (Arnould & Thompson, 2005).

In the marketing literature, the concept of experience is discussed in various areas such as shopping experience, product experience, the experience of beauty, servicing experience, and consumer experience. Brand experience means internal response (emotional, affective and cognitive) of consumer and his behavioral response to brand stimuli. These stimuli include designing, packaging, brand identity and such concepts. Brand experience can be positive or negative and more importantly, this experience has ability to influence the consumer satisfaction and loyalty.

Statement of problem

Today, many studies have been conducted in the area of consumer behavior towards the nature of shopping and after shopping behavior of customers. Furthermore, the consumer experience towards the brand may be one of the most important factors influencing consumers' reaction towards the brand. In the area of apparel, especially, in relation to the brands with high reputation, abundant counterfeit products are entered into the consumers market, that in turn has had great damage to the market of these brands (particularly, the Nike and Adidas). Investigating the consumers' experience of original goods and following up the consuming trend and type of customers can lead to deep discovery of after purchasing behavior and customers' experience. These behaviors can show themselves in the form of answers like the generalization (Development) acceptance of brand, the willingness to pay more and brand preference.

The customer experience refers to the interactions between customers and a product, a company, or a part of the organization, which cause to a reaction (by customers). This experience was very personal and is an effect on customers' engagement in different degrees (Gentile et al, 2007). The impact and the importance of brand experience on customer-based brand equity are specified in studies of Shamim and Bhatt (2013). One reason for importance of this issue refers to the strategic and importance role of brand equity in acquiring the competitive advantage and strategic management decisions through influencing on consumers' preferences and loyalty. When brand equity to be accurately measured and the impact of intensity of distribution on consumers' preference and loyalty to be specified, there would be an appropriate criterion for evaluating the performance of the brand.

Lavidge (1961, as cited in Lassar et al, 1995), Cobb-Walgren et al (1995), Agarwal and Rao (1996) showed a positive and significant relationship between the dimensions of brand equity and brand preference.

Tolba in 2011 by using Aaker's model (1996) and by adding the variable of distribution intensity and two emotional (brand associations) and experimental (brand loyalty) dimensions to Aaker model (1991), examined the impact of brand equity dimensions (awareness , brand associations, perceived quality and brand loyalty) and the distribution intensity on brand preference and consumers' loyalty in the vehicle fuels market. The results of his study showed that brand association, brand loyalty and distribution intensity significantly influence the brand preference. Consumer-based brand equity and creating brand preference for selection are established when consumer has the high level of brand awareness and familiarity as well as the unique, desirable, and powerful associations in the mind (Javadin & Shams, 2007).

On the other hand, Boyle and Martinez (2013) believe that brand equity can also influence the brand development, brand preference, purchase intention and willingness of consumers to pay high prices. Also, they believe that brand preference can finally lead to the purchase intent of consumers. According to the problem statement and since such research has not been conducted in sports apparel market, this study investigated the impact of brand experience on consumer response and reaction and examines the consumers' behavior after experiencing sporting goods brands (Nike and Adidas) so that after evaluating and analyzing the conceptual model proposed by researcher, the practical suggestions will be provided to improve the behavioral response of consumers.

The importance of the study

In the marketing literature, the concept of experience is investigated in various fields such as shopping experience, product experience, aesthetic experience, servicing experience and consuming experience. Brand experience means internal response (emotional, affective and cognitive) of consumer and his behavioral response to brand stimuli. These stimuli include designing, packaging,

brand identity and such concepts. Brand experience can be positive or negative and more importantly, this experience has also ability to influence the consumer satisfaction and loyalty (Zarantonello & Schmitt, 2010)

Brand experience is explained as the inner and subjective feelings (feeling, sensation and cognition) and behavioral responses evoked by brand-related stimuli that are a part of brand's designing and identity, packaging, communication and environment (Brakus et al, 2009).

Therefore, it is not surprising, we found that one of the main challenges in the area of brand experience researches is to testify experimentally that the brand experience is not just an epiphenomenon, but also it can predict some of the most important cognitive and analytical concepts in the brand literature such as brand equity, attitude towards brand and brand credibility (Schmidt, 2009).

