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Branding and Customer Satisfaction:
A Research about the Adidas Group

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BACHELOR'S THESIS

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Abstract

Competition among different brands has increased rapidly due to the many similar products available. Therefore, a company needs to know how to best tell the story of its brand in order to satisfy their customers.

The main purpose of this thesis is to investigate the role of branding in customer satisfaction. The objective of the present paper is to study the process of branding, how a brand can influence customers' perception and gain customers' satisfaction, and to find out about the relationship between customer satisfaction and brand loyalty.

The methods used to conduct a comprehensive research mainly consist of secondary data that derives from related literature and online sources. Moreover, one part of the research will contain primary data which will be obtained through an online survey.

To sum up, the case company, called the Adidas Group, has established a great branding strategy for its range brand Adidas because it communicates the different brand identities very well and promises benefits and experiences that satisfy the customers.

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1. Introduction

"Get closer than ever to your customers. So close, that you tell them what they need well before they realize it themselves". This fact has been spoken out by Steve Jobs, an American entrepreneur and co-founder of Apple Inc. (24.02.1995 – 05.10.2011).

Competition among the different brands has increased rapidly due to the many similar products available. Therefore, a business needs to know how to best tell the story of its brand. Moreover, it is necessary to find out what factors influence consumers to gain their loyalty and to raise the business performance in return.

1.1 Purpose of the Thesis

This thesis seeks to clarify the above mentioned statement by outlining the role of branding in customer satisfaction. The objective of this thesis is to investigate the role of branding, to study the process of branding, how a brand can influence customers' perception and gain customers' satisfaction, and to find out the relationship between customer satisfaction and brand loyalty.

Consequently, this research initially deals with a theoretical insight into the branding process and how to gain customer satisfaction. Based on the theoretical background on word explanations and on the development of branding, it is then possible to build the necessary connections to the empirical approach: conducting a survey about branding and customer satisfaction of a case company.

Beside the theoretical background, it is essential to provide the reader with a detailed theoretical approach into the branding process. Based on this theory, it is finally possible to illustrate the role of branding in customer satisfaction from a practical approach by conducting a survey for a case company. The final conclusion of this research is formed by a discussion on the outcome of the survey.

The methods used to conduct a comprehensive research will mainly consist of secondary data that derives from relevant related literature and online sources. Furthermore, part of the research will contain primary data that will be obtained through an online questionnaire which can be found in the appendices at the end of this paper.

1.2 Research Objectives

Based on the purpose of this thesis and the main objective, to investigate the role of branding in customer satisfaction, the author calls into the following research questions:

➢ How can branding and customer satisfaction be defined?
➢ How can a company build a strong brand?
➢ Which factors influences a customer's satisfaction?

1.3 Chapter Overview

The thesis is structured into five interlinked chapters which are illustrated in Figure 1.

- Chapter 1 is an introduction to the thesis. It outlines the purpose and aim of the research.
- Chapter 2 deals with the theoretical background. Its emphasis is on the development of branding.
- Chapter 3 deals with relevant theory in the branding process and how to gain customer satisfaction.
- Chapter 4 describes the instrument used in the data collection. It outlines the key results of the research and presents a discussion.
- Chapter 5 provides a summary with a critical review of the process.

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Figure 1. Overview of the Thesis, Author's source

2. Theoretical Background

After the brief introduction and the general objectives of this Bachelor's Thesis have been outlined, a theoretical insight into branding and customer satisfaction will be provided below. The following chapter will support the reader in acquiring a basic understanding of the theme in order to afterwards be able to answer research questions:

2.1 Definitions

Aaker, David A. (1996, p. 7) described a brand through the concept of brand equity as "a set of assets (and liabilities) linked to a brand's name and symbol that adds (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers." The definition of Aaker introduces the important aspect of a linkage between a customer and a brand, whereas, Kotler and Keller (2016, p. G1) view a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors." Another definition of a brand is given by Kapferer, Jean-Noël (2012, p. 12). He understands the brand as "a name that symbolizes a long-term engagement, crusade or commitment to a unique set of values, embedded into products, services and behaviours, which make the organization, person or product stand apart or stand out."

After a brand has been explained, the question now arises what branding is. According to Kotler and Keller (2016, p. 323) branding "is the process of endowing products and services with the power of a brand." However, Kapferer, Jean-Noël (2012, p. 31) says that "branding means much more than just giving a brand name [...]. It requires a corporate long-term involvement, a high level of resources and skills to become the referent."

In this research a customer is defined as "a person who buys goods or services from a shop or business (Oxford Dictionaries)." The term consumer is described as "a person who purchases goods and services for personal use (Oxford Dictionaries)." Both terms will be used identically in this thesis.

Satisfaction for an individual in different situations has several different meanings, however, in this study satisfaction is described as "a person's feelings of pleasure or

disappointment that result from comparing a product or service's perceived performance (or outcome) to expectation (Kotler & Keller, 2016, p. 153)."

The definition of customer satisfaction given by Kotler and Keller (2016, p. 153) says that it is determined by how the experiences match the customer's expectations. This can be underlined with the definition that customer satisfaction "is a function of the experiential outcome in the context of the customer's expectations across brand touchpoints (Lockwood, 2009, p. 223)." The degree to which these needs are fulfilled determines the enjoyment in the case of conformity or disappointment from discrepancy (Hill, Roche & Allen, 2007, p. 31).

2.1. Development of Branding

Without any doubt branding is not a new phenomenon. This can be proved by the variety of literature in the field of branding. It is possible to trace back the use of brands all the way to the Stone Age, when hunters used weapons of specific "brands" to succeed in the hunt (Almquist & Robert, 2000, p. 10). Brands of today have taken shape over time. The British ceramist Josiah Wedgwood and the French designer Rose Bertin are acknowledged for the establishment of the earliest known brand (Gamage, 2014). Back in 1970 businesses started to think about their consumers for the first time. The brands of that time were developed to become story-telling brands with the aim to create a meaning for their consumers (Roper & Parker, 2006, p. 58).

This concept was further established and relationship marketing emerged. To be able to establish a long-term relationship marketers must create prosperity and mutual satisfaction among all constituents. A brand requires a deep understanding of stakeholders' needs, goals, and desires in order to develop strong relationships with them. (Kotler & Keller, 2016, p. 43)

In the early 21st century the role of branding became even more important through the rapidly changing business environment. That was due to the technology advances, especially the internet which enabled companies with new digital tools to sell their products and, in contrast, consumers with accessibility for faster information flow. During

these technology changes the process of globalization started which reduced barriers to market entry and thus, increased the number of competitors. Consequently, customers also have a greater choice of brands. (Davis, 2010, p. 5)

The society as an influencing factor on brands can also be seen in Figure 2 and Figure 3 which show the Top 10 of the Best Global Brands in 2000 and 2017. This huge difference between the year 2000 and 2017 is probably a result of the increased importance of customer satisfaction on brand loyalty. Due to digitalisation and Social Media brands have changed from not only storytelling but storytelling and experience providers to bring joy to consumers. Through "liking, sharing, and comments" brands can create positive experiences on the rational and emotional level. How customer experiences arise will be explained later in Chapter 3.4.4.

Furthermore, a direct interaction with customers is becoming more and more important. Technology brands such as Apple, Facebook, or Microsoft use the best customer engagement strategies as competitive advantage and are therefore under the Top 10 of the Best Global Brands in 2017. Apple has, for instance, established one of the most loyal customer segments based on deep emotional connections through every touchpoint and maximum usability. Another example of customer engagement is the marketing campaign "Share a coke" of the brand Coca-Cola. The brand printed different names on its famous logo so that everyone could share their moments, stories, and pictures with the personalised bottles. This marketing campaign created deep emotional relationships between Coca-Cola and its customers. (Coca-Cola Company)

Kapferer (2012, p. 139) also acknowledges the importance of relationship within branding and argues that the focus now is on building long-lasting relationships which involve deep emotional contacts and loyalty that leads to post-purchase activities. Therefore, businesses need to understand the importance of branding to gain customer satisfaction to increase their business performance.

Figure 2. Top Ten of the Best Global Brands 2000, Interbrand

Figure 3. Top Ten of the Best Global Brands 2017, Interbrand

On the one hand, a brand protects the legal copyright of companies and creates brand loyalty. It enables a differentiated marketing approach and a direct link with the end customer. A brand helps a business to expand their product portfolio by transferring the image from existing to new products. Furthermore, consumers are less price-sensitive when buying branded products.

On the other hand, a brand helps consumers with the identification, which means consumers are able to identify and re-purchase products. Consumers can choose highly prestigious products and earn a status symbol. Furthermore, branded products enable direct feedback to the company which is especially important if customers are dissatisfied. It is also known that branded products are associated with high quality and therefore ease the decision making for consumers. (Kotler & Keller, 2016, p. 322)

As mentioned above, a brand protects the legal copyright of companies which is nowadays even more important due to the increased counterfeit products that are available worldwide on the market. Counterfeit products are produced without any authority in the ownership and rights of, for example, trademarks, copyright, patents or design rights. The effect of these goods is huge. Kotler and Keller (2016, p. 259) say that "counterfeiting is estimated to cost more than a trillion dollars a year." However, counterfeiting has not only effects on the brand but also on customers and government. The potential effects of counterfeiting can be seen below in Table 1. (Kotler & Keller 2016, p. 259, OECD 2008)

Table 1 Principle potential effects of counterfeiting

Impact area		Principal potential effects
General socio–economic effects		
Innovation and growth	–	Reduction in incentives to innovate
	–	Possible negative effects on medium and long term growth rates
Criminal activities	–	Increase in flow of financial resources to criminal networks, thereby increasing their influence in economies
Environment	–	Substandard infringing products can have negative environmental effects
	–	Disposal of counterfeit and pirated products has environmental consequences
Employment	–	Shift of employment from rights holders to infringing firms, where working conditions are often poorer
Foreign direct investment	–	Small, negative effects on levels of foreign direct investment flows; possible effect on structure of foreign direct investment
Trade	–	Negative effects on trade in products where health and safety concerns are high
Effects on right holders		
Sales volume and prices	–	Reduction of rights holders' sales volumes
	–	Downward pressures on prices
Brand value and firm reputation	–	Erosion of brand and firm value
Royalties	–	Diminished flow of royalties due to rights holders.
Firm-level investment	–	Adverse implications for R&D and other creative activities
	–	Reduced firm-level investment
Costs of combating counterfeiting and piracy	–	Costs are incurred for: (1) investigatory work; (2) public awareness initiatives; (3) technical assistance to governments; (4) litigation to fight infringements; and (5) modifications to product packaging to deter counterfeiting and piracy
Scope of operations	–	Downsizing of rights holders operations
	–	Increased risk of going out of business
Effects on consumers		
Health and safety risk	–	Substandard products carry health and safety risks ranging from mild inconveniences to life-threatening situations
Consumer utility	–	Consumers who unknowingly buy counterfeit/pirated products are generally worse off
	–	Consumers who knowingly purchase counterfeit/pirated goods are generally not in a position to properly evaluate the quality of the product; there is substantial risk that utility will fall short of expectations
Effects on government		
Tax revenues	–	Lower tax and related payments (such as social charges) by rights holders
	–	Weak collection of taxes and related charges from counterfeiters/pirates
Costs of anti-counterfeiting activities	–	Costs are incurred for enforcement and public awareness initiatives, and for development and maintenance of legal frameworks
Corruption	–	Bribery and extortion of government officials to facilitate counterfeiting and piracy operations weaken the effectiveness of public institutions charged with law enforcement and related government activities.

OECD (2008): Examining the economic effects of counterfeiting and piracy, p. 134, http://www.oecd-ilibrary.org/trade/the-economic-impact-of-counterfeiting-and-piracy_9789264045521-en

3. Theoretical Approach

After the short background information and the basic definitions have been given, there will be a more detailed insight into the branding process with relevant related topics as well as into customer satisfaction, and finally the relationship between branding and customer satisfaction will be outlined.

3.1. Branding Process

The branding process is crucial for long-term success and is defined by six distinct phases with both logical beginnings and endpoints. An overview of the branding process can be seen in Figure 4. The whole process should establish mental structures that help consumers recognise the brand in a way that influence their decision-making and provide value for the firm, as well.

Market research → Designing brand identity → Clarifying strategy → Brand platform → Brand guidelines → Brand evalutation
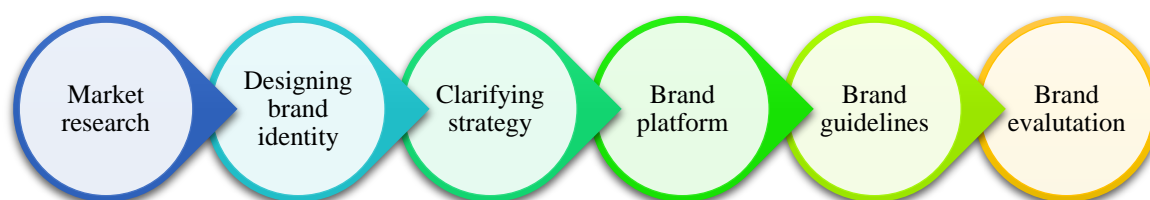
Figure 4. The Branding Process, Author's source based on Wheeler 2013, p. 102-103

3.1.1. Market Research

First, a business needs to understand their current organisational situation and the environment they are operating in. To find out about the current position marketers conduct numerous researches to uncover key insights on the brand, target groups, and the competitive environment. They may also conduct a SWOT analysis to determine strengths, weaknesses, opportunities and challenges for the future. Hence, marketing research is the

systematic gathering, evaluation, and interpretation of data affecting customer choices for products, services, and brands. (Kotler & Keller, 2016, p. 1121-123)

After a company has defined the problem and has set the research objectives, the next step is to develop a research plan. To design such plan a business makes decision about the data sources, research approaches, and research instruments. At this stage marketers decide whether they use primary or secondary data, or both. Primary data is the gathering of new data designed for a specific purpose or project, whereas, secondary data is the collection of information that already exists. (Kotler & Keller, 2016, p. 124-125)

Primary data can be collected through observation, focus groups, surveys, behavioural data, and experimental research. A qualitative research uses an unstructured research approach which reveals customer opinions such as perception, beliefs, feelings, and motives. Marketers can apply qualitative research directly through focus groups and face-to-face interviews as well as indirectly through observation. In focus groups, for example, a researcher selects participants who share common characteristics and let them have a discussion about a predetermined topic to uncover specific attitudes, perception, or needs. Moreover, marketers can use ethnographic research which is the observation of customer's behaviour in either their work or home environment to understand unclear desires. Researchers can also go shopping with consumers to observe their purchase decision behaviour or skilled observers are anonymously visiting stores to assess the shopping experiences of customers. However, a qualitative research does have its disadvantages because the samples are often very small but it is a useful supplement tool to quantitative research. (Wheeler, 2013, p. 120; Kotler & Keller, 2016, p.126)

