

Influence of branding on customer purchasing decision – Adidas

In 1997 the company's name changed to Adidas – Solomon AG after the acquisition of the Solomon group. In January 2006, Reebok and Adidas – Solomon AG came together and in June the name was changed to Adidas AG. The world of sports has seen a dynamic change in the field of sports brands since then. The Group provides a variety of different products, high quality products and enjoys a strong hold in this competitive market.

Adidas has maintained its reputation as a successful company over the years. Especially 1996 was an amazing year for the company as it provided Olympic athletes with its products and saw victory. This resulted in sales worth 50%. Currently, its sales are made in almost 200 countries making it rank at second place around the world. Europe is lucky to have Adidas as its largest supplier for sports shoes. Moreover, Adidas has contributed in the success of many athletes and vice versa (Adidas, 2012).

1.4 Research Purpose

The research involves a successful brand, i.e. Adidas which has had a major impact in the field of sports. Sports people willingly opt for Adidas. This research will find such evidence through the study of data and reach a conclusion. Adidas being such a large company benefits from customer feedback and this research will establish the link between customers and brand.

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worth choosing brand for the customer. The clarity of a brand's characteristics makes it beneficial for the company and the customer. The more the clarity, the better understanding a customer will have regarding the brand. He/she will know more about the product and services which will help in the evaluation stage of the customer decision journey mentioned by Eldman (2010).

All three of the dimensions are important for the success of a brand. Each of the three dimensions may vary per customer as perceptions of every customer are different .

The personality of a brand is highly important not only for the company but for the customers as well. The benefits that a brand holds with a personality are that it has a direct impact on customers. The customers' know-how about the personality of a brand may make them use the product more or less, depending on their preferences. If the personality of a brand is liked it may develop into a bond as also visible in diagram 5. The association between a brand and a customer may help him/her to alter his/her lifestyle in a positive way or that he/she likes. Most importantly, the personality of a brand has to be different and so it adds competition into the market of similar products and services (Freling et al, 2010).

It is interesting as Yee and Sidek (2008) also mention that the ambience of a store also affects the customer to make a purchase decision. In a sports store like Adidas, the displays, signs, smells, colour theme, sales people and such things contribute in the impact on the customers. Sales service quality is very

3.Chapter 3 - Methodology

3.1 Introduction

Chapter three describes and explains the methodology used for this research. This research looks into how a brand affects and influences a customer's buying decision especially in the case of Adidas. Chapter one includes the introduction and objectives of the research which help in understanding the approach and methodology of this research. Also, primary and secondary methods of data collection are being used which will provide qualitative and quantitative data. The primary data includes questionnaires given to 100 people consisting of thirteen questions. All the data in this research is used to understand the topic and reach to useful conclusions.

3.2 Philosophy

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This research uses the scientific method of research. Science is based on logic and proof. Researchers from the positivist school of thought apply these two factors strictly and ardently. Similarly, the data collected for this research is from real customers and gives a realistic picture of the present scenario in case of the influence of branding on the purchasing decisions of customers in the case of Adidas. This data also contributes towards a realistic analysis and research findings. As Adidas is a successful company and the real life experience of customers is gained through real life responses. Thus, this research follows the positivist school of thought.

3.3 Aim

The aim of the research is to look into different factors of branding; those factors which have an impact on customers of Adidas. Since, brands can have varying effects on customers; this particular research looks into those factors which influence a customer in making decisions about purchasing products from Adidas. Also, the research aims to find a relationship between branding and the views of customers regarding Adidas the brand. The relationship will help in further finding the marketing effects on customer and how companies like Adidas use it. In order to gain an in-depth analysis the research aims to use the current data from Adidas and give a better understanding of the research topic.

