EXAMINING ANTECEDENTS OF GENERATION Y BRAND LOYALTY OF SPORTSWEAR IN SHANGHAI, CHINA

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Abstract: In the past few deceased, the sports industry is growing quickly and sportswear is becoming an important part of the sports products market. There are several brands that recognize the most in the highly competitive public market such as Nike and Adidas. The sportswear markets have benefited from the continued growth of the "athleisure" movement. Since 2008, China has held the Olympic Games, the sports industry has become more and more popular and important. Sports brands are in the process of developing and growing stronger. Meanwhile, it must face the fierce brand competition. So to keep the advantage in the competition, sport brand firms need to hook in loyal customers and increase the brand loyalty. Therefore, the objective of this study is to determine the factors influencing generation Y brand loyalty towards sportswear in Shanghai, China. This research model has examined the relationship between seven independent variables which are brand name, product quality, price, product style, store environment, promotional activities, service quality, and brand loyalty is the dependent variable. Convenient sampling was used in this study and 402 respondents were interviewed by using self-administered questionnaires. Descriptive analysis, factor analysis and regressions were used to accomplish the objective. The result indicate that brand name, product style, promotional activities and service quality will influence the generation Y brand loyalty towards sportswear. This research could help China sports brand industry to develop more quickly and target the correct market.

Keywords: Antecedents, Brand loyalty, Brand association, Sportswear, Shanghai, China
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Introduction

In the past few years, the sports industry in China is growing rapidly and the market trends for wearing sportswear is particularly emerging in China. Nowadays, sportswear seems to be a common and casual wear for daily activities as it provide people a more relaxed lifestyle and greater versatility and comfort. The PR Newswire (2015) showed that global sportswear market will grow at a promising rate of 5.3% from 2016 to 2020, which due to the rising health,

wellbeing awareness globally and increasing active sports participation rates. According to the Inside Counsel Breaking News (2015) state that United State sportswear markets are the largest in the world, which was valued about $343 billion in 2015. However, majority of the sportswear market is American based but many of them have been the manufactured in Asia. The United States imported about $88 billion worth of sportswear in 2015. The famous American sportswear brand, Nike is the largest company in the world. Nike's revenue is about $30.6 billion in 2015 and it employed about 63,000 people.

In China, the sportswear industry has increased quickly in recent years and caters to all ages, culture, and sexes, hence its popularity. The growth in the sector always peaks every two years in line with major sporting events. Most consumers are following the trends of sportswear by paying more attention to the style, fashion, and material. According to Nisha (2016), the sales of sportswear brand have increased over 2015 where the best performing brands in the industry are Nike, which achieved 82% sales growth in 2015; follow by UnderArmour with 53% sales growth in 2015 and Adidas third, with a cumulative growth of 100% and the fourth is the New balance.

The local people are becoming more selective about where to buy, shifting from the goods to services and from mass to premium segments. Fewer local consumer prefers to buy new brands and promotions are becoming less effective. Consumers prefer to buy products both online and offline, and dissatisfaction with online stores higher than with physical stores. Most Chinese people prefer to buy famous aboard sportswear brand, such as Nike, Adidas. Eventhough the abroad brands are very popular among the Chinese but the popularity of local brand such as Anta and Li Ning which had the biggest contribution to the 2008 Olympic Games are increasing among the youngest. According to the Euromonitor International, China sportswear industry was valued about $ 22.8 billion in 2014.

However, China sportswear market still faces some challenges, such as falling global GDP, raw material plates, pollution, increased production of fake, bad image such as gambling and so on. For example, an Australian major sporting stated that about 110 gambling marketing with 17 unhealthy food and drinks marketing. The materials used in the sportswear product might contains the pollution and toxic issues such as nanotechnology. Nanotechnology is very troublesome issues that cause for the human health and environmental pollution because of the release of nanoscale may influence of many chemicals on the human body, animals, and the environment. In 2006, Nike football's had hire children as a labour to save product cost. The children are gaining 5 RMB for each football they made which the practice against the Federal Loan Administration (FLA). Due to the incident, social organizations and campus groups from Europe and United States had boycott Nike products.