Quantitative research conducts larger samples to create statistically valid market information. The goal is to provide enough data from a large group of people who is asked exactly the same questions to transfer the results into the overall target market. The most common tool is conducting online surveys where the information is gathered via the web. Marketers send an email to potential respondents inviting them to take part in the survey. A survey is especially useful to reveal insights into a customer's perceptions and feelings. (Wheeler, 2013, p. 121)

To determine not only the organisation's current position but also the future path, marketers apply a competitive audit. This audit examines the competing brand's key messages, identity and position in the marketplace. The purpose of the competitive audit is to understand the competitor's actions and activities which often provide more precious insights on the preferences of consumers. (Aaker, 1996, p. 189-195)

In addition to the customer analysis and the competitor analysis, the self-analysis is also a very important input to develop a brand identity. An organisation needs to know their current brand image and brand heritage in order to generate strategic insights about their future actions. It is useful to apply a SWOT analysis to first determine the internal strengths and weaknesses and then support the strengths of the brand and improve or avoid brand weaknesses. (Aaker, 1996, p. 196-201)

The data collection phase is generally the most expensive for companies because some respondents must be contacted over and over again or replaced and others will completely refuse to cooperate. Immediately after the collection of the data the next step is to analyse and report findings and to develop a summary chart to make the results as simple as possible to understand. (Kotler & Keller, 2016, p. 135)

3.1.2. Designing the Brand Identity

To build a strong brand means also to deal with pressures and barriers within the environment. Brands have to compete on prices because the competition is driven by strong retailers who apply pressure on the reduction of prices. As was mentioned in the second chapter, the more competitors on the market the harder it is to obtain and hold a position. Another pressure is triggered by the access to different media usages and communication via several communication tools which make the coordination of a message more difficult for brands. Moreover, the fast changing environment provokes pressure on brands. A brand will be more vulnerable and will miss possible opportunities if these changes are ignored. (Aaker, 1996, p. 27-35)

However, building strong brands is difficult but doable which is evidenced by those brands that have done it until now. One key success is to understand how to develop a brand identity. The purpose of a brand identity is to develop brand elements that add value, as well as, help clarify and differentiate an identity.

Aaker (1996, p. 78-89) developed the brand identity model around four different perspectives and 12 dimensions. The brand identity planning model can be seen in Figure 5. The four dimensions of his model are as follows:

- **The brand as a product:** Product-related associations have an important influence due to the fact that they are directly linked to brand choice decisions and user experience. The first six dimensions are product scope, product-related attributes, quality/value, use occasion, users and country/region. Usually, the product scope affects desirable and feasible connections with product classes. Product-related attributes are linked to the purchase or use of a specific product, thus, these attributes can create value proposition by offering extra or better features or services. Furthermore, value is closely related to quality and quality is always considered separately based on its importance. Associations with use occasions are linked to the ownership of a particular use or application which forces competitors to work around. Moreover, linkage to users is also an important dimension as a strong user-type position can create value proposition and the brand personality. Some countries or regions stand for excellent quality, good working conditions or strong sustainability regulations, therefore, brand-builders have to take into consideration the link to a country or region because it can add credibility to it.

- **The brand as an organisation:** Brand managers are forced to shift their perspective from product to organisational attributes. These are less tangible, but more enduring and resistant to competitive claims. Attributes such as innovation, perceived quality, visibility and presence can contribute significantly towards value propositions and customer relationships. Aaker addressed organisation attributes and local/global as two dimensions.

- **The brand as a person:** It is the perspective that the brand is a human being. There are two dimensions, personality and brand-customer relationship. Brand personality is a very distinctive brand element and extensively used in many brand equity models. It

develops the interaction between the brand, product, service, organisation and their users. Hence, brand personality helps to create a self-expressive benefit and will contribute to functional benefits, too.

- **Brand as a symbol:** It captures all values and beliefs that represent the brand. A strong symbol can fulfil an important and dominant role in brand strategy. A visual imagery is more memorable and, thus, makes it easier to gain awareness. The last two dimensions are imagery/metaphors and brand heritage.

The heart of the model contains the brand essence, the core identity and the extended brand identity. The brand essence captures the brand values and visions. It is the internal magnet that keeps the core identity elements connected. In addition, the core identity represents the timeless essence of the brand and contains associations that are most likely to remain constant over time as well as resistant to changes. It should include elements that make the brand unique and valuable. The extended brand identity provides a texture and fulfils a completive role. It contains elements that add useful details to complete the overall picture of the brand.
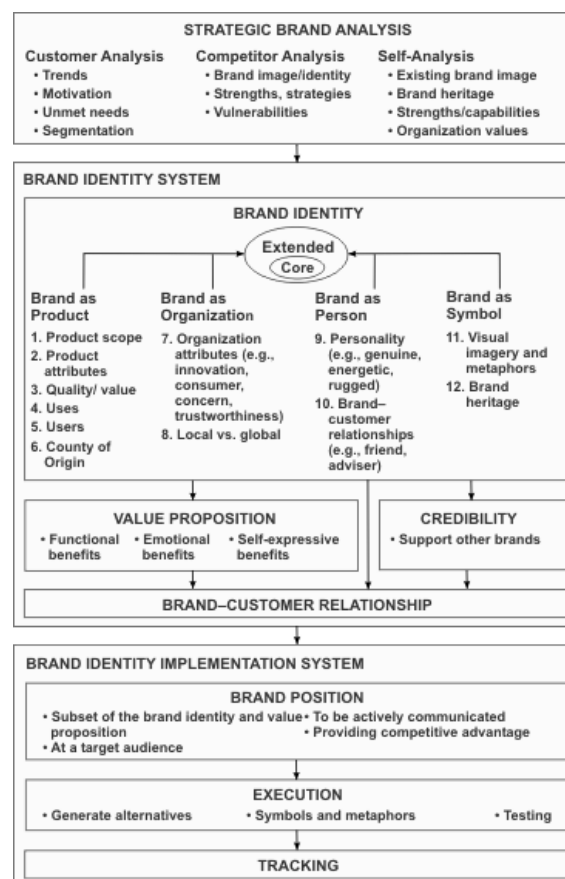
Figure 5. Brand Identity Planning Model, Aaker 1996, p. 79, Figure 3-3

3.1.3. Clarifying Strategy

The third step in the branding process is to clarify a strategy. The purpose of this phase is to establish the desired future position and to ensure that the brand strategy supports the overall business strategy. It is probably not enough to examine only the customer analysis, the competitor analysis, and self-analysis. On the contrary, it is essential to look ahead at economic, socio-political, global, and social trends that will affect the brand. (Wheeler, 2013, p. 12-13)

The brand positioning is a process to identify what differentiates a brand in the mind of customers. It is a reflection of perceptions that the business wants to have associated with the brand. A good starting point in defining a brand position is to determine competitive frames of reference. It identifies competing brands which should therefore be the focus of the competitive analysis. Once marketers have defined the competitive frames of reference, they can start to develop a unique brand point-of-difference which are attributes or benefits that consumers positively associate with a brand. These brand associations need to be desirable and consumers must see the personal relevance to them. Furthermore, companies must have the internal resources to deliver and maintain the brand association in the consumer's mind. The last criterion is that consumers must view the association as differentiating and distinctive factor in relation to competitors. The brand position also needs to provide points-of-parity which are brand associations that are not unique to a brand but may be shared with competing brands. The last step in the positioning process is to create a brand mantra which highlights the points-of-difference. It is a three- to five-word phrase that captures the essence and soul of the brand. The goal of creating a brand mantra is to ensure that both the internal and external environment understand what the brand basically stands for and fundamentally represents. (Wheeler, 2013, p. 336-337; Kotler & Keller, 2016, p. 300-304)

Before considering the brand strategy, a company needs to establish a brand portfolio which represents the entire offerings and defines the interrelationships between all brands. In general, a brand is built up in a hierarchy format (Figure 6). At the very top is the corporate brand which identifies the legal entity. The range brand also called family brand covers one entire product category. Beneath the range brand is the sub-brand which refers to one single product category. At the bottom of the hierarchy is the modifier which represents one particular version or model of the sub-brand. (Aaker, 1996, p. 239-252)
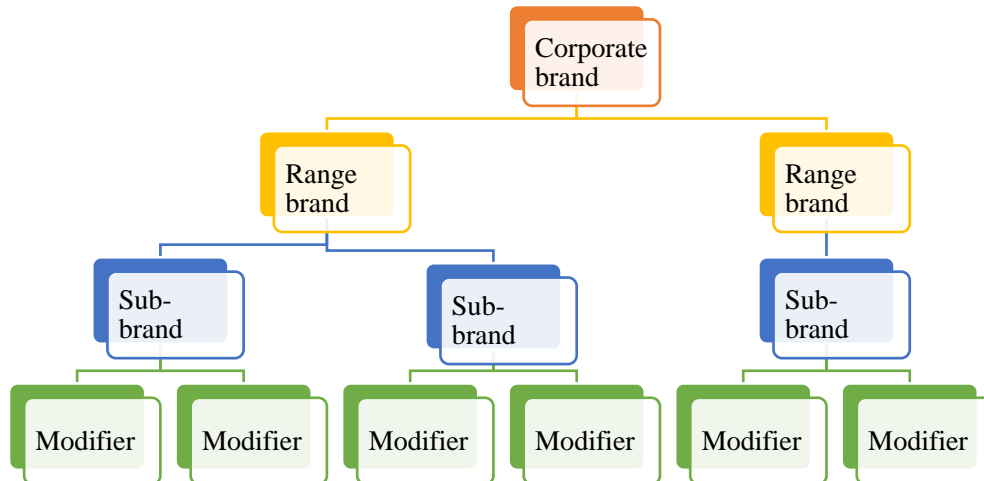
Figure 6. The Brand Hierarchy, Author's source based on Aaker 1996, p. 242, Figure 8-1; Davis 2010, p. 68, Figure 3-4

The brand hierarchy refers to the brand architecture which provides the framework for the strategy. A brand strategy is a set of common and distinctive brand elements. Companies can choose among various brand strategies, however, there are three which are very popular. The single or separate family branding strategy refers to the "house of brands" and is used when different products have separate strong brand labels. One advantage of this strategy is that the company's reputation does not decline if the product fails. Another strategy is called corporate umbrella or master brand strategy which is the so-called "branded house" strategy. It uses the corporate brand name across the entire product range. The benefit of this strategy is that it leads to a greater intangible value as corporate-image associations have a positive influence on consumers. The last strategy is called sub-brand or multiple branding strategy. It uses the corporate brand name, as well as the individual product brand name for one product. One advantage of this strategy is that both the corporate brand and the sub-brand gain more recognition and create new connections which help consumers with the understanding of the brand. (Davis, 2010, p. 59-72; Kapferer, 2012, p. 309-328)

The most important task in this step is to document fundamental guidelines of the brand. The objective of a brand brief is to help clarify organisational unity around core brand principles, such as vision, mission, brand essence, key beliefs, target market, key competitors, and stakeholders. Thus, a brand brief is a foundational document with a clear brand position. (Kapferer 2012, p.152-157; Wheeler 2013, p. 132-143)

3.1.4. Brand Platform

At this stage, the creative design process begins with the transformation of the brand expression into words and images. In creating a cohesive brand experience the creative strategy should lead the consumers to the content enabling a direct connection. The process ensures that the customers see visual aspects, functionalities, and the key message of the brand.

The logotype and signature are the heart of any brand, therefore, they must be distinctive, memorable, flexible, and durable. Designers begin the process by examining numerous typographic variations and proceed to customize the logotype further until it expresses the appropriate personality and positioning of the brand. A signature is the combination of the brand mark and the logotype, consequently, it is a very specific and non-negotiable design. (Wheeler, 2013, p. 144-147)

However, the brand is nothing without a look and feel because the visuals make it indeed recognizable, cohesive, and different. A brand may have two colour palettes, the primary brand colour is used for the symbol, and the secondary colours are used for the logotype or tagline. Although, colours are used to provoke emotions and specific brand associations, a company has to consider that colours have different connotations in different cultures. Choosing the right colour palette is substantial to express the desired personality and requires a deep understanding of colour theory. The typography of a brand communicates feelings and reflects the brand position. Due to the thousands of fonts existing, the designer needs to develop a typography which is flexible, sustainable, easy to use, and different from others. Furthermore, the typography needs to have a personality and reflect the brand's culture. What is more, a sound becomes even more important in enhancing brand experience and the speed of recall as music triggers an emotional appeal. A sound can be a memorable jingle which gets stuck in a customers' mind and sound effects on different advertisement channels intensify brand adventure, too. (Wheeler, 2013, p. 148-157)

It is important to develop a design system that works across all media to create a unified visual language that increases brand recognition. External touchpoints to increase brand awareness are, for example, a company's website, packaging, leaflets, and advertising campaigns. Websites are at the top of a brand's necessity list and need to reflect the organizational structure, though, the main goal is to keep it simple and user friendly. The

package design is another media to communicate the brand personality as consumers are continually influenced by packaging shapes and colours when buying a specific product. A good package design is a competitive advantage and creates brand presence. Advertising campaigns should also be integrated in the design system because they build relationships between consumers and products. One internal touchpoint which should also be considered in the design system are employee's uniforms as they engage pride and team spirit. (Wheeler, 2013, p. 158-191)

For example, Coca-Cola has created one of the best brand platforms in the world. As you can see in Figure 3, Coca-Cola is still among the top 10 of the most valuable and recognizable brands in the world. The logo of the brand, the white script on a red background, is simple but memorable. Moreover, it is flexible and works across all touchpoints, from bottles to cups and trucks. (Coca-Cola Company)

3.1.5. Brand Guidelines

The fourth phase in the branding process is to develop brand guidelines which create a clear and simple understanding of the brand strategy and ensure the sustainable delivery of the desired brand impressions. The purpose of a brand book is to inspire, educate, and build brand awareness. Hence, it should be easily accessible and provide a comprehensive manual for both internal employees and external creative partners. These brand guidelines consist of general information about the organisation, such as mission, vision, and core beliefs. Moreover, the guidelines should include the brand identity, from naming and logo to strategy and positioning to an integrated system design. (Wheeler, 2013, p. 192, p. 200-205)

After establishing the brand guidelines, the internal launch process starts. A brand should encourage employees in every department to perform better, as well as, place value on the employee's contribution to establish loyalty for the organisation. Hence, the priority of an internal launch is to raise brand awareness and understanding among all internal and external stakeholders. The first step in an internal branding process is to educate employees about the new branding initiatives to gain their acceptance. This means a brand should always explain why they did it and what the new brand stands for. A brand can

promote its new brand identity through several channels such as personal communication, press releases, launch events, and direct mail. Furthermore, it is important to give employees something tangible, for example, a new uniform or the brand book to increase excitement among the employees. Finally, a brand should always communicate its future goals, mission, and position so that employees become even more familiar with the new branding initiative. If the internal launch was successful, a brand can consider timing, key-message, media channels, and frequency for the external launch. (Davis, 2010, p. 197-200; Wheeler 2013, p. 196-199)

3.1.6. Brand Evaluation

One vital point at the end of the branding process is to measure the performance of the brand on a regular basis to assess the contribution to the business strategy. It is very challenging to measure brand performance due to the fact that brands are intangible added value assets for businesses. A brand can be evaluated according to two different approaches, customer based brand equity or financial based brand equity measurements.