The present study examines the role of brand experience in relation to the response and reaction of sporting apparel, and this will lead to higher understanding of this issue that how brand experience leads to the reaction of consumers. This study also investigates this role's style from the path of brand credibility, brand equity and brand attitude. So that after collecting and analyzing the data, the practical suggestions are provided for improving customers' response.

Research objectives

Main objective: The main objective of this study is to evaluate the effect of brand experience on reaction of the sporting goods consumers.

The secondary objectives

1. Evaluating the impact of the brand experience on brand reputation
2. Investigating the impact of the brand experience on brand equity
3. The investigation of the impact of the brand experience on the attitude towards brand
4. Examining the impact of brand credibility on brand equity
5. Evaluating the impact of attitude towards brand on brand equity
6. Assessing the impact of brand equity on the willingness to pay more
7. Examining the effect of brand equity on higher brand development
8. Investigating the impact of brand equity on brand preference

Research hypotheses

- H1. The brand experience has positive and significant impact on the brand credibility.*
- H2. The brand experience has positive and significant impact on the brand equity.*
- H3. The brand experience has positive and significant impact on the attitude towards the brand.*
- H4. The brand credibility has positive and significant impact on the brand equity.*
- H5. The attitude towards the brand has positive and significant impact on the brand equity.*
- H6. The brand equity has positive and significant impact on the willingness to pay more.*
- H7. The brand equity has positive and significant impact on the higher brand development.*
- H8. The brand equity has positive and significant impact on the brand preference.*

The definition of brand experience and brand equity

A brand is formed in the minds of stakeholders. Some experiences are controlled such as the environment of retail stores, advertising, products and services, websites and so on and some are uncontrolled like word of mouth advertising, newspapers' content and etc. The strong brands arise from consistent experiences a long with a clear, distinctive and general brand experience from the products and services of brand.

Brand is important for any company and establishing and maintaining the proper position in the minds of customers is one of the important goals of markers. Customers buy brand not goods, in other words, brand is something that customer buys and goods is something that is produced in the factory. Goods can be imitated by rivals but brand is unique.

Brand equity is defined in different ways for different purposes. However, any common consensus has not been achieved so far (Keller, 2003; Vazquez, 2002). This concept can be discussed and examined from the perspective of manufacturer, retailer or customer. While manufacturers and retailers tend to use strategic brand equity, investors show more interest to the defined financial concept (Cobb - Walgren & Ruble, 1995).

Aaker defines brand equity as a set of five groups of assets and commitments associated with the brand, its name and symbol that add or deduce a value to the product or service provided to a company or its customers. These groups of assets include (1) brand loyalty, (2) brand awareness, (3) perceived quality, (4) brand depends and (5) other proprietary brand assets.

According to the first definition that "Farquhar" provided to brand equity, brand equity is the added value that a product gives to a brand (Keller, 2005; Aaker, 1991).

The high brand equity is considered as a competitive advantage because accordingly the company can determine the higher price for its product, make better business leverage, increase sales and profit margin, and reduce its vulnerability in competition (Aaker et al, 2006).

Background of study

Tolba (2011) by using Aaker's model (1996) and by adding the variable of distribution intensity and two emotional (the impact of emotions) and experimental (brand loyalty) dimensions to it investigated the effect of brand equity dimensions and the distribution intensity on brand preference and loyalty. The results of his studies showed that the distribution intensity has a significant and positive effect on customer preference and loyalty. Baklin and colleagues (2008) by providing logistic selection model examined the effect of the brand distribution intensity on car buyers' preference. The result of their study indicated that the distribution intensity significantly influences car buyers' preference.

Hadizadeh Moghadam et al (2012) in an article entitled "The antecedents and consequences of Green Brand Equity with a quantitative approach" try to test the effect of new structures (green brand image, green satisfaction, green satisfaction of the brand) on each other and consequently their relationship with green brand equity and brand preference and purchase intention. 9 hypotheses that explain the relationship between these variables was presented in the form of a conceptual model. Also, results showed good fit for the model that the green brand image has a significant and positive effect on the green brand satisfaction, green brand trust. Brand trust has a positive and significant impact on the brand equity. Green brand equity has an effect on the brand preference and brand preference also in its own turn influences the purchase intention.