Given all the advertisement and the investment that goes into it, the question is whether generation Y are loyalty towards the sportswear brand. To keep the advantage in the competitive market, maintain and protect the stable customer group is very important, which is also called loyalty customer (Moisescu and Vu, 2011). Also there are both local sport brand and abroad brands therefore it is inevitable for sportswear marketer to understand their potential consumers and find out the factors influencing their brand loyalty. Thus exploring and examining generation Y brand loyalty is necessary in order to understand their brand loyalty.

Material and Method

Conceptual Framework

This study examines what factors can have a positive influence on sportswear brand loyalty as perceived by generation Y. According to Lau et al. (2006), they discover that there were seven factors which will influenced consumers' brand loyalty towards sportswear brands. The factors were brand name, product quality, price, style, store environment, promotion and service quality. Lau et al., (2006) model is utilized in this study.

To create brand loyalty and retain customers, it is important to understand the major factors which influence the brand loyalty among them. In this study, brand name refer to the famous brand name which disseminate product benefit and lead to higher recall of an advertisement than a non-famous brand (Keller et al., 1998). Consumer may repeat purchase a single brand due to the tangible of the product such as size measurement, cutting or fitting, material, colour, function and the performance of the product (Lau et al., 2006). Price is also considered as one of the most important consideration for average income consumer as price also serves as the strongest loyalty driver (Ryan et al., 1999). Furthermore, product style is a visual appearance which include line, silhouette and details which will affect consumer loyally and perception toward a particular brand (Frings, 2005). Store environment which include store location, store layout and in store stimuli such as smells, temperature, shelf space and displays will affect the consumer brand loyalty to some extent (Abraham and Littrell, 1995). Good advertisement affects consumers' images, beliefs and attitudes towards brands and influence their purchasing behaviour (Evans et al., 1996). Service quality is a kind of personal selling which involve the interaction between the consumer and salesperson. Salesperson performances can stimulate the bonding through trust and affect consumer perception n towards the brand (Leung and To, 2001).
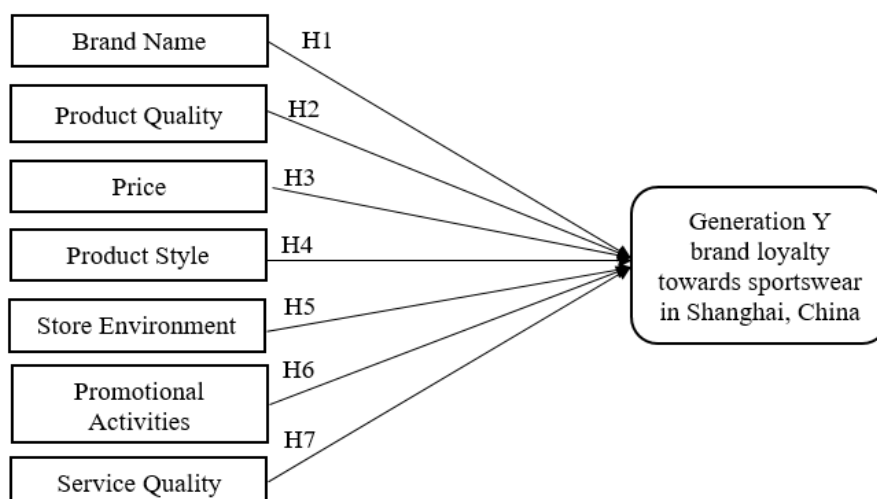

Figure 1: Conceptual framework of Generation Y Brand Loyalty towards Sportswear

Research Hypotheses

The focus of this study is to define the relationship between the conceptual framework variables and to determine how these variables can influence generation Y brand loyalty towards

sportswear. The following hypotheses were formulated to identify the relationship between the conceptual framework variables and brand loyalty regarding different aspects.

The following hypotheses were tested:
Hypothesis 1: There is no significant relationship between brand name and generation Y brand loyalty towards sportswear.
Hypothesis 2: There is no significant relationship between product quality and generation Y brand loyalty towards sportswear.
Hypothesis 3: There is no significant relationship between price and generation Y brand loyalty towards sportswear.
Hypothesis 4: There is no significant relationship between product style and generation Y brand loyalty towards sportswear.
Hypothesis 5: There is no significant relationship between store environment and generation Y brand loyalty towards sportswear.
Hypothesis 6: There is no significant relationship between promotional activities and generation Y brand loyalty towards sportswear.
Hypothesis 7: There is no significant relationship between service quality and generation Y brand loyalty towards sportswear.