Interbrand, a UK-based brand management firm has developed a brand value chain model which can be seen in Figure 7. The process begins with dividing the market into segments that determine different customer groups. The next step is the financial analysis which assesses purchase price, volume, and frequency to calculate forecasts of future brand sales and revenues leading to economic earnings. Next, Interbrand identifies demand drivers and determines the role of branding based on market research. To receive the brand earnings, Interbrand multiplies the role of branding by the economic earnings. The following step is to assess the strength of the brand which relies on competitive benchmarking. For each segment, Interbrand determines a brand discount rate which is applied to the brand earnings and yields to the brand value. (Davis 2012, p. 48; Kotler & Keller 2016, p.337-340)
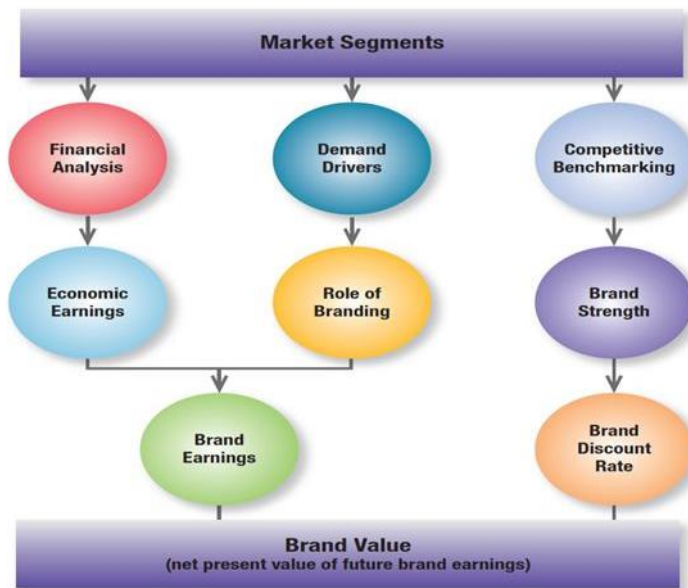
Figure 7. Interbrand Brand Valuation Method, Kotler & Keller 2016, p. 340, Fig. 11.7

The challenge is to develop brand measures that supplement financial measures with brand asset measurements. Therefore, Aaker (1996, p. 319) developed the brand equity ten as brand equity represents a combination of marketing with economic and financial perspectives. The model which can be seen in Figure 8 is based on four criteria that should be taken into consideration when measuring brand performance. First, measures should reflect the asset value of a brand and focus on a competitive advantage. Second, measurements should express the market drivers because they are associated with future sales and profit. Furthermore, it is important that the selected measures are sensitive as performance changes over time. Finally, the measures should be applicable across brands, product categories, and markets.

The first goal of performance measurement is selecting the right metrics that offer insights about consumer perception and effectiveness of business actions. Loyalty measures aims to represent the loyal customer base. Perceived quality is one of the key dimensions and is applicable across product classes. Furthermore, leadership measures reflect customer acceptance and can also tap innovation within a product class. The challenges of associations/differentiation measurements is to produce measures that work across product classes as associations are usually individual and unique to a specific product class and brand. Brand awareness is an important and often undervalued component of brand equity but awareness reflects the brand knowledge in the customer's mind. Market behaviour

measures are the most visual measurement and provide a sensitive and valid reflection of the brand position. (Aaker 1996, p. 303-333; Kapferer 2012, p. 442-460)

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The Brand Equity Ten

Loyalty Measures

    1.  Price Premium
    2.  Satisfaction/Loyalty

Perceived Quality/Leadership Measures

    3.  Perceived Quality
    4.  Leadership/popularity

Associations/Differentiation Measures

    5.  Perceived Value
    6.  Brand Personality
    7.  Organizational Associations

Awareness Measures

    8.  Brand awareness

Market Behavior Measures

    9.  Market Share
    10. Market Price and Distribution Coverage
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Figure 8. The Brand Equity Ten, Aaker 1996, p. 319, Figure 10-6

3.2. Brand Awareness

Brand awareness is a precondition of brand power and refers to the probability that consumers recognize the existence and availability of a specific brand, creating this awareness by a business is one of the key steps to increase brand performance. Brand awareness can be measured through the different ways in which a customer remembers the brand, ranging from brand recognition to recall to "top of mind" to brand name dominance. In a nutshell, brand recognition reflects a memory of past utilisation of the brand which results in more positive feelings. In contrast, brand recall is the ability of a customer to retrieve the brand when a product class is mentioned. Recognition is important to a brand because it is true that consumers prefer purchasing brands they knew from before over completely unknown or new brands. However, brand recall is as important as recognition because it is the deciding factor whether a consumer buys specific brands in a product class over those from competitors. "Top of mind" is closely related to recall and refers to the very first brand which comes to mind if asking for several brands in the same product

class. Brand name dominance is the ultimate awareness level. This is reached if consumers can only remember one name of a single brand within a product class. (Aaker, 1996, p. 0-16)

Creating brand awareness is crucial for businesses as customers get more and more marketing messages every day. It is a fact that the more consumers can recognize a brand the more they will re-purchase the same brand over and over again. Therefore, companies have to think about using different channels that promote creating recognition and reminders in a consumer's minds. Media channels like event promotions, sponsorship, and publicity are most likely to be successful in building brand awareness. For example, sponsorship has become a highly important way of awareness building because businesses need not to invest in media advertising as sponsorship itself provides press results and TV coverage. (Kapferer, 2012, p. 188-189)

3.3. Factors influencing a Brand

There are thousands of internal and external influencing factors, however, this research focuses on the perceived quality, price and the value proposition to create a better linkage to customers.

Perceived quality is a brand association that has the most influence on brands because it drives financial performance due to the fact that perceived quality is linked to how a brand is perceived in the consumers' minds. Creating a high perception of quality requires the understanding of what quality actually means to customers. According to Aaker (1996 p.17) studies have shown that perceived quality contributes to a company's return on investment (ROI) by improving prices and market share. Another study uncovers that perceived quality is a major driver of customer satisfaction. Thus, when a brand invests in their perceived quality, their ROI will increase in turn. (Aaker, 1996, p. 17-20)

The price is also a strong influencing factor on brands. Different consumers have different price thresholds and interpret prices in different ways. When a price, for instant, is considered to be too high relative to the benefits a product appears not worth the money. However, a higher price can also be a signal for higher quality. Whereas, a lower price is

often connected with inferior quality. Therefore, a company must understand the complex structure in terms of pricing to keep the impact on a brand at a moderate level.

In the centre of the value proposition are functional, emotional, and self-expressive benefits which should drive consumer's purchase decision and hence, have an influence on the brand. Functional benefits are the most visible benefits based on product attributes which relate directly to the performance of the product or service. A brand needs to have a key functional benefit that is different to competitors in order to create a direct link between the customer and the brand. For example, when a visual symbol is established in a customer's mind, the brand will gain more brand recognition and recall. Another functional benefit could be a country origin association which is a quality indicator and adds credibility to the brand. Moreover, when the use of a particular brand evokes positive feelings by the consumers, then the brand provides emotional benefits which often lead to brand loyalty. A brand should also provide a self-expressive benefit which means a consumer can connect himself or herself with the brand personality through common attributes. For instance, when a consumer wants himself or herself to be seen as strong, powerful, and successful he or she will decide to buy a premium brand rather than a medium brand. Although, each customer has different roles and associated ideal self-images, a brand should deliver a concept to fulfil his or her need for self-expression in order to build long-term relationships. (Aaker, 1996, p. 95-103, p. 153-170; Kotler & Keller, 2016, p. 150-153)

3.4. Gaining Customer Satisfaction

3.4.1. Factors influencing Consumer Behaviour

Consumer behaviour is the process of how human beings select, buy, use, and dispose of goods and services to satisfy their needs and wants. Thus, the buying behaviour is influenced by certain characteristics of consumers which are made up from cultural, social, and personal factors, whereas, the cultural factors make the deepest influence. A Model how consumers behave is illustrated in Figure 9. (Kotler & Keller, 2016, p. 179)
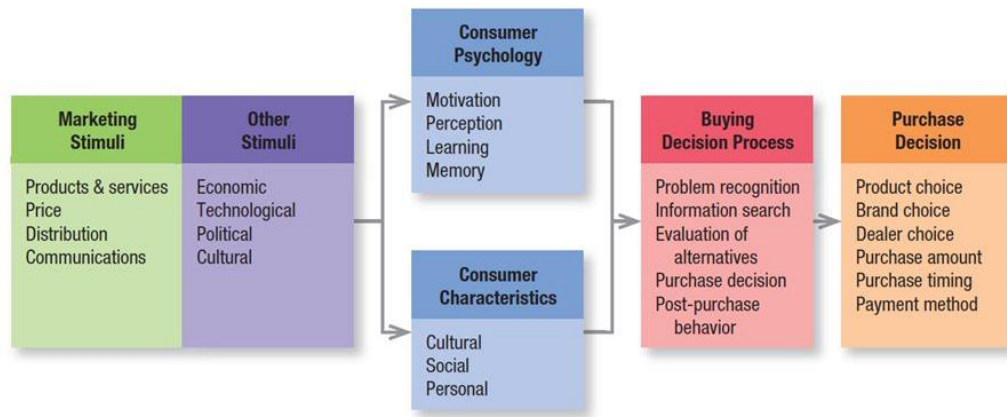
Figure 9. Model of Consumer Behaviour, Kotler & Keller 2016, p. 187, Fig. 6.1

- **Cultural factors:** Every individual's wants and behaviours are anchored in a specific culture. Through cultures, subcultures, and social classes a human being identifies himself or herself in a different way and is exposed to certain values and beliefs which can be differ in particular situations. Therefore, businesses must attend to cultural values in order to understand how to best market their brand and products. (Kotler & Keller, 2016, p. 179-181)

- **Social factors:** Social factors including reference groups, family, social roles, and status affect consumer's buying behaviour, too. Reference groups, such as friends, neighbours but also religious and professional groups influence an individual's attitudes and behaviours directly or indirectly. They do it by exposing a human being to new behaviours and lifestyles by creating pressures for conformation. It can be said that family members are the most influential group, simply because a person acquires an orientation toward religion, a sense of personal ambition, self-worth, and love. Social roles and status are closely related and define norms for a specific behaviour. A role consists of activities a person is expected to perform and, in turn, each role connotes a status. It is a fact that people choose brands that reflect and communicate their role and status within society. (Kotler & Keller, 2016, p.181-183)

- **Personal factors:** In addition to cultural and social factors, personal factors such as age, occupation, economic circumstances, and personality have influence on customer's decision. The consumption of certain brands, services, and products is often related to the stage in a consumer's life cycle and personal needs. Adults choose other brands than teenagers because they experience certain transformations as they grow up.

Occupation and economic circumstances also influence consumption patterns due to spendable income, savings, and attitudes toward spending and saving money in general. Personality is a set of human psychological traits such as self-confidence, dominance, and adaptability that lead to responses to environmental changes. Therefore, consumers often choose and use brands with a brand personality which matches their own. (Kotler & Keller 2016, p. 183-186)

Consumers have many needs at any given time which become a motive when they are stimulated to a sufficient level and drive customers to act. The best-known theory of human motivation is the one of Abraham Maslow. His basis of the theory is that human needs are arranged in a hierarchy from most to least pressing. People will first try to satisfy their most important need and then move to the next stage.

Another theory is Freud's theory of motivation which assumes that the psychological forces which are shaping consumer's behaviour are mainly unconscious and that the person itself cannot understand his or her individual motivations. He believes that most human behaviour is the result of desires, memories, and impulses that have been restrained into the unconscious state, but still influences a customer's actions. Freud's theory is based on three interacting systems. The "id" refers to primitive and impulsive drivers which are the basic human needs such as hunger and thirst. The second system is called "superego". The role of the superego is to see that a human being satisfies the needs in an ethical and socially acceptable way. The last system is the "ego" which is the person's conscious control and tries to balance the "id" and "superego". (Schiffman 2015, p. 96; Kotler & Keller 2016, p. 187)

3.4.2. Customer Buying Decision Process

It is the process by which consumers decide what to buy, what quantity to buy, at what frequency, and at what price. If a person goes through this process, he or she normally passes through five stages: problem recognition, information search, evaluation of alternatives, purchase decision, post-purchase decision.

