MASTERS IN MANAGEMENT (MIM)

MASTERS FINAL WORK

PROJECT

THE IMPACT OF BRAND EQUITY DIMENSIONS ON BRAND ATTITUDE AND PURCHASE INTENTIONS AMONG GENERATION Z CUSTOMERS: A STUDY OF ADIDAS IN THE GERMAN MARKET

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RESUMO

Este estudo investiga a relação entre as dimensões do capital da marca—conhecimento da marca, qualidade percebida, lealdade à marca e associações de marca—e seu impacto na atitude em relação à marca e nas intenções de compra entre os consumidores da Geração Z (Gen Z) na Alemanha, utilizando a adidas como estudo de caso. Com a Gen Z emergindo como um grupo demográfico dominante de consumidores, as marcas precisam alinhar-se com seus valores de sustentabilidade, responsabilidade social e engajamento digital para manter a relevância.

Foi realizada uma pesquisa quantitativa com mais de 100 participantes, composta por 77 respondentes da Geração Z, para explorar como essas dimensões do capital da marca influenciam suas percepções sobre a adidas. Os dados foram analisados por meio de análise de regressão múltipla para avaliar o impacto de cada dimensão na atitude em relação à marca e nas intenções de compra subsequentes.

Os resultados indicam que as associações de marca e a qualidade percebida têm a maior influência na atitude em relação à marca, enquanto a lealdade à marca e o conhecimento da marca apresentaram correlações mais fracas. Além disso, a atitude em relação à marca não teve um impacto direto significativo nas intenções de compra, destacando a necessidade de a adidas alinhar ainda mais suas estratégias com os valores da Geração Z.

O estudo conclui com recomendações estratégicas para a adidas, enfatizando a importância de aprimorar as iniciativas de sustentabilidade e alavancar o marketing digital para fortalecer a lealdade e as associações de marca. As descobertas contribuem para a compreensão do capital da marca no contexto dos consumidores da Geração Z e oferecem insights práticos para marcas que buscam se engajar com esse público no mercado alemão.

ABSTRACT

This study investigates the relationship between brand equity dimensions—brand awareness, perceived quality, brand loyalty, and brand associations—and their impact on brand attitude and purchase intentions among Generation Z (Gen Z) consumers in Germany, using Adidas as a real-world example. With Gen Z emerging as a dominant consumer demographic, brands must align with their values of sustainability, social responsibility, and digital engagement to maintain relevance.

A quantitative survey was conducted among Gen Z respondents, to explore how these brand equity dimensions influence their perceptions of the brand. The data were analyzed using multiple regression analysis to assess the impact of each dimension on brand attitude and subsequent purchase intentions.

The results indicate that brand associations and perceived quality have the strongest influence on brand attitude, while brand loyalty and brand awareness showed weaker correlations. Additionally, brand attitude did not have a significant direct impact on purchase intention, highlighting the need for Adidas to further align its strategies with Gen Z's values.

The study brings with strategic recommendations for the brand, emphasizing the importance of enhancing sustainability initiatives and leveraging digital marketing to foster stronger brand loyalty and associations. The findings contribute to the understanding of brand equity in the context of Gen Z consumers and offer actionable insights for brands seeking to engage with this demographic within the German market.

Keywords: Generation Z, Brand Equity, Purchase Intention, Brand Attitude, Brand Awareness, Perceived Quality, Brand Loyalty

ABBREVIATIONS

AVE	Average Variance Extracted
CBBE	Customer-based Equity Model
CR	Composite Reliability
CSR	Corporate Social Responsibility
DTC	Direct-to-Consumer
Gen Z	Generation Z
MBE	Multidimensional consumer-based model
PLS-SEM	Partial Least Squares Structural Equation Modeling
TPB	Theory of planned Behaviour
UGC	User-generated Content

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CHAPTER 1 – INTRODUCTION

In today's globalized and fiercely competitive market, brands must not only distinguish themselves from competitors but also foster strong, long-lasting relationships with consumers. For iconic brands like Adidas, maintaining brand loyalty, cultivating a positive brand image, and sustaining robust brand equity are critical for long-term success (Keller, 2013). Brand equity, often defined as the value a brand adds to a product or service beyond its functional attributes, is shaped by several key dimensions, including brand awareness, brand associations, perceived quality, and brand loyalty (Aaker, 1991; Keller, 1993). The strength of a brand's equity has a significant impact on consumer behavior, influencing product preferences, purchasing decisions, and customer loyalty (Aaker, 1991; Yoo & Donthu, 2001).