Rahimniya and Fatemi (2012) in a study entitled "Investigating the interface role of customer-oriented brand equity in effect of the brand image and successful relationship with customer in 5 star hotels of Mashhad" have investigated the interface role of the brand equity and successful relationship with customer by using PLS software which is considered as a type of structural equation. The results of this study indicate that the indirect effect of successful relationship with the customer on brand image is more its indirect effect which reflects the important role of brand equity in creating the brand image.

The statistical population, statistical sample and sampling method

The statistical population of this study is Nike and Adidas sporting goods customers in Tehran. Sampling method is accessible sampling and sample size is obtained 384 subjects by using Morgan table, in this study 460 questionnaires were distributed and 385 questionnaires were selected after completion of the process.

Instruments of the study

The questionnaire of present study consists of two main parts. The first part refers to the demographic characteristics of the statistical sample and the second part is about the main research questions to measure the variables. Demographic characteristics include gender, age, education, work experience and etc. that its complete example is shown in Appendix 1.

In the main research questions' part, 12 questions are applied to assess the brand experience, 4 questions to assess the brand credibility, 4 questions to measure the brand equity, 4 questions to evaluate the brand attitude, 3 questions to measure the brand development, 2 questions to measure the willingness to pay more and 3 questions to assess the brand preference. Totally, 32 questions were used to measure all variables. The research questions were standard that have previously been used in studies. So, the questions were translated into Persian then they have been reviewed by supervisors and advisors or in other words, were localized.

Methods of data analysis and hypothesis testing

In this study, both descriptive and inferential statistics were used to analyze the data obtained from samples. The descriptive statistics and indicators of descriptive statistic, such as central index (mean, mode and median) and indicators of dispersion (standard deviation and variance) were used to investigate the characteristics of respondents. In order to analyze data and test hypotheses, one-sample t-test statistical methods were used to identify the status of research variables and the confirmatory factor analysis were used to assess the measurement models. Ultimately, structural equation model and in particular the technique of structural equation model was used to test research hypotheses. The statistical software SPSS 19 and Amos were used to perform this analysis.

Results of hypothesis testing

Table 1. Investigating the approval or rejection of research hypotheses

Result	Sig.	t	Hypotheses		
+	11.50	.69	Brand validity	---<	Brand experience
+	4.66	.49	Brand special value	---<	Brand experience
+	15.62	.88	Approach to brand	---<	Brand experience
+	5.54	.30	Brand special value	---<	Brand validity
+	2.19	.21	Brand special value	---<	Approach to brand

First hypothesis: The brand experience has a positive and significant impact on the brand credibility.

The result of data collection and data analysis indicated a significant and positive impact of the brand experience variable on the brand credibility; and this result also confirms the studies of Baht and Shamim (2013) because these researchers' studies showed that the brand experience has significant and positive effect on the brand credibility.

Second hypothesis: The brand experience has a positive and significant impact on the brand equity.

After data collection and analysis it can be concluded that the brand experience has significant and positive impact on brand equity that verifies the studies of Baht and Shamim (2013). Because the studies of these researchers indicated that the brand experience has significant and positive impact on the brand equity.

Third hypothesis: The brand experience has positive and significant impact on the attitude towards the brand.

The result of data collection and data analysis demonstrated the positive and meaningful effect of the brand experience on the attitude towards brand and this result is consistent with the studies of Baht and Shamim (2013). Because the studies of these researchers indicated that the brand experience has a significant and positive impact on the attitude towards brand.

Fourth hypothesis: The brand credibility has a positive and significant impact on the brand equity.

As it is clear from table 1, it can be found that the brand credibility variable has significant and positive impact on brand equity, which is in line with studies of Baht and Shamim (2013) because the studies of these researchers showed the meaningful and positive effect of brand credibility on the brand equity.

Fifth hypothesis: The attitude towards the brand has positive and significant impact on the brand equity.

The result of data collection and data analysis make clear this fact that the variable of attitude towards brand has positive and meaningful effect on the brand equity which is consistent with studies of Baht and Shamim (2013) because the studies of these researchers showed the significant and positive impact of the attitude towards brand on the brand equity.

Sixth hypothesis: The brand equity has positive and significant impact on the willingness to pay more.

By looking at the result of data analysis in table 1, it can be concluded that the variable of brand equity has a significant and positive impact on on the willingness to pay more and this result is in line with studies of Baht and Shamim (2013).