- **Problem Recognition:** The buying decision process starts when the consumer becomes conscious of a problem or need. These problems or needs are triggered by external or internal stimuli. Internal stimuli are the needs which come from the person himself or herself and become a driver when they have reached a threshold level. In contrast, external stimuli come from outside sources including friends, family, and marketing information. (Kotler & Keller, 2016, p. 195)

- **Information search:** The search process is very crucial for the decision-making. The information search can be distinguished between two levels of engagement. Heightened attention is the level a person becomes more accessible to information regarding a brand, product or service. The next level is called an active information search. At this stage a person is looking for more specific information by reading materials, phoning friends or directly visiting stores. Consumers turn to several information sources such as personal, commercial, public, and experiential sources. Each source performs a different amount of information and influence the buying decision process. The highest amount of information can be gained from commercials that are directly from the brand itself, nevertheless, consumers often prefer personal or experiential sources as they are independent authorities. (Kotler & Keller, 2016, p. 196)

- **Evaluation of alternatives:** After gathering enough information about a brand, a consumer begins to think about alternatives or substitutes in the market. They will pay the most attention to attributes that will deliver post-purchase benefits. In the expectancy-value model a consumer evaluates products and services by combining their attitudes and beliefs towards the brand. (Kotler & Keller, 2016, p. 197)

- **Purchase decision:** In the evaluation stage a consumer considers a preference among the brand choices which is called the purchase intention. However, two general factors can intervene between the purchase intention and the final decision. The attitudes of others have a strong influence on the customer's decision. The final decision depends on the intensity of the other person's negative attitude toward the preferred brand and how close the person is to the consumer. The other factor is unanticipated situational events such as functional or financial risks that may change the purchase intention. (Kotler & Keller, 2016, p.199)

- **Post-purchase decision:** A brand should supply beliefs that reinforce the consumer's choice and help him or her to have positive feelings about their choice. When the brand matches the customer's expectations, he or she will be satisfied and will more likely re-purchase the same brand again. Moreover, satisfied consumers have more positive experiences about a brand and tend to recommend it. (Kotler & Keller, 2016, p. 200)

3.4.3. Managing Customer Expectation

One key to any successful brand is customer satisfaction, however, consumers form specific expectations from various sources such as past experiences, advertisement campaigns, word-of-mouth, and individual consumer needs. Thus, expectations set the basis for customer satisfaction which, in turn, affects customer loyalty. In general, if the actual service received is different from the expectations a person brings with, customers are dissatisfied. This difference leads to a gap between the expected service and the perceived service. There are some critical brand behaviours that cause consumers to switch brands due to dissatisfaction. These factors can be, for example, pricing, inconvenience, service failures, competition, and ethical problems. Successful brands add benefits to their products not only to satisfy consumers but to surprise them by exceeding expectations in order to build long-term relationships. (Grönroos, 1990, p. 25-48; Kotler & Keller, 2016, p. 439-440)

3.4.4. Customer Experience

Nathan Williams, Senior Strategist, Wolff Olins, said that "*customer experience is the experience a brand creates and curates, through its products and services that defined it in the minds of customers* (according to Wheeler, 2013, p.18)." Hence, it can be said that experiences are all direct and indirect associations a customer has with a brand before, during, and after the purchase. Both positive and negative experiences have significant influence on the brand performance. Therefore, every interaction with consumers must be seen as an opportunity to attract new customers or extend existing customer loyalty. Today consumers are flooded with brand choices, thus, a brand must try to create positive experiences with their customers through differentiation and engagement.

Customer experience emerges from five different types. First, experiences are developed through the person's five senses, taste, sight, touch, smell, and sound which have both direct and indirect impact on consumer behaviour. Therefore, brands should try to stimulate these senses to make positive and memorable experiences. Furthermore, the customer's emotions play a centric role in producing experiences. Marketers try to affect the emotions in a positive way to create beneficial experiences and brand connections. Third, a consumer creates memorable experiences when they have the feeling of direct involvement and engagement to a brand. Moreover, a customer's experience also appears when they actually see how a brand can modify or transform their lives into better. Finally, positive brand experiences are established when a brand meets the consumer's self-image and satisfies his or her self-expressive need. (Davis, 2010, p. 216-229)

There are several distinct principles such as human, ubiquitous, social, semantic, and sentient for designing a strong brand experience for consumers. Ubiquitous refers to the availability every day, through the right channels and at the right rime. Social means that a brand should help customers to build connections with others to improve a consumer's experience. In addition, semantic refers to deciding what information a brand makes available for their customers. A brand experience should also create connections to the real world which is represented by the principle of sentient. The last one, human, refers to the natural way of interacting with consumers and simplifying complexity. (Wheeler, 2013, p. 18-19)

3.4.5. Service Quality Gap

John Jantsch, a US author, once said: "*Customer service is an opportunity to exceed your customer's expectations.*" According to Grönroos (1990, p. 59) there is a service-quality model, which is shown in Figure 10, that highlights the main requirements for delivering high service quality and identifies five gaps that prevent successful delivery:

- The **gap between consumer expectation and management perceptions** exists because the management does not always realise what consumers want due to inaccurate marketing research. The management needs focus on relationships to already existing consumers rather than to new customers. Moreover, the company must

understand what features are linked to high quality, what features a service must have in order to meet the customer's needs, and what level of performance those features must have in order to deliver a high quality service.

- The **gap between management perception and service quality specifications** arises if management does not set a clear goal or specific performance standard. The critical point here is to overcome market fluctuations with connected resource constraints, and the possible absence of management commitment.

- The **gap between service quality specifications and service delivery** occurs due to the variability in employee performance and a lack of internal marketing. Very essential is the central role of the contact person. If he or she is poorly trained or unwilling to meet performance standards, it will affect the quality perception of consumers.

- The **gap between service delivery and external communication** exists if a brand is not able to meet its promises given through all forms of communication and cannot satisfy customer expectations. If brand promises are exaggerated or information is missing via external communication, consumers are dissatisfied and the service quality perception of customers will be poorly affected.

- The **gap between perceived and expected service** is a result of misperceiving the service quality and leads to negative word-of-mouth. Judgements on the brand depend on how consumers perceive the actual service performance obtained in the context of what they have expected before. (Grönroos, 1990, p. 54-69; Zeithalm, Bitner & Gremler, 2009, p. 31-46)
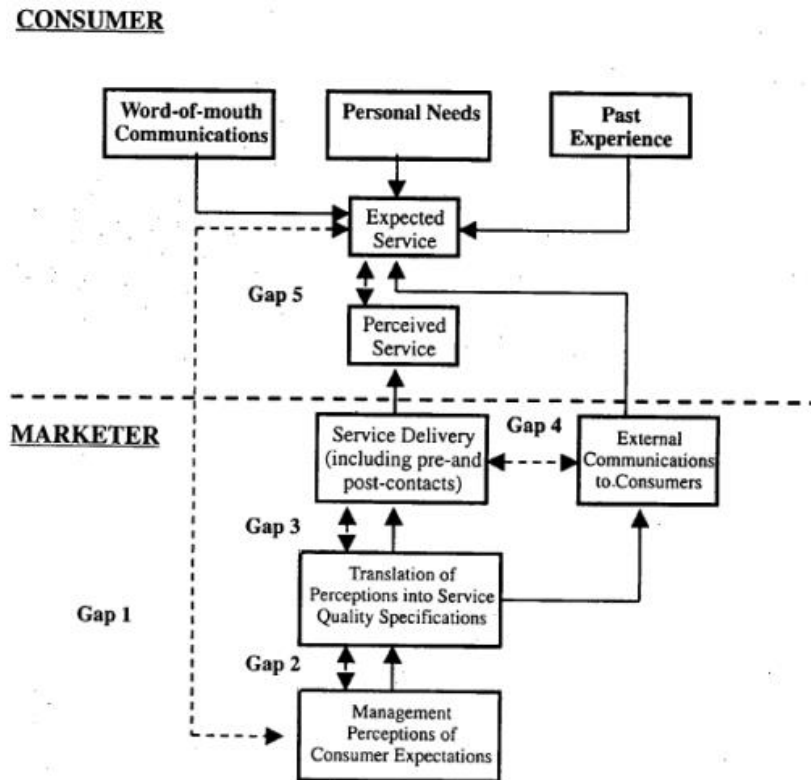
Figure 10. Service Quality Gap Model, Digital Services Blog

Based on the model, there are five criteria consumers use for evaluating service quality in descending order of importance:

- **Reliability** is the ability to perform the service dependably and accurately, keeping the given promise.

- **Responsiveness** is the willingness to help customers and to provide prompt service. The level of responsiveness is judged based on the speed of services such as mailing or calling a consumer quickly. Hence, it includes flexibility and the ability to adapt quickly to specific customer needs.

- **Assurance** is the knowledge and courtesy of employees and their ability to communicate trust and confidence. It is important that employees are skilled to treat customers with respect and make the brand trustworthy.

- **Empathy** means caring and providing individualized attention to customers. Giving individual attention to every consumer leads to the feeling that the company understands the customer's needs and wants.

- **Tangibles** refer to the appearance of physical facilities, equipment, staff, and communication materials. It is especially important for new customers to underline the brand image, quality, and added value to build a long-term relationship. (Kotler & Keller, 2016, p.442; Parasuraman, Zeithaml & Berry, 1985, p. 41-50; Zeithalm, Bitner, & Gremler. 2009, 100-115)

Managing service quality is the art of matching peoples' expectations with an experience that is consistent across all touchpoints that make up the brand. Due to the complexity that a service is created at the point of consumption and developed by a mix of information, products and people, managing service quality is complicated. Thus, the best way to manage this complexity is to put the consumers in the heart of the process to shift the focus to a user journey. (Lockwood, 2009, p. 174)

3.5. Relationship between Branding and Customer Loyalty

Bill Gates (a US businessman) once said: *"Your most unhappy customers are your greatest source of learning."* This statement is true if considering that customer satisfaction is highly related to customer loyalty. However, how can branding influence customer loyalty? The answer is communication. Customers learn through communication and distribution about the existence of a brand, become aware and create particular brand associations with specific distribution channels. Thus, the most important stage in the branding process is the brand platform in which the creative strategy is established and a brand decides how to communicate best their brand identity.

As mentioned above, customer loyalty is closely connected with customer satisfaction and that is established by the experiences a consumer has gained across the entire brand's touchpoints, from brand logo to advertising and packaging, from the product or service itself to communication and information channels. These experiences are made up from expectations a customer brings with to each touchpoint. In a nutshell, there is a dynamic interplay between experiences and expectations, and this relationship plays a central role in achieving brand success. It can be said that:

- If a customer has low experiences but high expectations, he or she will be dissatisfied and disloyal.

- In contrast, if a customer has high experiences but low expectations, he or she will be highly satisfied and loyal.

- Customers will be retained and satisfied, if the experience is positive as expected. These consumers are neither disloyal nor loyal but are more likely to switch brands. (Lockwood, 2009, p. 221-250)

The key to maximize customer satisfaction and gain customer loyalty is to first determine what customers expect and then deliver that expectation through great experiences. The functional, emotional, and self-expressive benefits of the value proposition serve as basis for the relationship between brands and customers because it is the brand promise about the experiences a consumer can expect from products and services. Furthermore, brand awareness, perceive quality, and a clear identity help to enhance customer loyalty, as well. Consequently, a brand can only be successful with loyal customers because they generate predictable profit and increase their expenditure over time because they will become less price-sensitive. (Kapferer, 2012, p. 213-210; Kotler & Keller, 2016, p. 149-177)

4. Practical Approach: A Research about the Adidas Group

At this stage, a theoretical background on the development of branding has been provided (Chapter 2), as well as, the theoretical approach of the branding process and how to gain customer satisfaction (Chapter 3). In the following chapter there will be a final implementation by conducting a research about branding and the customers' satisfaction.

This research uses a quantitative method which involves a well-structured questionnaire to consumers of the Adidas brand. The target group of the study has been restricted to Social Media users and other students aged between 19 and 39 years, therefore, it has been distributed through Facebook, WhatsApp and direct mail to reach as many participants as possible. The questions allow them to express their opinions about the Adidas Group, how satisfied they are with the products, and what experiences they had. The questionnaire can be found in Appendix I.

However, before a deeper insight into the survey process can be outlined, a brief introduction to the case company, the Adidas Group, is required and therefore will subsequently be provided.

4.1. Introduction to the Case Company

4.1.1. History

In 1924, Adolf and Rudolf Dassler founded the „Gebrüder Dassler Schuhfabrik" in a small town in Bavaria, Germany. Adolf Dassler's vision was to provide athletes with the best possible sports equipment. His efforts paid off a few years later when the first athletes won Olympic gold medals in Dassler's shoes. Due to irreconcilable differences, the two Dassler brothers split up in 1948. Rudolf Dassler founded his own enterprise and named it Puma and Adolf Dassler started over again with his company Adidas in 1949. He developed the first lightweight football shoe with screw-in studs that helped the German national football team win the 1954 World Cup finale. This so-called "Miracle of Bern" was a tremendous boost for the success of Adidas Group. The shoes spread over the world and have been an indispensable piece of equipment on football fields and at other sport events around the

globe ever since. The dynasty of the Dasslers ended in 1987 and from 1993 on, Robert Louis-Dreyfus led the company to huge success and took over Reebok in 2006. Since 2016 a new CEO called Kasper Rorsted, is running the business. What started as a visionary shoe company in a small Bavarian town has developed into the number one sportswear manufacturer in Europe. After Nike, the Adidas Group is the second largest company in this branch worldwide. Consistent trust of top athletes, constant urge for innovation, and customer focused management are the foundation on which Adidas has built its success over the last 70 years. (Adidas Group History)

Figure 11. Adidas Group Logo, Adidas Group, Adidas news stream

4.1.2. Current Business Activity

"Creating the New" is the current business activity until 2020. At the very heart are the core brands, Adidas and Reebok, which have strong identities in sports. Adidas appeals to athletes and Recook focuses on fitness consumers. Through the unique portfolio, Adidas will be closer connected to its customers. To achieve that, the plan is based on three strategic choices:

- **Speed:** Adidas Group will become the first sports company in satisfying consumer needs and internal decision-making.

- **Cities:** The company is focusing its sales and marketing activities on the six core cities, New York, Los Angeles, London, Paris, Shanghai and Tokyo.

- **Open source:** It will be the first brand that invites athletes, consumers and partners to be part of the brand. The collaboration with Kanye West has also generated additional brand heat, as well as the initiative "Parley for the Oceans". Adidas plans to launch one million pairs of shoes made from ocean plastic this year. (Adidas Group Strategy Overview)

4.1.3. Brand Profile

Adidas is quite a complex organisation, but they try to keep things simple, lean and fast. For almost 70 years, Adidas had a strong connection with sport and their core belief is that they have the power to change lives through sport. Adidas Group is at the top of the hierarchy and identifies the organisation, thus it is called the corporate brand. Moreover, the Adidas Group has five sub-brands which help to differentiate and boost the corporate brand. An overview of the brand profile can be seen in Figure 12. The Adidas Group uses a multiple branding strategy for its products and an individual branding strategy for the brand Rebook:

Figure 12. Figure 17. The Brand Profile of the Adidas Group, Adidas Group, Profile

- **Adidas and the "badge of sport":** The "badge of sport" stands for the brand mark, seen in innovative products and on collaborations with the world's best athletes, teams, and events, as well. Adidas' mission is to become the best sports brand in the world by designing, building and selling the best products with the best service and experience.