As consumer behavior shifts, Generation Z (Gen Z) has emerged as a dominant consumer group, bringing both opportunities and challenges for companies. Born between the mid-1990s and early 2010s, Gen Z consumers differ from previous generations due to their profound digital engagement and heightened focus on sustainability and social responsibility (NielsenIQ, 2023). Research suggests that Gen Z places significant value on brands that align with their ethical standards, including environmental sustainability and corporate social responsibility (CSR) (Francis & Hoefel, 2018; McKinsey & Company, 2023). Gen Z's strong tendency towards social justice, ethical consumption, and digital connectivity positions them as a key demographic whose preferences are crucial for brands pursuing long-term success (Smith, 2019).

For brands like Adidas, these changing consumer expectations require a strategic shift. Gen Z expects brands to go beyond product quality and demonstrate genuine commitment to causes that matter to them, including environmental sustainability and ethical business practices (Naderer et al., 2022). Failure to meet these expectations may result in decreased loyalty and diminished brand equity. Therefore, brands must adapt their strategies to resonate with this generation's values, ensuring they stay relevant and competitive in an increasingly values-driven marketplace (Guzmán & Davis, 2022).

This study investigates how different dimensions of brand equity—brand awareness, brand associations, perceived quality, and brand loyalty—affect brand attitude and purchase intentions among Gen Z consumers in Germany. Using Adidas as a real-

world example, this research offers actionable insights to help brands effectively engage with this critical demographic group, thereby enhancing brand equity and fostering long-lasting customer relationships. The aim is to provide insights into the strategies Adidas can adopt to reinforce its brand positioning and foster a more robust connection with Gen-Z.

To achieve this objective, the study is guided by three key questions: Where does Adidas currently stand among Gen-Z consumers in Germany? How can this demographic be effectively engaged? And how can Adidas leverage its brand equity to boost purchase intention and strengthen customer loyalty within this group? By addressing these questions, the project aims to provide strategic insights that will support Adidas in reaffirming its position as "the best sports brand in the world."

This project is structured into seven chapters. Chapter 1 introduces the study objectives and outlines the research context. Chapter 2 provides a comprehensive literature review, covering key concepts such as brand equity, brand awareness, perceived quality, and brand loyalty. Chapter 3 presents the conceptual framework, while Chapter 4 offers a detailed company description of Adidas. Chapter 5 explains the methodology employed in the study, including the research methods and data collection techniques. Chapter 6 analyzes the data using descriptive statistics and regression analysis, along with the finding discussions. Chapter 7, which highlights the study's conclusions, limitations, and directions for future research.

CHAPTER 2 – LITERATURE REVIEW

This chapter will critically evaluate and analyze the existing research about brand equity and its dimensions – brand awareness, perceived quality, brand loyalty and brand associations. Additionally, it will examine the concepts of brand attitude and purchase intentions, both of which plays a crucial role in understanding consumer behavior and assessing the effectiveness of marketing strategies.

The purpose of this chapter is to identify gaps in the current research, specifically in relation to how Gen-Z consumers engage with brands. Therefore, the literature review will be structured thematically to ensure a coherent exploration of the topics mentioned.

At the end of this chapter, identified gaps within these researched topics will be addressed and how this project can identify these deficiencies.

2.1 Brand Equity

Brand equity is the added value a brand contributes to a product or service, beyond its functional attributes (Aaker, 1991). According to Aaker's model, brand equity is composed of four fundamental dimensions: brand awareness, brand loyalty, perceived quality, and brand associations. These elements form the core of brand equity and are critical to a brand's success across industries. Aaker's model underscores the role of these dimensions in influencing consumer behavior, from product recognition to repeat purchases.

Building on Aaker's framework, Keller (1993) expanded the understanding of brand equity by highlighting the importance of cultivating strong emotional connections between brands and consumers. Keller stressed that brand equity is not only built through recognition and quality but also through creating positive, emotionally resonant brand associations and delivering memorable brand experiences. These emotional ties contribute to a brand's long-term success by fostering deeper customer loyalty and stronger consumer-brand relationships, particularly in today's experience-driven market.

This approach emphasizes that in a highly competitive marketplace, brands need to go beyond functional excellence to engage consumers on an emotional level, which becomes a key driver in sustaining brand equity over time (Keller, 1993).