3.4 Approach

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Quantitative data is the kind of data which can be quantified. It includes facts and figures which give exact amounts of data for a particular questions or indicator. As per Business Dictionary (2012) quantitative data is,"Data that can be quantified and verified, and is amenable to statistical manipulation. Quantitative data defines whereas qualitative data describes." This data has been taken from questionnaires as well as other secondary data sources to analyse data and draw conclusions regarding the brand Adidas and the response of the customers.

3.5.2 Qualitative data

Qualitative data cannot be quantified and includes the opinions of people, their views and beliefs. According to Business Dictionary (2012) qualitative data is,"Data that approximates or characterizes but does not measure the attributes, characteristics, properties, etc., of a thing or phenomenon. Qualitative data describes whereas quantitative data defines." This type of data has been extracted from the questionnaire and the journals, articles and books consulted for this research. Such data is related to Adidas and the concept of brand and customer purchasing decisions.

This research is using both quantitative and qualitative type of data, as an amalgamation of both is most beneficial to understand the consumer influence of branding on customers in case of Adidas.

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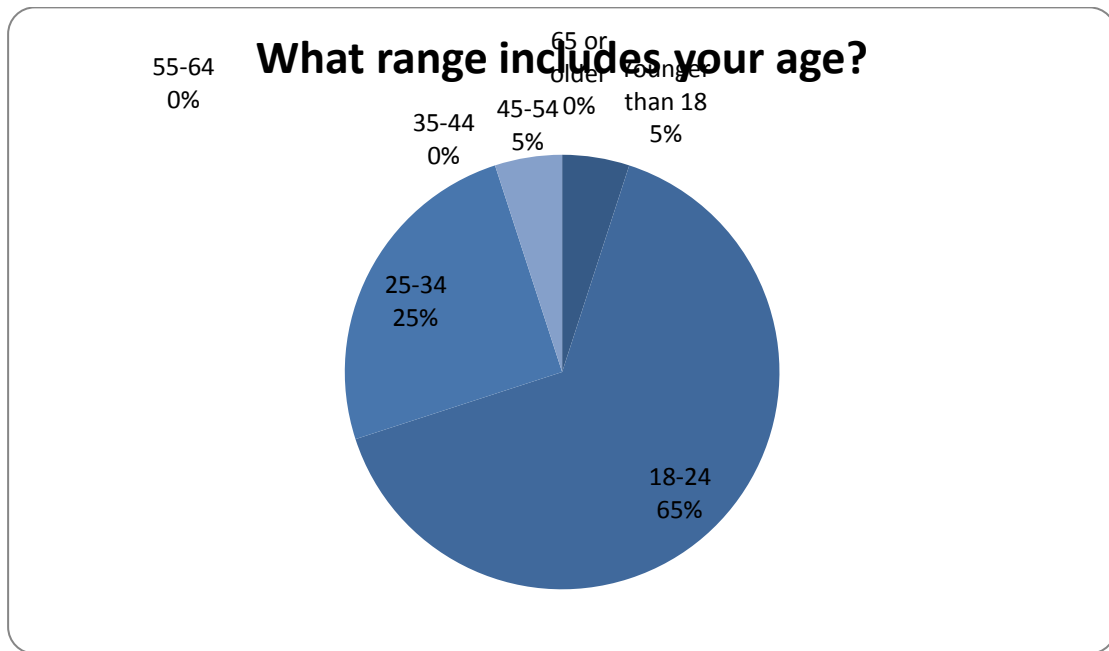
needs based approaches materialized into products and services (adidas Group, 2012).

Adidas acknowledges the fact that it is important to know the customer and see what he/she wants. This acknowledgement is made because otherwise a company cannot be successful at such a large scale like Adidas. This is why they pay a lot of attention to innovation and stay flexible so that they can adapt to changes. The importance of flexibility and adaption to change reflects in the high quality products and variation in products according to changing times (adidas Group, 2012). Theadidas Group needs to come up with a latest product or idea annually. This results in healthy competition with competitors and enables the company to make financial gains.