Adidas Sport Performance focuses on innovation and technology and is mainly targeting consumers, ranging from sport participants at the highest level to those inspired by sport. This sub-brand wants to help consumers become stronger, smarter, and cooler. In Figure 13 you can see how the brand communicates its brand identity in an advertisement. The advertising shows a woman who is running in the streets and represents the people who are inspired by sport. Moreover, with the writing "This is not just about running – This is about being your better self." Adidas Sport Performance actually communicates that the sub-brand wants to help consumers become their better self. (Adidas Group Profile, Adidas at a glance)

Figure 13. Advertisement Adidas Sport Performance, Ads of the World

The focus of Adidas Originals is to set trends and to be a lifestyle brand. Its target group are consumers who are looking for more options to express their individuality. Figure 14 illustrates an advertising of the sub-brand. In this advertisement you can see different locations which communicate that Adidas Originals is not just only a sports brand but also a lifestyle brand. The writing "Original is never finished." targets consumers who want to refine their personality. Furthermore, the different colours of this advertising give the statement that customers can always express their individuality in different situations. (Adidas Group Profile, Adidas at a glance)

Figure 14. Advertisement Adidas Originals, Facebook

The third sub-brand, Adidas NEO, is a sport fashion lifestyle label which enables teenage consumers to live their style. It focuses on openness and engagement with young customers. The advertising which can be seen in Figure 15 demonstrates the brand identity of Adidas NEO. In this advertisement you can see Selena Gomez who targets the teenage customers. Moreover, with the writing "Now is everything." the sub-brand communicates that the young consumers should live their style at present and not later. (Adidas Group Profile, Adidas at a glance)
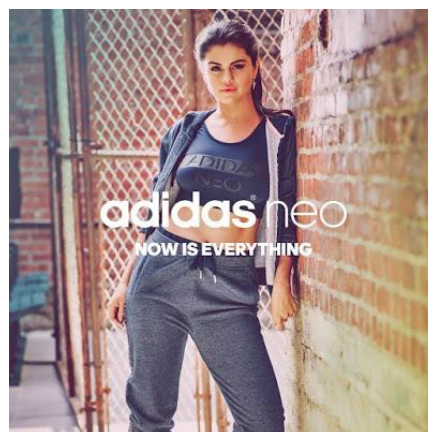

Figure 15. Advertisement Adidas Neo, The Esseentialist

The three Adidas Collaborations, Y-3, Porsche Design, and Stella Mcartney, focus on extraordinary product experiences with a combination of high technical products and great fashion designers. Figure 16 shows an advertisement with the collaborations Y-3. The advertising illustrates three men who are marionettes of the futures. This demonstration represents the high technology behind the products. Furthermore, the minimalist advertisement communicates the extraordinary product experiences, as well. (Adidas Group Profile, Adidas at a glance)

Figure 16. Advertisement Adidas Y-3, Pause

"The brand of the Brave", Five Ten, is a leading and highly valued brand within the outdoor market. Its target group are consumers who do outdoor adrenaline sports. In Figure 17 you can see an advertising of the sub-brand Five Ten. By demonstrating a woman who is climbing, the sub-brand communicates that it is best suitable for outdoor adrenaline sports. (Adidas Group Profile, Adidas at a glance)

Figure 17. Advertisement Five Ten, Applied Global Marketing

- **Reebok is tough fitness:** As mentioned above, Reebok was acquired in 2006. It is a global brand with the mission to become the best fitness brand in the world. The brand believes that fitness is a way of life and its purpose is to inspire people to be their absolute best. The target group of the brand is not very specified, however, they say that Reebok can prepare all who are willing to join the fitness life style. The advertisement (Figure 18) illustrated the brand identity of Rebook. With the writing "Evolve from the inside out" the brand communicates that it can help consumers to develop further to be their absolute best. (Adidas Group Profile, Reebok is tough fitness)

Figure 18. Advertisement Reebok, Behance

4.1.4. Competitor Benchmarking

The strongest competitor to Adidas is Nike, followed by Puma and Under Amour. In Table 2 you can see a comparison analysis between these brands based on the financial reports of 2017 and the brand focus. The total number of employees worldwide and the total revenue earned in one year leads to an imagination how big the companies are, whereas, the working capital ratio helps to assess liquidity. It is calculated by dividing current assets by current liabilities. Consequently, the bigger the number, the faster a company can pay off current debts.

Table 2. Competitor benchmarking

	Adidas	**Nike**	**Puma**	**Under Amour**
Total number of employees worldwide	56,888	74,400	11,787	15,800
Total net revenues	€ 21,218 Mio	$ 34,350 Mio	€ 4,135 Mio	$ 4,976 Mio
Working Capital Ratio	1,374	2,934	1,779	2,204
Mission	To be the best sports brand in the world.	To bring inspiration and innovation to every athlete in the world.	To be the fastest sport brand in the world.	Under Amour makes you better.
Vision	"Through sport, we have the power to change lives."	"We create products, services and experiences for today's athlete while solving problems for the next generation."	"We contribute to a better world for the generation to come. A better world in our vision would be safer, more peaceful, and more creative than the world we know today.	"We inspire you with the performance solutions you never knew you needed and can't imagine living without!

Adidas Group Annual Report 2017, Nike Inc. Annual Report 2017, Puma Annual Report 2016, Under

Armour Annual Report 2017

4.2. Data Collection and Instrument

In this research primary data collection has been used through a quantitative method to investigate the role of branding in customer satisfaction and to find out what factors influence customers' satisfaction. The information gathered from a well-structured questionnaire (Appendix I) will answer the research problem.

Primary data is gathered first hand for a specific purpose. Therefore, the data collection is in real-time and the information gained is the most recent for this specific objective. In general, primary data is considered to be more trustworthy and have greater validity as the research is designed for one main purpose. However, to make the research credible a larger sample is needed which could be quite expensive and time-consuming.

The quantitative method has been implemented to provide a larger sample to create statistically valid information about the customers' perceptions and feelings. The descriptive study has established associations between branding and customer satisfaction. An essential characteristic of the quantitative method is the use of a questionnaire to collect numerical data. Once the questionnaire has been carefully designed before the data collection starts, this research instrument allows a simple replication and repetition that gives this method a high reliability.

The convenience sampling method has been applied to get representative data from as many participants as possible. This sampling method relies on the easy accessibility and availability of the respondents, therefore, the main advantage of this method is the rapidness of the data collection.   (Kotler & Keller 2016, p. 121- 136; Mooi, Sarstedt, & Mooi-Reci 2018, p. 28-32)

4.3. Survey Process

Surveys are the most common tool for collecting quantitative data of primary market research, however, there are several issues that need to be considered for a good survey. The survey process is illustrated in Figure 19 and requires the following steps:

- **Goal setting:** Before starting to design the questionnaire, it is essential to set goals. These goals can considerably influence the type of questions asked, the distribution channel, and the target group. The objective of this research is to investigate the role of branding in customer satisfaction and to study the factors that influence customer satisfaction.

- **Design questionnaire:** After the determination of the survey goal, the type of questionnaire can be considered. This study uses an online survey because it is the least expensive, simple to execute and fast in data collection. The questionnaire has been created through a special online tool called "umfragenonline.com" which is provided by the Enuvo GmbH.

  Both closed-ended and open-ended have been used in the survey to gain the best insights. Closed-ended questions have been used to provide respondents with fixed alternative answers from which to choose the most appropriate. The data obtained from these questions are considered to be more reliable because the responses are limited to the alternatives provided. One format of closed-ended questions that has been used is called dichotomous. This question provides participants with two answer categories, for example, female or male. The dichotomous questions are very simple and lead to only one perception. Secondly, the extended format is another choice how to ask closed-ended questions and provides multiple answer categories. The benefit of multiple choices is that respondents can choose various answers among the alternatives that fit with their attitudes. In this questionnaire a Likert scale range has also been used to let the respondents rate their answers in terms of an agreement with a specific statement. A five point scale ranging from "very dissatisfied/strongly disagree" to "very satisfied/strongly agree" with a free neutral choice has been applied. One advantage of closed-ended questions is that they produce a much higher response rate compared to open-ended questions. It is a fact that open-ended questions are often skipped by the participants because they are more difficult to answer. Hence, this survey has only adopted one completely unstructured open-ended question at the end of the questionnaire. (Malhotra 2007, p. 183; Kotler & Keller 2016, p. 129; Mooi, Sarsedt & Mooi-Reci 2018, p. 64-79)

- **Execution:** First, it is necessary to decide on the target group. As mentioned above, a convenience sampling has been used, therefore, this research has mainly concentrated on Social Media users and students between 19 and 39 years. The decision is based on

the assumption that this specific group is easier to reach and has stronger motivations to share their opinions, although, the questionnaire has been completely anonymous. Before the questionnaire has been distributed, a pilot study had been exerted to enhance its clarity and to ensure its reliability. On 4 April 2018, the survey was finally sent out through Facebook, WhatsApp, and direct mail along with an explanation about the importance and the goals. After every three days, a thank you note, a reminder, and the same questionnaire were distributed again to obtain as many participants as possible. The survey was active for one week and was completed on 11 April 2018.

- **Analysis:** The last step in the process is to analyse the data. At this stage, researchers interpret and discuss the findings by means of statistical techniques and analysis. The aim is to interpret and analyse the data received into insights and recommendations. The analysis of the questionnaire can be found in Chapter 4.5. (Kotler & Keller 2016, p. 132-135; Mooi, Sarsedt & Mooi-Reci 2018, p. 80-81
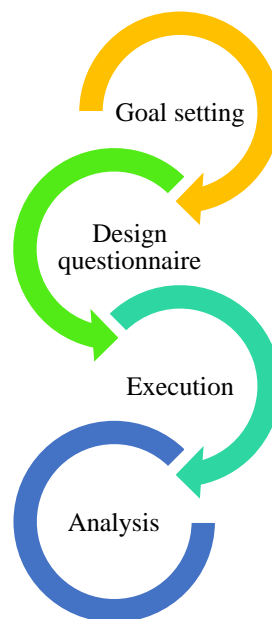

Figure 19. The Survey Process, Author's source based on Mooi, Sarsedt & Mooi-Reci, p. 65, Fig. 4.5

4.4. Reporting Key-Results

The questionnaire had a runtime of one week and was delivered to Social Media users and other students through Facebook, WhatsApp, and E-mail. At the end of the survey a total of 133 had participated, however, only 95 respondents had answered the complete questionnaire. Hence, the reporting and analysis of the key-results concentrate on the 95 participates in order to deliver consistency and statistically valid information.

4.4.1. Background Information

The first part of the survey asked for general background information of the respondents. A consumer's behaviour and buying decision is influenced by cultural, social, and personal factors (Chapter 3.4.2). Therefore, it is important to know the age, gender, and occupation of the participants to understand their behaviours towards the brand.

In this study almost 95% of participants were aged between 19 and 39 years (Figure 20). The second group of respondents were aged over 45 years which accounts for 4.2%, while the smallest portion was less than 18 years of age. The majority of the respondents were women (64.2%) and approximately 36% were male (Figure 21).
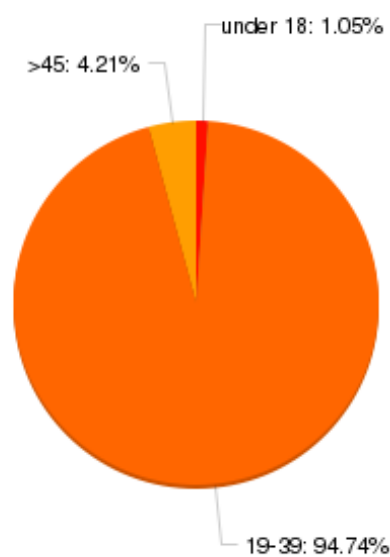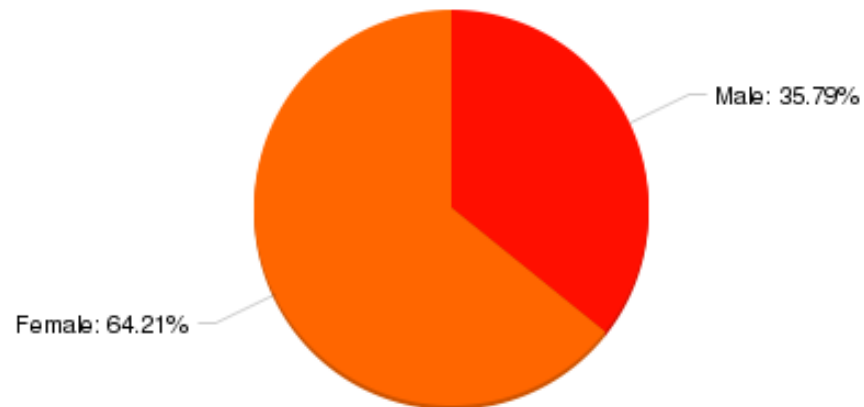

Figure 20. Age of respondents

Figure 21. Gender of respondents

The last question about background information asked for the occupation of the participants (Figure 22). The majority were students or students with part-time employment (65.2%). Full-time employees were 31.6% and part-time employees were a total of 3.2%.
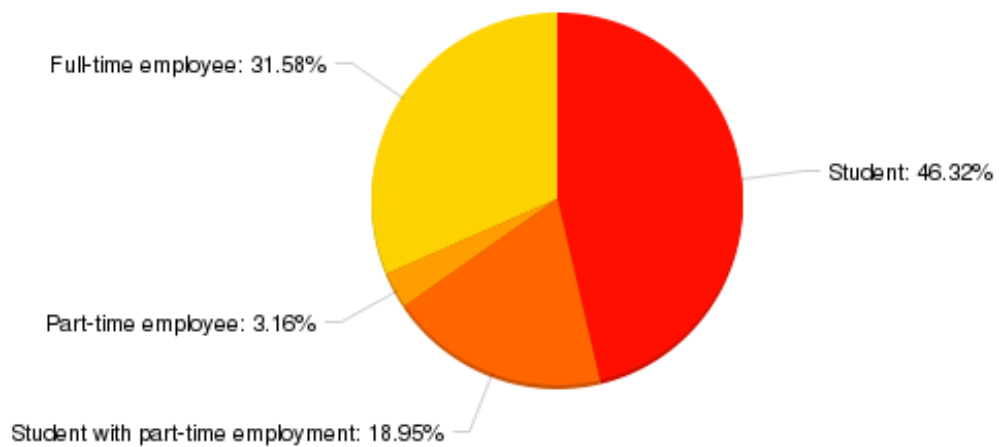

Figure 22. Occupation of respondents

4.4.2. About the Brand

The second half of the survey had several questions about the brand. The very first question was dichotomous and provided only two answer categories. The survey asked the respondents if they were actually customers of the Adidas Group (Figure 23). On the whole, 66 participants responded with "yes" and 29 said "no".
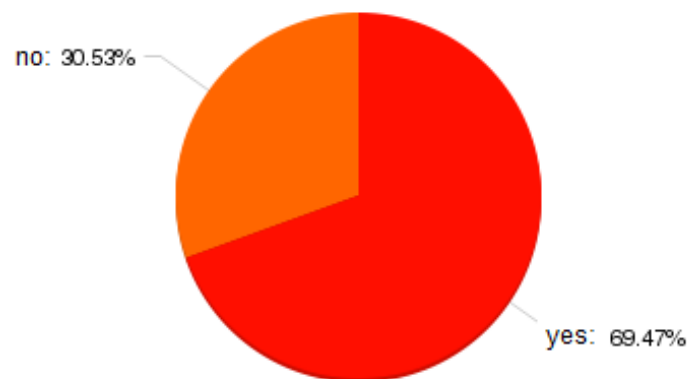

Figure 23. Are you a customer of the Adidas Group?