However, these early models were developed in a pre-digital era, and much of the literature does not fully consider how digital technologies and social media platforms have reshaped consumer-brand interactions, particularly among younger demographics like Gen Z. For example, while brand awareness continues to be critical, digital brand awareness now plays a central role, as social media platforms have become key spaces for brands to engage with consumers. Recent studies by Wang et al. (2022) highlight the growing importance of social media influencers and digital engagement in shaping brand awareness among Gen Z, but the implications of these findings for brand equity models remain underexplored. Also, in a more recent study Keller (2020), extended his model by including social media and digital interactions, highlighting the importance of consumer engagement in building brand equity. Moreover, Buil, Chernatony and Martinez (2013) emphasize that in the digital age, brand equity is increasingly shaped by user-generated content and peer recommendations, which play a significant role in influencing consumer perceptions of brand value. This insight is especially relevant for Adidas, where the brand's value is elevated through collaborations with influencers and athletes.

2.2 Brand Awareness

Brand awareness, a fundamental component of brand equity, plays a critical role in shaping consumer behavior. Aaker (1991) defines brand awareness as a consumer's ability to recognize or recall that a brand belongs to a specific product category. This awareness fosters trust and increases the likelihood that consumers will select a brand during purchasing decisions. For brands like Adidas, maintaining high levels of brand awareness among Generation Z is crucial, as this demographic tends to prioritize familiarity and practicality when making decisions, particularly in fast-paced environments (McKinsey & Company, 2023).

Keller (1993) expanded on this concept by showcasing the broader impact of brand awareness, explaining that it not only affects recognition but also enhances how the brand is recalled during the decision-making process. Higher levels of awareness increase the chances that a brand will be included in the consideration set, making it more likely to be chosen over competition. For Adidas, ensuring that their brand remains top-of-mind in Gen Z's purchase decisions is particularly important, especially as this generation

frequently interacts with brands across digital platforms. However, Keller (1993) also emphasizes that awareness alone is not enough—positive brand associations must be cultivated to fully drive purchase behavior.

Furthermore, Hoyer and Brown (1990) argued that brand awareness serves as a cognitive shortcut, simplifying consumer choices. In their research, they found that consumers often choose familiar brands over unfamiliar ones, even when the latter offers better quality. This behavior is particularly relevant for Gen Z, who may rely on familiar brands like Adidas, especially in digital environments where they are exposed to multiple choices at once. For Adidas, leveraging its strong brand awareness could be a decisive factor in attracting initial purchases, particularly among Gen Z consumers who prioritize speed and ease in their decision-making.

In today's digital age, brand awareness is influenced significantly by social media. Wang et al. (2021) argue that platforms like TikTok, YouTube, and Instagram play a central role in cultivating brand awareness among Gen Z. These platforms enhance brand recall and recognition through consistent digital engagement, helping brands maintain relevance in consumers' minds. Erdem et al. (2016) further noticed that brand awareness not only influences purchasing behavior but also increases a brand's credibility and trustworthiness, making it more likely for consumers to trust and choose a brand they recognize in competitive markets.

Recent research underscores the critical role of digital marketing strategies in enhancing brand awareness, particularly among younger, tech-savvy consumers like Generation Z. As Kim et al. (2022) demonstrated, user-generated content (UGC) plays a pivotal role in building brand awareness for this demographic. Brands that actively promote UGC through social media campaigns not only foster greater consumer engagement but also strengthen brand recall. The interactive nature of UGC allows consumers to feel more connected to the brand, cultivating a sense of ownership and deeper emotional commitment.

Correspondingly, Jones and Lee (2023) found that collaborations with influencers can substantially enhance a brand's digital visibility and credibility. Influencers serve as trusted intermediaries for Gen Z, who tend to value authentic endorsements over traditional advertising. These collaborations increase the likelihood that consumers will recall a brand during purchase decisions, especially when influencers align with the brand's values and image.

For brands like adidas, maintaining a strong and consistent social media presence is essential. By leveraging UGC and influencer partnerships, Adidas can ensure continuous visibility in the digital spaces where Gen Z consumers are most active. Encouraging UGC through creative campaigns, hashtags, and challenges can amplify brand awareness, while influencer collaborations can lend authenticity and further reinforce brand recognition. This approach enables Adidas to remain relevant in Gen Z's daily lives, ensuring that the brand not only stays top-of-mind but also connects on a deeper, more personal level.