The global brands strategy of Adidas is aimed at Adidas and reebok brands. The goal followed by this strategy is to affect the consumer in a way that he/she perceives Adidas to be a desirable brand (adidas Group, 2012). This desire and brand perception is what influences the customer in a large way to choose the brand.

According to adidas Group (2012) Adidas also understands that different customers have different needs as also mentioned in the previous chapter. This is why they give a lot of priority to establish a relationship between the brand and the customer through diverse products. Thisrelationship inspires the company to grow in this area and create value for their brand. Also, Adidas has a 'multi-brand strategy' to target all the segments of their

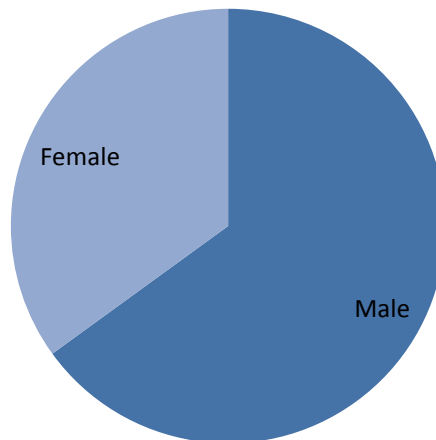
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The first question was about the age of the person. The age was divided into seven parts from which the person had to choose his/her age. The seven parts were, Younger than 18, 18-24, 25-34, 35-44, 45-54, 55-64 and 65 and above. The highest numbers of people were from the age of 18-24. They were 65%. The second highest was 25% which was from the age of 25-34. Younger than 18 were 5% and 45-54 were 5% as well. 55-64 and 65 or older were 0% as no one from these ages answered the questionnaire. This means that youngsters and adults were the ones who answered the questionnaire the most.

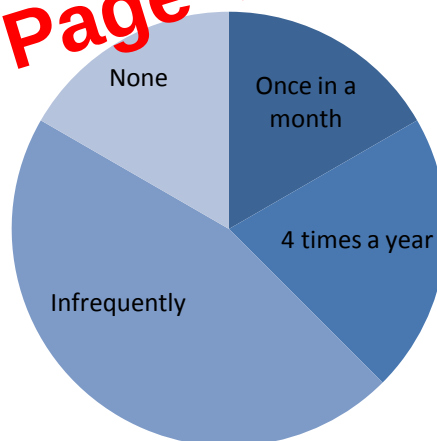
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Please indicate your gender



The second question was about the gender of the people who answered the questionnaire. 35% females answered and 65% males answered the questionnaire. This means that the data is more male dominated.

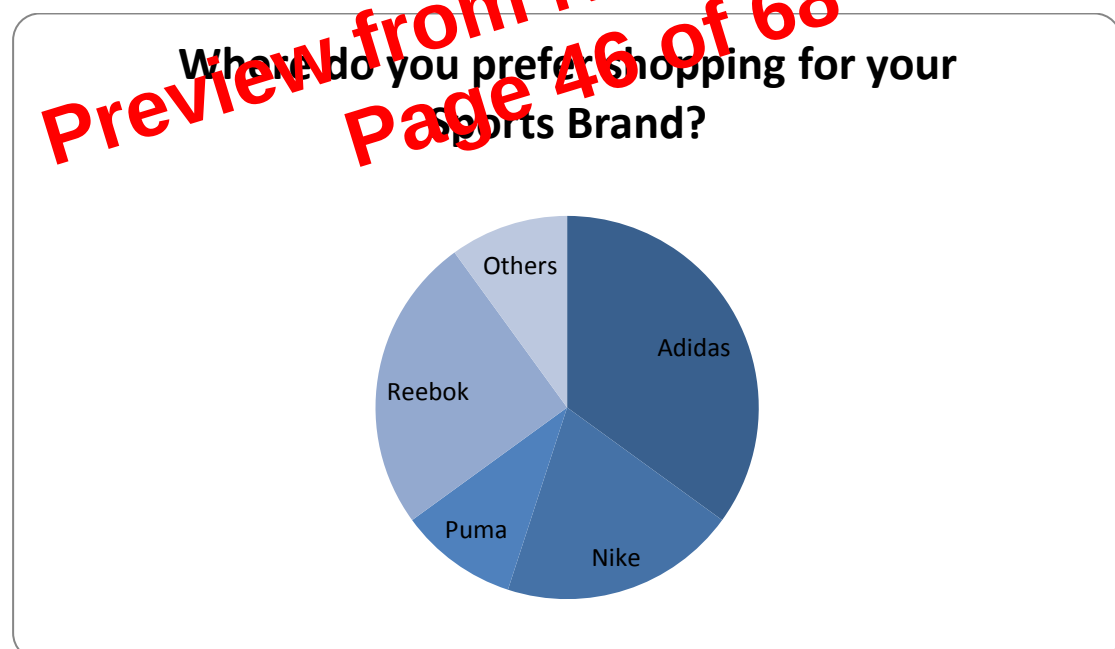
How often do you shop at Adidas ??