Methods of Analysis

A quantitative method and a survey questionnaire were used. The survey was done in Shanghai, China. The targeted consumers for this research are those who purchased sports brand products from any sportswear retailer such as Nike, UnderArmour, Adidas, New Balance and Anta. Convenient sampling methods were used and 402 consumers were interviewed using a self-administered questionnaire to collect data.

Descriptive statistics, reliability test, independent t-test and multiple regression were used to analyse the information gathered from the questionnaire. Reliability analysis was carried out to test the internal consistency of a measure (Field, 2005). Descriptive analysis was used to describe the population in this study. Independent t-tests were used to compare the mean values between two unrelated groups (gender and employment status) on the same continuous and dependent variables. Multiple regression analysis is conduct to test the influence of the factors on generation Y brand loyalty towards sportswear.

Results and Discussion

The Cronbach's alpha methods was used to measure the reliability of 40 questions that used to measure the seven independent variables. The Cronbach Alpha value was 0.948 which showed that there was consistency among the conceptual framework items and therefore the model is fit for this study.

Socio-demographic Information

Table 1 shows the socio-demographic profile of the consumers. The result showed that 43.3 percent of the consumers were male and 56.7 percent of the consumers were females. In terms of pocket money/ monthly income, the result shows that 28.9 percent earned between RMB 6,001 to RMB 8,000, followed by RMB 4,001 to RMB 6,000 (22.9 percent), RMB 8,001 to RMB 10,000 (17.9 percent), less than RMB 4,000 (13.4 percent), RMB 10,001 and RMB

12,000 (10.4%) and only 6.5 percent consumers earn RMB 2,001 and above. With regards to age, the result showed that most of the respondents were between 23 to 24 years (26.9 percent), while 23.4 percent was between 27 to 28 years old, 22.9 percent was between 21 to 22 years old, 16.9 percent was 25 to 26 years old and only 10 percent were 29 years old and above.

Table 1. Demographic Profile of Respondents (n=402)

Characteristic	Percentage
Gender	
Male	43.3
Female	56.7
Age	
21 - 22	22.9
23 – 24	26.9
25 – 26	16.9
27 - 28	23.4
29 and above	10
Pocket Money/ Income per month	
Less than RMB 4,000	13.4
RMB 4,001 to RMB 6,000	22.9
RMB 6,001 to RMB 8,000	28.9
RMB 8,001 to RMB 10,000	17.9
RMB 10,001 to RMB 12,000	10.4
RMB 12,001 and above	6.5

Independent sample T-Test

The results of the t-test indicate that some of the selected socio-demographic variables have a significant relationship with generation Y brand loyalty towards sportswear in Shanghai, China (Table 2). The socio-demographic variables which were chosen in this study include gender (male or female) and employment status (full time or part time). The consumers were asked whether they are loyal to the brand that they are currently using. From the results, it showed that only gender was significantly different with the brand loyalty. It shows that females have higher brand loyalty than males ($p < 0.10$).

Table 2. Independent Sample T-Test

Socio-Demographic Variable		Mean	t	Significant
Gender	Male	3.386	-1.826	0.069*
	Female	3.598		
Employment Status	Full time	3.480	-0.480	0.632
	Part time	3.536		

*Independent variable: Brand loyalty towards sportswear
***Statistically significant at the 0.01 level, **at the 0.05 level and *at the 0.10 level

Multiple Regression analysis

Multiple regressions are used in this study to explain the dependent variable (Y) such as generation Y brand loyalty is estimated from several independent variables (X) such as brand name, product quality, price, product style, store environment, promotional activities and service quality. As highlighted in Table 5, the regression model is statistically sufficient with F-value of 35.962 (p-value= 0.000). It indicated that all the seven independent variables that used in this study are simultaneously significant to the dependent variable. From the adjusted

R square value, the seven factors contributed 55 percent of the variation in "generation Y brand loyalty towards sportswear". Each factors tested in different dimensions and without any multi-collinearity with the tolerance rate is more than 0.1 (Menard, 1995) and variance inflation factor (VIF) is less than 10 (Myers, 1990).

From Table 3, we can see that the equation for the regression line is:
Y= -1.871 + 0.179 (Brand name) + 0.052 (Product quality) + 0.015 (Price) + 0.490 (Product Style) - 0.045 (Store environment) + 0.385 (Promotional activities) + 0.332 (Service quality).