The next question focused on brand awareness and wanted to know where the respondents had heard about the brand (Figure 24). As mentioned in Chapter 3.2, a brand needs to create recognition in consumers' minds by using different marketing channels. Moreover, one vital point in a customer's buying decision process is the information search where he or she becomes aware of the brand. The question was created in a multiple choice format that means participants could select several answers. The majority of participants had heard about the brand in shops/markets or from friends. The traditional marketing channel TV was almost equal to Social Media channels and both account for around 50%, followed by family and magazines that were nearly 45%. Events and the workplace were the least selected responses. Others (3.2%) said that the brand uses all channels mentioned and Adidas can be seen everywhere.
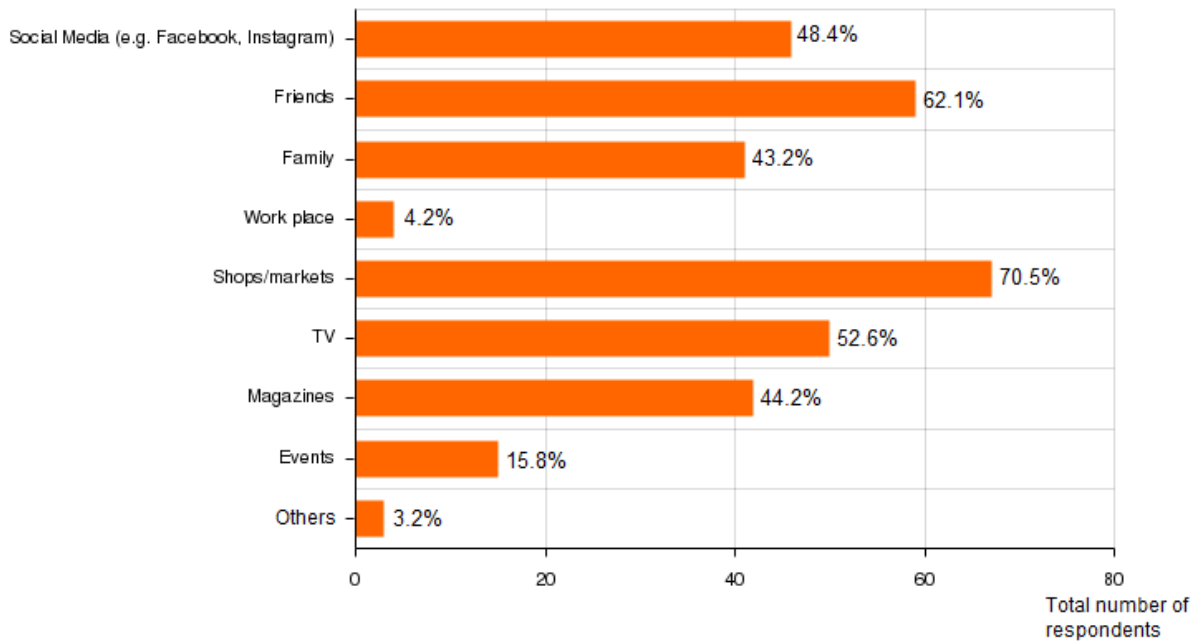
Figure 24. Where did you hear about the brand?

The third question about the brand was in a multiple choice format, as well, and asked the respondents if they own any of the sub-brands of the Adidas Group (Figure 25). The sub-brand Adidas Originals was by far the most selected response with a total of 85.3%. Both Adidas Sport Performance and Reebok account for around 46%. The sub-brand Adidas Neo was 22.1% and the Adidas collaborations were 12.6%. The sixth sub-brand called Five Ten is not mentioned in Figure 19 because none of the participants purchased this brand.
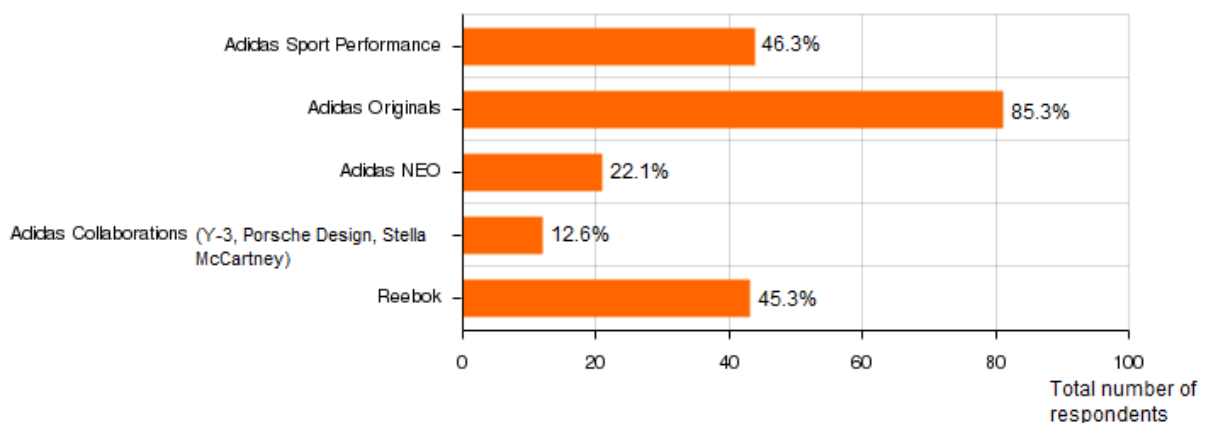

Figure 25. Do you own any of the following Adidas brands?

The following question asked the respondents about the quantity of products they own (Figure 26). The motive for asking this particular question was to see how loyal the participants are towards the brand. There were several alternatives provided, however, only one could be selected. Approximately half of the participants own one to four products, followed by nearly 30% who own five to nine products. On the whole, 12.63% of respondents own 10 to 14 products, whereas, heavy consumers who own more than 15 products count for 6.32%.
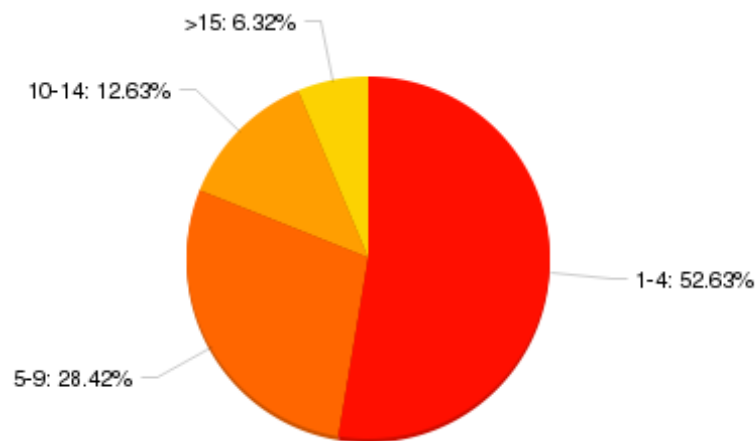

Figure 26. How many products (shoes and clothes) do you own?

Figure 27 illustrates the level of satisfaction about certain elements of the Adidas brand. The elements were chosen based on the factors which influence a brand (Chapter 3.3). Quality and price as brand associations are the most influencing factors on the consumers' buying decision. Moreover, both functional and emotional benefits which are part of the value proposition drive the purchase decision of a customer. In this question the Likert scale range was used where 1 stands for very dissatisfied and 5 means very satisfied. The average is measured by the arithmetic mean which is the sum of each satisfaction level divided by the number of respondents. The variance tells how strongly the levels of satisfaction vary around the arithmetic mean and is measured through the standard deviation. A low variance indicates that the results are closer to the average and vice versa. (Mooi, E., Sarstedt, M. & Mooi-Reci, I. 2018, p. 113-115) The two measurements will be explained below in the example of the element "price".

The arithmetic mean of the value price is calculated as follows:

$$\bar{x} = \frac{Sum(x)}{n} = \frac{1}{n}\sum_{i=1}^{n} xi = \frac{Sum(0*1 + 30*2 + 50*3 + 14*4 + 1*5)}{95} = \frac{1}{95}\sum_{i=1}^{95} 271 = 2.85$$

The standard deviation of the value price is:

$$s = \sqrt{s^2} = \sqrt{\frac{\sum_{i=1}^{n}(xi - \bar{x})^2}{n - 1}}$$

$$= \sqrt{\frac{\sum_{i=1}^{95} 0 * (1 - 2.85)^2 + 30 * (2 - 2.85)^2 + 50 * (3 - 2.85)^2 + 14 * (4 - 2.85)^2 + 1 * (5 - 2.85)^2}{95 - 1}}$$

$$= 0.70$$

Half of the respondents were quite neutral to the price. However, nearly 32% of the participants were rather dissatisfied with the price. All responses to quality were distributed to a higher level of satisfaction. Almost 75% were either satisfied or very satisfied. The design was mainly rated with satisfied (44.21%) or very satisfied (26.32%). Only 20% of the respondents were neutral with their level of satisfaction to design. Moreover, 45.26% of the participants said that they were satisfied with the range of products and 30% were neutral. On the whole, the availability of products was rated with either satisfied (34.74%) or very satisfied (30.53%). Furthermore, 37.89% of respondents rated the product life-cycle with neutral, followed by 36.84% who were satisfied. The functionality of the products were mainly rated with satisfied (46.32%) or very satisfied. Altogether, the respondents rated certain elements of the brand with a high level of satisfaction.
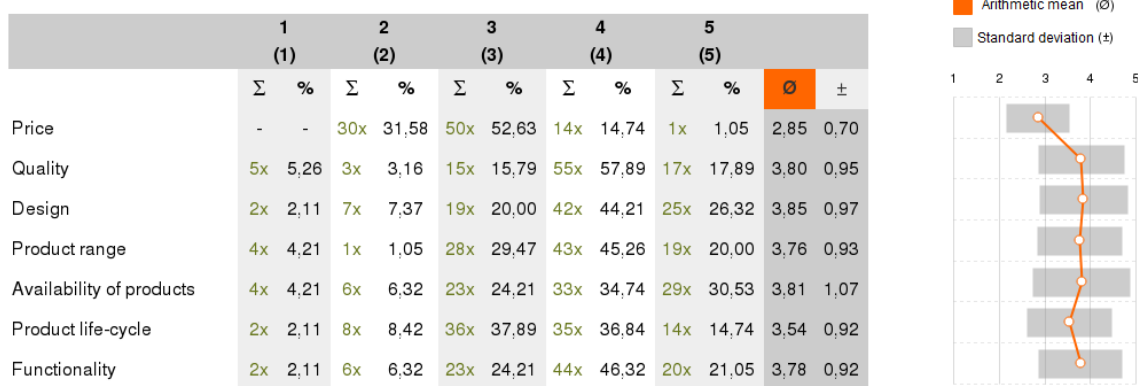
	1 (1)		2 (2)		3 (3)		4 (4)		5 (5)		Ø	±
	Σ	%	Σ	%	Σ	%	Σ	%	Σ	%		
Price	-	-	30x	31,58	50x	52,63	14x	14,74	1x	1,05	2,85	0,70
Quality	5x	5,26	3x	3,16	15x	15,79	55x	57,89	17x	17,89	3,80	0,95
Design	2x	2,11	7x	7,37	19x	20,00	42x	44,21	25x	26,32	3,85	0,97
Product range	4x	4,21	1x	1,05	28x	29,47	43x	45,26	19x	20,00	3,76	0,93
Availability of products	4x	4,21	6x	6,32	23x	24,21	33x	34,74	29x	30,53	3,81	1,07
Product life-cycle	2x	2,11	8x	8,42	36x	37,89	35x	36,84	14x	14,74	3,54	0,92
Functionality	2x	2,11	6x	6,32	23x	24,21	44x	46,32	20x	21,05	3,78	0,92

Arithmetic mean (Ø)
Standard deviation (±)

Figure 27. Please indicate your level of satisfaction (1=very dissatisfied; 5=very satisfied)

The next question asked the participants to indicate their level of agreement. Parts of the statements were made up from the brand identities the different sub-brands have. The other part refers to the brand promise and if the brand is able to fulfil the customers' expectations (Chapter 3.4.3). The question was evaluated through the Likert scale range where 1 means strongly disagree and 5 stands for strongly agree. The average is calculated by the arithmetic mean and the variance by the standard deviation as explained earlier. A total of 86.32% of the respondents strongly agreed or agreed with the statement "Adidas is a strong brand". The second statement was mainly rated with agree (37.89%) or strongly agree (22.11%), however, 27.37% of the participants were neutral. Overall, 72.64% said that Adidas is a cool brand and only 20% were neutral to this statement. The statement, whether Adidas sets new trends, was mostly evaluated with neutral (35.79%), however, it can be said that this statement is also true because more than half of the respondents agreed (31.58%) or strongly agreed (22.11%). In addition, 44.21% of the participants were neutral to the statement "Adidas offers competitive prices" and 28.42% agreed. However, almost 20% of respondents disagreed to this statement. Moreover, a total of 46.32% agreed that Adidas provides the desired products but 36.84% were also neutral. On the whole, 65.26% of the respondents agreed or strongly agreed that their expectations of the products were fulfilled and almost 30% were neutral to this statement. The next statement "Adidas has a good reputation for high quality and innovative products" had a high level of agreement. A total of 69.47% of the respondents agreed or strongly agreed, however, around 25% were neutral, as well. What is more, 38.84% of the participants said that the brand matches their personality, whereas, 31.58% were neutral to this statement. However, it is important to note that nearly 18% of respondents disagreed. The last statement "Adidas is a status symbol" was mostly rated with agree (35.79%), followed by neutral (23.16%). Yet, it is significant to state that a total of 21.05% of the participants disagreed with this statement.