The third question was about the number of times the person went to a shop of Adidas. The options given were, once in a month, 4 times a year, infrequently and none. The highest number was infrequently at 46%. After this

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it was 21% of 4 times a year and None at 17% followed by 16% once in a month. This means that not many people went to the shop of Adidas frequently. 17% did not even go to the shop of Adidas but 16% went once in a month which shows that Adidas has 16% of regular customers out of 100. The 17% of customers who do not shop at Adidas can also be seen as new customers by Adidas. So, the marketing team of Adidas needs to target customers with better campaigns as there are many customers who can be attracted to shop at Adidas as the frequency of visits to the shop of Adidas are not high. They also need to look into the possible factors due to which people are not visiting Adidas frequently. It is possible that price, quality and such factors need to be revised so that more people can shop at Adidas and the frequency increases.



The fourth question was about the preference of the people when buying a sports brand for themselves. The options available were Adidas, Nike, Puma,

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this area as well. The percentage should be higher for the first or second option. Customer service is a very important factor which affects the customer in buying products. Adidas should pay attention to this if they want their customer to be satisfied and spread positive feedback regarding Adidas. Word of mouth is a very affective way by which people find out about brands.

How would you rate the customer service of Adidas?



The seventh question is about the opinion of the people who filled the questionnaires regarding the customer service of Adidas. They were given six options to choose from and rate the customer service of Adidas. The options were poor, average, good, very good, excellent and other. The highest percentage was good at 30% followed closely by average at 25% and very good at 20%. The percentage for excellent rating is 15%, other at 5% and poor at 5% as well. This shows that overall people are satisfied with the customer service of Adidas. Only 5% said poor and other. Since adidas

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considerations from Adidas are the reasons why Adidas is one of the most chosen brand as compared to others as discovered from the data collected from the primary data.

The research also resulted in finding that along with pure consumer focus; Adidas is successful because of its adaptation to technology and attention to innovation. This attention is necessary because the process by which customers make decisions is changes over time and technology and innovation affect the customer purchase decision. The stages as elaborated in chapter 2 of the research show that the consideration, evaluation and trial stages of the processes are affected by these two factors along with other influences. Technology affects customers through various means, social media being the strongest nowadays. Facebook is a very strong means of communication and interaction with all over the world and Adidas has seen a rapid rise in its members on facebook. Such attention from Adidas influences customers to like the brand and form a positive image of the brand in their minds. Such a brand positioning then helps in further awareness of the brand. This further awareness is created through word of mouth and influence of family, friends or relatives. The data of the primary research showed that word of mouth and other people play a significant part in influencing a person to buy Adidas. Also, the 97% of people who said that they would recommend Adidas to their close ones shows that Adidas is positioning their brand in the minds of the customer favourably. Customer service is also such a factor which affects the purchase decision of a customer. If the service is perceived negatively then the customer is likely to be disappointed. Adidas has a good