A product quality score of (p=0.541), price score of (p=0.894), store environment (p= 0.545) does not show any significant relationship with generation Y brand loyalty towards sportswear for which the p-value is more than 0.05.

As shown in Table 5, the brand name had significant positive regression weights (p=0.031; β= 0.179), indicating that generation Y consumer who think that brand name is important find that if the brand is reputable and have positive WOM, they will be loyalty to the brand. These findings were supported by Niko et. al., (2015) where they found that popular brand names can bring more advantage and influence the higher the recall of advertising benefits than non-popular brand names. As Hikkerova (2011) mention prestigious brand name could attract more customers to purchase and repeat purchase of the same brand.

Product style had a significant positive regression weight of (p=0.000; β= 0.490). This indicates that consumers who think that the brand which can provides wide variety of styles, distinctive features, trendy and fashionable will have higher loyalty levels than the others consumers. Smyczek and Matysiewicz (2012) stated that product style or fashion will not only affect the company's revenue, which will also increase the company's loyal customers. They believe that if the company's products more stylist and fashionable, the higher the customer loyalty will be.

Promotional activities had a significant positive regression weight of (p=0.000; β= 0.385). This implies that generation Y who think that if the spokesperson is their favourite sport star, advertisements of the brand and window displays are attractive are likely to have higher loyalty levels than other generation Y. This finding was consistent and supported by Shimp (1997) who identified advertising could reinforce the associate and the attitude of the brand. He found that the advertising could make the brand widely known and created the brand association.

The result of unstandardized coefficient (beta) revealed that generation Y will have a higher loyalty level if the salesperson of the store is well-trained, willing to help, friendly, courteous, have neat appearance and have an excellent hospitality services (p=0.000; β= 0.332). Trust in salespeople appears to relate to overall perception of the store's service quality, which also influencing consumer's brand loyalty (Carlos, 2015).

Table 3. Multiple regression of the Generation Y Brand Loyalty towards Sportswear

Independent Variable	Unstandardized Coefficients (b)	t value	p value	Collinearity Statistics	
				Tolerance	VIF
Constant	-1.871	-4.565	0.000		
Brand Name	0.179	2.173	0.031**	0.577	1.732
Product Quality	0.052	0.613	0.541	0.545	1.835
Price	0.015	0.190	0.849	0.790	1.266
Product Style	0.490	4.932	0.000***	0.589	1.699
Store Environment	-0.045	-0.606	0.545	0.831	1.203

Promotional Activities		0.385	4.815	0.000***	0.648	1.543
Service Quality		0.332	4.412	0.000***	0.755	1.324
R^2	0.566	F value		35.962***		
Adjusted R^2	0.550					

***Statistically significant at the 0.01 level, **at the 0.05 level and *at the 0.10 level

Conclusion

With the rapid development of the sports requisites, the fierce competition appeared among different sports brands. If the firm wants to keep the competitive advantage and seek development, they need to put more attention on the customer relationship management which indirectly created brand loyalty. Thus how does the firm cultivate and increase customers' brand loyalty is becoming the hot issue during the sports product industry.

This study aims to find the factors which could influence the generation Y brand loyalty to the sports brand in China. The sports brand organizations will be benefit by having a clear picture about their customer and able to develop a better marketing strategy or plan. It is suggest that the sport brand organizations to adjust the promotional activities to suit the consumer. For example, in Shanghai, most girls love to purchase New Balance sportswear due to the influence from Korea dramas. To satisfy the consumer wants, sport brand organizations can advertise more stylish product and promote by using Korea ambassador. Moreover, it is suggested to train the salesperson so that they can facilitate the customer to purchase the right product that suitable for the consumer.

As with other research, the present study is subjected to a number of limitations. The major limitation of this survey is budget. This study has used primary data which collected from respondents in Shanghai, China only due to cost constraint. It is also very important to study deeply about different states in China especially GuangZhou and Nanjing. Future study is needed to examine the factors that can motivate generation Z to purchase branded sportswear. It is also interesting in examine how the consumers' needs and wants can be satisfied through developed marketing strategies by marketers. Willingness to pay for a particular sportswear is needed to identify how much consumers are willing to pay for sportswear in China.

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