	1 (1)		2 (2)		3 (3)		4 (4)		5 (5)		Ø	±
	Σ	%	Σ	%	Σ	%	Σ	%	Σ	%		
Adidas is a strong brand	5x	5,26	1x	1,05	7x	7,37	29x	30,53	53x	55,79	4,31	1,03
Adidas is a smart brand	5x	5,26	7x	7,37	26x	27,37	36x	37,89	21x	22,11	3,64	1,07
Adidas is a cool brand	2x	2,11	5x	5,26	19x	20,00	44x	46,32	25x	26,32	3,89	0,93
Adidas sets new trends	3x	3,16	7x	7,37	34x	35,79	30x	31,58	21x	22,11	3,62	1,01
Adidas offers competitve prices	1x	1,05	17x	17,89	42x	44,21	27x	28,42	8x	8,42	3,25	0,89
Adidas provides me with the desired products	2x	2,11	6x	6,32	35x	36,84	44x	46,32	8x	8,42	3,53	0,82
My expectations of the products were fulfilled	3x	3,16	4x	4,21	26x	27,37	51x	53,68	11x	11,58	3,66	0,86
Adidas has a good reputation for high quality and innovative products	3x	3,16	2x	2,11	24x	25,26	39x	41,05	27x	28,42	3,89	0,95
The brand matches my personality	5x	5,26	17x	17,89	30x	31,58	35x	36,84	8x	8,42	3,25	1,02
Adidas is a status symbol	4x	4,21	20x	21,05	22x	23,16	34x	35,79	15x	15,79	3,38	1,11

Figure 28. Please indicate your level of agreement (1=strongly disagree; 5=strongly agree)

The following question asked the respondents what they like about the brand (Figure 29). The alternatives refer to different brand associations that influence a costumers' post-purchase decision. A brand should supply positive feelings and experiences in order to satisfy their consumers, gain good reputation, and consumer loyalty (Chapter 3.4.2). It was a multiple choice question and the participants could select several answers. Nearly 70% of the respondents said that they like the quality and design of the brand, followed by the range of products (42.1%). The range of colours and size were selected by around 20% of the participants. Only 8.4% of the respondents like the price of the brand. Others (3.2%) said that they were not customers of the brand and thus, had no experiences.
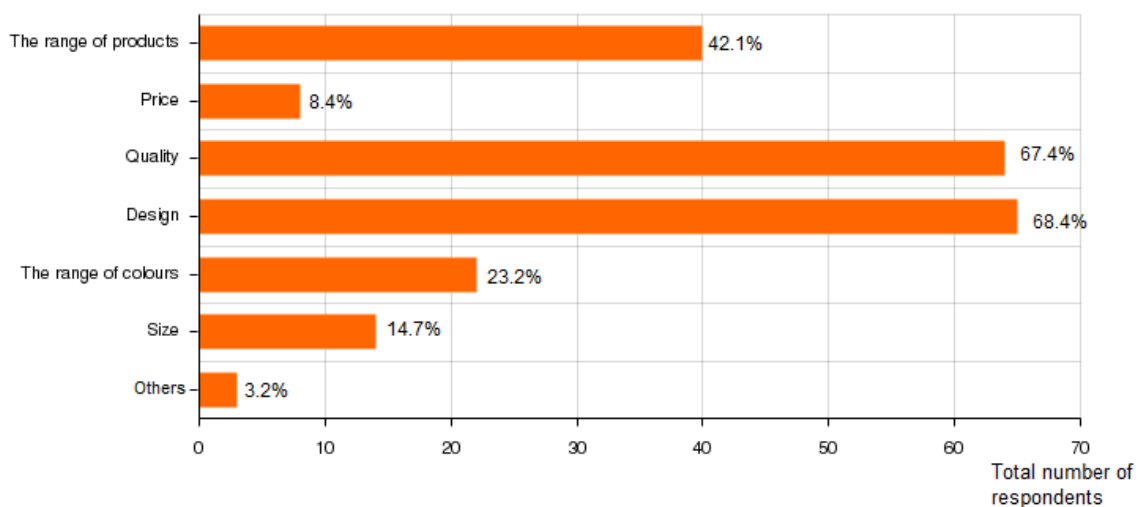

Figure 29. What do you like about the brand?

The next question was in a multiple choice format, as well, and wanted to know which negative experiences the participants had had with the brand (Figure 30). As mentioned above, a brand should supply positive experiences, however, not all brand associations are positive. Therefore, it is also important to know the negative experiences in order to understand the buying decision of the customers. Basically, the two answers to this question were either the price (42.1%) or no negative experiences at all (37.9%). The both alternatives quality and design were almost not selected from the participants.
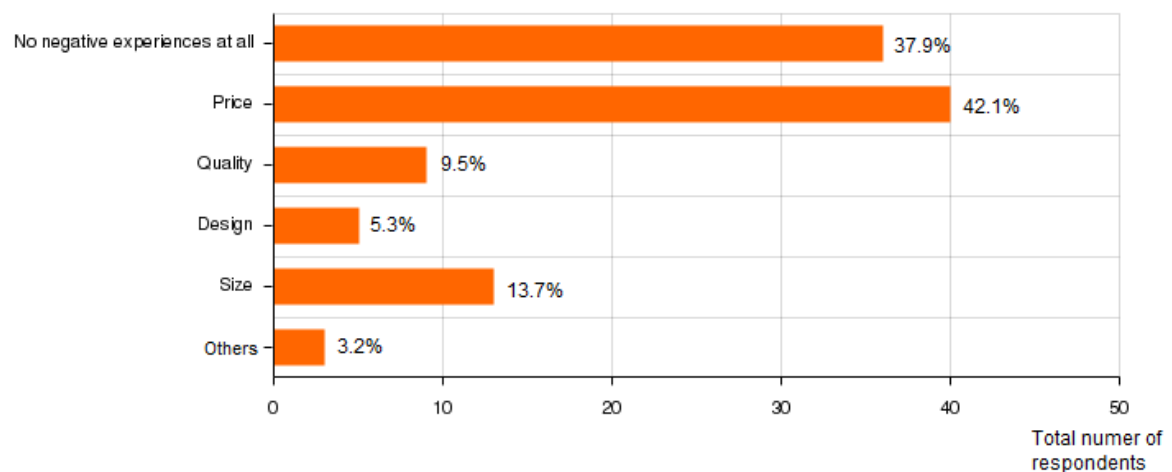
Figure 30. Which negative experiences about the Adidas brands have you had?

The next-to-last question asked which competitors of the Adidas Group had been purchased by the respondents (Figure 31). The reasons for this question were to examine the competitors of the organisation, as well as, to discover the evaluation of alternatives in the customer buying decision process (Chapter3.4.3). This question was also a multiple choice format where several answer could be chosen. The answer to this question was clearly defined by the respondents because nearly 90% purchase the Nike brand. The competitors Puma and Asics were purchased by around 30% and Under Amour by 16.8% of the respondents. The other 10.5% buy, for example, New Balance, Erima, Gyymshark, or Helly Hansen.
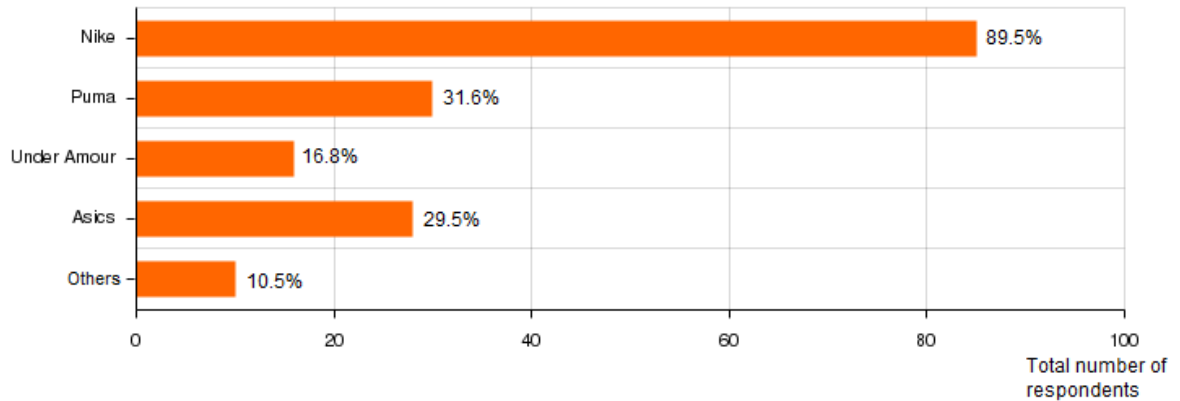
Figure 31. Which other sports brands do you purchase?

The last question of the survey was an open-ended question and asked the respondents if they would recommend the brand and why or why not. The motive for asking was to reveal the overall satisfaction with the brand because only satisfied customers tend to recommendations. On the whole, 84% of the respondents would recommend the brand mainly due to the good quality and nice design. 12% of the participants said that they would not recommend the brand because the prices are too high or they like more the competitor Nike. The other 4% gave no clear statement whether they would recommend the brand or not. All detailed answers to this question can be seen in Appendix II.
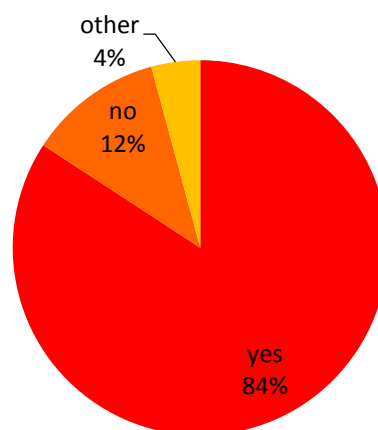
Figure 32. Would you recommend the brand to a friend? Why/Why not?

4.5. Analysing Key-Results

First of all, the study reached its target group very well because nearly 95% of the participants were aged between 19 and 39 years. This is due to the fact that the research was distributed through Facebook, WhatsApp, and direct mail to friends and other students. Therefore, the majority of the participants were students or students with part-time employment.

However, it must be stated that the question whether the respondent is a customer of the Adidas Group or not was misunderstood (Figure 23). The analysis of the survey found out that those who responded the question with no, nevertheless, had stated that they own one of the Adidas brands. It is not quite obvious why the question was misunderstood because it was written in clear language but it might be due to a misinterpretation of the word "customer".

Moreover, the unbalanced distribution of the gender, namely that there were almost twice as many female than male respondents, could be due to the fact that females are characteristically more helpful and are more likely to express their opinions.

While analysing the results, it stands out that Adidas has managed to communicate the different brand identities to their consumers very well. The analysis of the key-results is limited to the range brand Adidas because the company has different strategies for both the Adidas and Rebook brand. The Adidas brand is guided by the company's principles of brand leadership which aims at a consumer obsessed culture. (Adidas Group, Annual Report 2017, p. 67) An overview of the key-results analysis to the different brand identities of the Adidas brand is illustrated in Table 3.

One major sub-brand, Adidas Originals, operates in the lifestyle area and focuses on setting new trends. Adidas Originals targets groups who looking for options to express their individuality. The brand is the most popular of all the Adidas brands as 85.3% own products of Adidas Originals. Moreover, some of the participants said that they would recommend Adidas because it is not only a sports brand but also suitable for daily life. Furthermore, more than half of all respondents agreed to the statement that Adidas sets new trends. Here, important to note is that only 10 out of 95 respondents disagreed. In

addition, almost 50% of the participants said that they use Adidas as a status symbol to express themselves and that the brand matches their personality.

Another major sub-brand is called Adidas Sport Performance which wants to help consumers become stronger, smarter, and cooler. According to the research, it is the second famous brand and owned by 46.3% of all participants. Here as well, Adidas has showed that it is capable of communicating its brand identity. More than 85% of the respondents said that Adidas is a strong brand and 65.19% believed that the brand is smart. In addition, a total of 72.55% agreed to the statement "Adidas is a cool brand."

The sub-brand Adidas Neo targets teenage consumers which can also be seen in the results of the survey. Only 22.1% of all participants indicated that they own this specific brand. As mentioned earlier, one respondent was less than 18 years old but he or she was an owner of Adidas NEO. The remaining 21% who own this brand were all aged between 19 and 39. Teenagers are normally less than 18 years old, however, as one saying goes, you are as old as you feel. Therefore, it is possible that not only teenage consumer purchase Adidas NEO but also adults if they like, for example, the design of the products. To sum up, these results show that the Adidas Group has communicated their different brand identities in an excellent way.

Table 3 Overview of the Key-Results Analysis of the Adidas brand identities

Adidas Brand	Survey Results
"To become the best sports brand in the world by designing, building, and selling the best products with the best service and experience."	
Brand Identities: **Adidas Sport Performance** **Focus:** innovation and technology **Target Group:** sport participants who want to become stronger, smarter, and cooler, and consumers who are inspired by sport	• Second famous brand • More than 85% of all participants said that it is a strong brand • 65.19% believed it is a smart brand • 72.55% agreed that it is a cool brand

Adidas Originals **Focus:** trendsetting and lifestyle brand **Target Group:** consumers who want to express their individuality	• Most popular brand • More than half of all respondents said that the brand sets new trend • Not only a sports brand but also suitable for daily life • 50% use the brand as status symbol to express individuality
Adidas NEO **Focus:** sport fashion lifestyle brand **Target Group:** teenage consumers	• Owned from 22.1% of all participants • respondent who was less than 18 years old was an owner of the brand • The remaining 21% were all aged between 19 and 39

Author's source based on the Survey and the Adidas Group

One question asked about the brand awareness which refers to the ability that customers recognize the existence of a brand. Adidas has developed a system which works across all different marketing channels that promote and increase recognition in the consumers' minds. According to their Annual Report 2017, the company will further increase investment in digital advertising, point-of-sales, and events such as the FIFA World Cup. The research found out that the respondents have mostly heard about the brand in shops and markets which refers to the point-of-sales. Moreover, increasing marketing investment in digital advertising will be worth Adidas' while, because only half of all participants have heard about Adidas on Social Media or TV. Adidas has indeed developed a system that works across all marketing channels which can be seen in Figure 18. Almost each marketing channel was selected with equal percentages. In addition, one respondent said that "Adidas is everywhere. If you have not heard about it, then you must have lived in a cave." Hence, it can be said that Adidas has established high brand recognition and brand recall through all marketing channels.