Seventh hypothesis: The brand equity has a positive and significant impact on the brand development.

This hypothesis is confirmed because the result of data collection and data analysis showed the positive and significant impact of the brand equity on the brand development. This result is consistent with the studies of Baht and Shamim (2013).

Eighth hypothesis: The brand equity has positive and significant impact on the brand preference.

As it is evident from table 1, the brand equity variable has a meaningful and positive effect on the brand preference which is in line with studies of Baht and Shamim (2013) which demonstrated this positive and significant impact.

The recommendation of the study based on brand quality

1) In organizations, customers should be considered as the first organizational priority and the necessity of customer-oriented and respect to customers to be institutionalized as organizational culture. Because one of the things that is very influential in shaping the brand experience refers to the employees' behavior during the service delivery to customers.

2) The company should prove his honesty in accurate and timely performing of orders from receiving, and supplying to sending purchase to his customers.

3) The creation of physical or virtual space for establishing a communication beyond the purchase for customers can enhance the relationships of customers with owners, employees and other customers and by sharing their feelings can achieve to emotions synergistic as well as the greater dependence to company's brand.

The recommendation of the study based on brand credibility

1) The customer needs to be in his favorite brand news and innovation. So, they should try to have a continuous and innovative relationship with his customers by using the CRM (customer relationship management).

2) It is recommended for companies to conduct continuous researches on customer to reduce the distance between the perceived quality by company and the perceived quality by the customer.

The recommendation of the study based on brand attitude

1) The existence of strong sense of belonging to a community among loyal customers can create more favorable attitudes and concepts in the area of brand for them. The creation of customer association causes member customers to be able to have regular contact with each other and with the organization and each as the representative of brand try to support it. The establishment of chat room spaces or designing the attractive sites makes customers brand ambassadors and missionaries.

2) Today, companies should know public relations very important and benefit from the different occasions to describe themselves well in customers' mind. Donations to charities are considered as part of these activities.

The recommendation of the study based on brand equity

1) Brand marketing strategies should be based on the customers' perceptions and pays attention to this issue that how customers think and how show reaction and then positioning will change with company's brand in customers' relationship.

2) The company's emphasis on quality certificates and confirmation received from reputable local and foreign institutions will impact on brand equity.

References

- Aaker, D. A. (1991). *Managing Brand Equity: Capitalizing on the value of brand name*, The Free Press, New York, NY.
- Agarwal, M. K., & Rao, V. R. (1996). An Empirical Comparison of Consumer-Based Measures of Brand Equity. *Marketing Letters*, 7 (3), 237-47.
- Arnould, E.J. & Thompson, C.J. (2005). Consumer culture theory (CCT): Twenty years of research, *Journal of Consumer Research*, 31, 868-82.
- Biedenbach, G. & Marell, A. (2009). The impact of customer experience on brand equity in a business-to-business services setting, *Journal of Brand Management*, 17, 446-58.
- Brakus, J.J., Schmitt, B.H. & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty?, *Journal of Marketing*, 73, 52-68.
- Cobb-Walgren, C.J. & Ruble, C.A. (1995). Brand equity, brand preference, and purchase intent, *Journal of Advertising*, 24(3), 25-41.
- Keller, K. L. (2008). *Strategic Brand Management-Building, Measuring, and Managing Brand Equity (3rd ed.)*, United States: PEARSON - Prentice Hall.
- Lassar, W., Banwari, M. & Sharma, A. (1995). Measuring customer-based brand equity, *Journal of Consumer Marketing*, 12 (4), 11-19.
- Schmitt, B.H. (2009). The concept of brand experience, *Journal of Brand Management*, 16 (7), 417-19.
- Shamim, A. & Butt, M.M. (2013). A critical model of brand experience consequences, *Asia Pacific Journal of Marketing and Logistics*, 25 (1), 102-117.
- Vazquez, R., Del Rio, A.B. & Iglesias, V. (2002). Consumer-based brand equity: development and validation of a measurement instrument, *Journal of Marketing Management*, 18 (1/2), 27-49.
- Zarantonello L. & Schmitt B.H. (2010). Using the brand experience scale to profile consumers and predict consumer behavior. *Journal of Brand Management*, 17, 532-540.