As mentioned in Chapter 3.4, customer satisfaction evolves from certain brand associations which have a strong influence on a consumer's perception. These connections are made up from positive or negative experiences. Table 4 shows the findings of the survey by means of the service quality gap model (Figure 10).

In this study, the respondents have had more positive than negative experiences with the Adidas brand. The participants liked especially the design, range of products, and quality which is due to the fact that the heritage of the Adidas Group is German and people associate high quality with the country. In contrast, almost half of all respondents had negative experiences with the price and said that it appears not competitive. However, there is a connection between price and quality as a higher price is normally an evidence for high quality. Moreover, the majority of the participants own between one and nine products which is also a signal that the quality benefit of the brand is worth its money. In addition, this research also found out that the more products a respondent owns, the less price sensitive he or she was regardless of the occupation. That means participants who own more than nine products had almost no negative experiences with the price. This is due to the fact that loyal customers have different price thresholds than other consumers.

Both positive and negative experiences are formed from expectations that consumers establish through personal needs, word-of-mouth, and past experiences. The result that the majority of the respondents have had more positive experiences is due to the fact that only 7 participants said that their expectations were not fulfilled. This should provide an indication that Adidas' brand promise of high quality and innovative products do not exceed a consumer's expectation. Furthermore, almost 71% agreed to the statement that Adidas has a good reputation for high quality and innovative products which is also evidence that the brand do not overpromise its benefits.

Table 4 Overview of the Key-Results Analysis in the Service Quality Gap Model

Service Quality Gap Model	Survey Results
Gap 1 Consumer expectation vs. management perceptions	• Adidas meets the consumers' needs • Customers had especially positive experiences with the design, range of products, and quality

	• Negative experiences with the price, however, a higher price is a signal for high quality
Gap 2 Management perception vs. service quality specifications	• The Adidas brand is guided by the company's principle of brand leadership which aims at a consumer obsessed culture • The plan is based on three strategic choices
Gap3 Service quality specifications vs. service delivery	• Adidas believe that the employees are the key to the company's success • Employee strategy focuses on four fundamentals: the attraction and retention, role model leadership, diversity and incusion, unique corporate culture
Gap 4 Service delivery vs external communication	• Brand promise of high technology and innovative products is not exaggerated • More than half of all respondents said that the brand has a good reputation for high quality and innovative products
Gap 5 perceived vs. expected service	• Customers' expectations were fulfilled • Adidas delivered the desired products • Positive word-of-mouth because 84% would recommend the brand

Author's source based on the Survey and the Adidas Group

As mentioned before, Adidas will become the first sports company in satisfying consumer needs. Generally speaking, the survey found out that all participants were very satisfied with the Adidas brand. The respondents showed higher satisfaction with the quality, design, and availability of products compared to the range of products, product life-cycle and functionality. This is because the experiences with the quality, design and availability of the products were positive as expected or even exceed a customer's expectation, hence, the customers are highly satisfied and loyal to the brand. In addition, the research displayed that the participants were satisfied with or neutral to the range of products, product life-cycle and functionality which leads to the opinion that the experiences connected with these brand attributes were mostly positive as expected. Therefore, these consumers are neither disloyal nor loyal but more neutral and likely to switch between brands. Moreover, the research revealed that all respondents who are loyal to the brand and own more than ten products showed either satisfaction or high satisfaction. In contrast, the participants who own less than nine products indicated their satisfaction to the brand attributes across all levels.

To sum up, besides the brand Nike, Adidas has a great basis of loyal customers. This is due to the fact that Adidas fulfilled the customers' expectations to a high level of agreement and satisfaction. Moreover, the brand tackled to deliver the desired products to the complete satisfaction of their consumers. All in all, almost 84% of the respondents would recommend the Adidas brand which is also a signal for high customer satisfaction.

4.6. Conclusion

The research was conducted to investigate the role of branding in customer satisfaction and to study the factors that influence a customer's satisfaction. There are central questions that must be taken into consideration in order to define the role of branding in customer satisfaction, such as, what role does the brand identity and the brand associations involved play, which factors influence a consumer's satisfaction, and which role do experiences play in a customer's behaviour? In relation to these questions a well-structured questionnaire consisting of thirteen questions was created.

Even though the research had quite a short run-time of only one week, the number of participants was satisfying. A lot of information was gathered from the respondents which gave deep insights into their feelings, perceptions and opinions about the Adidas brand.

The main issue of the Adidas brand is their pricing strategy as more than a half of all respondents were not satisfied and had negative experiences with it. On the one hand, it might be necessary to rethink the brand's pricing strategy because the price plays an important role in the purchase decision of consumers. If consumers search for alternatives which fit their attitudes better and those alternatives are actually cheaper, they will prefer the competitor's brand. However, it could be due to the fact that most respondents were students and do not have regular income. On the other hand, Adidas faces strong competition from Nike, thus, the brand should retain their pricing strategy in order to stay competitive in the market. Additionally, despite the negative experiences with the price, almost all participants would recommend the Adidas brand.

Furthermore, as mentioned earlier, it would be worthwhile to invest in the brand's digital marketing to increase their awareness on Social Media and TV. While focusing their marketing on the six core cities, the brand should have enough resources to gain more "influencer" who promote the Adidas brand. Moreover, these "influencers" can play an important role for the associations between the brand and a consumer. Consequently, by focusing on "influencer marketing" the brand could reach potential consumers more easily through the digital marketing channels.

In conclusion, after reviewing the analysis of the results (Chapter 4.5), it can be said that the Adidas Group has established a great branding strategy for its range brand. In addition, Adidas communicates its different brand identities in a way that consumers do indeed understand what the brands stand for. Furthermore, the brand realises which factors influence a consumer's satisfaction and, therefore, promises benefits and experiences which do not exceed a customer's expectation, but rather satisfy them in order to gain their loyalty.

4.7 Reliability and Validity of the Survey

Reliability refers to the consistency of the research instrument. The quantitative method used in this study was carefully chosen from well-known literature in order to have a reliable guide to produce a well-structured questionnaire to obtain results in the empirical approach. The outcome of this research is an overview of the role of branding in customer satisfaction of the Adidas Group, therefore, it cannot be implemented in any other field.

Validity refers to the accuracy of the results. The questions of the survey possessed certain characteristics in conjunction with the theoretical approach in order to match the research problem. Furthermore, the questions were written in a clear and simple language containing only one thought to avoid space for different interpretations of the questions that might lead to unreliable answers.

4.8 Critical Review

When looking back to the moment the author started with the Bachelor's Thesis and the planning process about how it should look like in the end, the author is now quite satisfied with the final result.

From the author's point of view, writing this paper was a great way to apply the knowledge and academic skills which has been developed during the business studies. Furthermore, the author has gained new insights into the field of branding from a theoretical, as well as, practical perspective. This new insights has been obtained through studying a lot of relevant literature in English and German which was chosen by the author herself.

After all, there are also some aspects which could have done differently or maybe even better. It must be stated that the Bachelor's Thesis has a strong theory-based focus, although, this is necessary in order to understand each question asked of the survey in the empirical approach. However, by limiting the theoretical part of this paper, it might have been possible to carry out a more comprehensive survey with a longer run-time and larger sample size.

Therefore, this experience of self-responsible work has not only enriched the author's professional but also personal development. Through the whole process, the author's power of endurance and time management has increased considerably. Moreover, the author has learnt to motivate herself and stay focused until the aim, the completion of the dissertation, was achieved.

5. Summary

In conclusion, the author would like to say that branding has become increasingly important over the past years in order to satisfy the consumers. At this stage, it can be said that it plays an important role to differentiate and communicate the brand identity in a way that consumers do understand what the brand stands for.

Furthermore, an organisation needs to determine what the customers associate with the brand to assess their expectations. In relation to that, a brand can create different benefits which provide positive experiences to meet or even exceed the consumers' expectations to deliver a high service quality.

To sum up, customer satisfaction is highly related to the branding process and can influence significantly the business performance. By establishing a long-term relationship with satisfied consumers, a brand gains their loyalty and can predict sales for the future performance.

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Appendices:

Appendix I:
Survey Questionnaire

Branding and Customer Satisfaction: A research about the Adidas Group

1. Background information - the information will be treated strictly confidential and evaluated statistically

Age *

○ under 18
○ 19-39
○ 40-44
○ >45

Gender *

○ Male
○ Female

Occupation *

○ Student
○ Student with part-time employment
○ Part-time employee
○ Full-time employee

2. About the brand

Are you a customer of the Adidas Group? *

○ yes
○ no

Where did you hear about the brand? *

- ☐ Social Media (e.g. Facebook, Instagram)
- ☐ Friends
- ☐ Family
- ☐ Work place
- ☐ Shops/markets
- ☐ TV
- ☐ Magazines
- ☐ Events
- ☐ _____

Do you own any of the following Adidas brands? *

- ☐ Adidas Sport Performance
- ☐ Adidas Originals
- ☐ Adidas NEO
- ☐ Adidas Collaborations (Y-3, Porsche Design, Stella McCartney)
- ☐ Five Ten
- ☐ Reebok

How many Adidas products (shoes and clothes) do you own? *

- ○ 1-4
- ○ 5-9
- ○ 10-14
- ○ >15

Please indicate your level of satisfaction with Adidas products
(1=very dissatisfied; 2=dissatisfied; 3=Neutral; 4=satisfied; 5=very satisfied) *

	1	2	3	4	5
Price	○	○	○	○	○
Quality	○	○	○	○	○
Design	○	○	○	○	○
Product range	○	○	○	○	○
Availability of products	○	○	○	○	○
Product life-cycle	○	○	○	○	○
Functionality	○	○	○	○	○

Please indicate whether you agree or disagree with the following statements
(1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree) *

	1	2	3	4	5
Adidas is a strong brand	○	○	○	○	○
Adidas is a smart brand	○	○	○	○	○
Adidas is a cool brand	○	○	○	○	○
Adidas sets new trends	○	○	○	○	○
Adidas offers competitve prices	○	○	○	○	○
Adidas provides me with the desired products	○	○	○	○	○
My expectations of the products were fulfilled	○	○	○	○	○
Adidas has a good reputation for high quality and innovative products	○	○	○	○	○
The brand matches my personality	○	○	○	○	○
Adidas is a status symbol	○	○	○	○	○

What do you like about the brand? *

☐ The range of products

☐ Price

☐ Quality

☐ Design

☐ The range of colours

☐ Size

☐ [   ]

Which negative experiences with the Adidas brands have you had? *

☐ No negative experiences at all

☐ Price

☐ Quality

☐ Design

☐ Size

☐ [   ]

Which other sports brands do you purchase? *

☐ Nike

☐ Puma

☐ Under Amour

☐ Asics

☐ [   ]

**Would you recommend the brand to a friend?
Yes, why? / No, why not?** *

[   ]

Detailed answers to the last question of the survey

Number of responses	Would you recommend the brand to a friend? Yes, why? / No, why not?
1	Good German Quality
2	Yes
3	Yes, only positive experiences so far
4	No, I am neutral to Adidas
5	Yes, I don't know why but I'm kinda in love with adidas haha
6	Yes, but mostly for shoes, Shirts and hoddies.
7	Nike is always gonna be the best.
8	yes
9	yes
10	it's comfortable mostly
11	Yes, because I am a satisfied customer
12	Very nice clothes
13	Yes
14	Yes
15	No, because I like the styles of Nike and under armour more
16	Yes because I like the style
17	Yes, good design
18	No, i dont use it
19	No because in my opinion Nike is better
20	No
21	Yes, because of its functionality
22	Ja, weil die Marke auch alltagstauglich ist. Es sind nicht mehr einfach nur sportklamotten
23	Yes, because the designs are the most beautiful compared to other sport brands
24	Yes, but only a few products
25	Depends on the product. I would recommend shoes but not clothes.
26	No because i think de can find the same type of products for less price in other brand, and I don't mind about the brand
27	yes, if they need wider trainers
28	Yes, good quality and design
29	You know what you get when you buy the brand, quality products and a wide range of products

30	Yes
31	Yes, strong brand
32	No, cost benefit
33	Yes
34	Yes, it is adidas. No need to say more
35	Good Quality
36	I'm not blinded by brand loyalty, so I usually check prices from competitors. Also it really depends on what kind of product we're talking about.
37	Des cause it is a good brand
38	Yes, it´s a product with quality.
39	Yes, its a good brand
40	yes
41	No, too high price.
42	Yes, because overall I'm very satisfied with the Adidas products that I've bought.
43	Yes
44	Yes
45	I don't use it, so why should I recommend it?
46	Yes, the quality is good but they're products are still quite expensive.
47	Yes, because adidas has good quality
48	Yes, good quality and Design
49	Yes, because of the design
50	yes, because of the quality
51	I think so
52	Yes, good footbollshoes
53	yes
54	Yes, because I love the products they sell!
55	It's nice !
56	Yes
57	yes because why not
58	Yes
59	Yes
60	Yes
61	Yes, its good
62	Yes, if my friend is looking for average clothing
63	yes, because my shoes are cool
64	Ja, weil sie deutsch ist.
65	Yes
66	Yes, because I think that they have nice shoes and clothes

67	Yes i like there cloathing
68	Yes, its good.
69	X
70	Yes, even Adidas is pretty expensive compared to other sport brands, German quality/workmanship speaks for itselves. Especially sport clothes are claimed more heavily, so the quality is the most decisive point.
71	Yes its a cool brand
72	yes
73	yes
74	Yes
75	Yes, because it has good quality
76	Yes
77	I think all my friends know adidas
78	Yes, they have good quality
79	Yes, the shoes are very comfortable to wear.
80	Yes because of the good qality
81	Yes, because the quality is very good. I have played football for many years, so I bought Adidas shoes over and over again.
82	Yes
83	no
84	Yes, because they look good and are comfortable. Some high performance models like Ultraboosts are on the pricier side, but I think it's justified by the quality and comfort.
85	Functionality and quality of products
86	Yes, classic design & good quality
87	Yes
88	yes the quality is good
89	yes, good looking
90	Yes,it has stylish and high quality products
91	yes, but it depends on what they are looking for. I would recommend any other brand as well
92	No, too pricey
93	Its a good brand, good quality and not too expensive
94	Yes, German brand.
95	yes, good quality