Furthermore, digital brand awareness strategies must adapt to the evolving nature of social media platforms and algorithms. A brand's ability to consistently engage and captivate its audience through new and dynamic content will determine its success in this highly competitive, digital-first marketplace (Kaplan & Haenlein, 2021).

2.3 Perceived Quality

Perceived quality refers to a consumer's judgment of a product's overall excellence or superiority relative to its competitors. Zeithaml (1988) defined perceived quality as the consumer's assessment of a product's intrinsic value, which often goes beyond functional benefits to include elements like brand reputation and performance. Aaker (1991) emphasized the role of perceived quality as a driver of consumer preference, suggesting that it not only influences purchasing decisions but also affects brand loyalty. High-quality perceptions create a value premium, where consumers are willing to pay more for products they perceive as superior.

On his side, Keller (1993) highlighted that perceived quality enhances consumer trust and fosters positive brand associations. He argued that for a brand to maximize its equity, the consumer's perception of product quality must be consistent with the brand's image and values. Ensuring that sustainability initiatives and product innovation are central to a brand's core identity is crucial to maintaining high perceived quality, particularly as Generation Z consumers increasingly expect brands to demonstrate social responsibility and environmental consciousness.

Recent studies have reinforced the importance of perceived quality in shaping consumer behavior. Oliver et al. (2021) found out that for Gen Z, perceived quality is heavily influenced by factors like sustainability, ethical sourcing, and transparency in the

supply chain. This generation tends to equate high-quality products with brands that show a commitment to environmental and social causes. Additionally, Nguyen et al. (2020) note that perceived quality for Gen Z goes beyond physical attributes, as emotional benefits—such as a brand's alignment with their personal values—are increasingly important in their assessment.

In the digital context, Kim et al. (2022) emphasizes the role of user-generated content (UGC) in enhancing perceptions of quality. Positive UGC can validate a brand's quality through peer approval, reinforcing perceptions among Gen Z consumers. Jones and Lee (2023) highlighted the impact of social media influencers, noting that endorsements from trusted figures can significantly enhance perceptions of quality, particularly when these influencers align with a brand's emphasis on innovation and sustainability.

2.4 Brand Loyalty

Brand loyalty refers to the extent of consumer attachment to a brand and their likelihood of repeat purchases. Aaker (1991) defined brand loyalty as a consumer's preference for a particular brand over others, which influences their willingness to repeatedly purchase products despite competing offerings. Brand loyalty is crucial for generating long-term value for companies, as loyal customers are typically less sensitive to price changes and more likely to recommend the brand to others.

Keller (1993) expanded on this idea, noting that brand loyalty not only drives repeat purchases but also strengthens positive brand associations. Consumers who feel emotionally connected to a brand through shared values and consistent product experiences are more likely to remain loyal. This is especially true for Generation Z, a demographic that increasingly bases loyalty on a brand's alignment with their social and environmental values. For brands to fully harness the power of brand loyalty it must be emotionally driven, with consumers identifying with the brand's image, values, and purpose.

Recent studies have examined the shifting dynamics of brand loyalty, particularly among younger generations. Leckie et al. (2020) highlighted that Gen Z consumers are less brand-loyal in the traditional sense, preferring to switch brands unless they feel a strong emotional attachment. Factors like personalization, innovation, and authenticity have become key crucial influences of loyalty for this group. Chaudhuri and Holbrook

(2021) argued that Gen Z's loyalty is often tied to social responsibility, with consumers exhibiting higher loyalty to brands that are transparent and actively support causes that resonate with their personal beliefs.

In today's digitally driven environment, Nguyen et al. (2020) highlighted the role of digital engagement in fostering brand loyalty. By actively interacting with consumers across social platforms and offering personalized experiences, brands can cultivate deeper loyalty. This is particularly important for Gen Z, who expect authentic interactions with the brands they support. Additionally, Leung et al. (2021) noted that social media plays a crucial role in building loyalty, as it allows brands to communicate directly with consumers and respond to their evolving needs and preferences in real time.

Similarly, Kim et al. (2022) pointed out that user-generated content (UGC) is an effective tool for reinforcing brand loyalty, as it provides social proof and encourages community building around the brand. By fostering UGC, brands can create brand advocates who further drive loyalty through their positive experiences. Jones and Lee (2023) also highlighted the role of influencer marketing in building brand loyalty, particularly among Gen Z, who are more likely to follow brands recommended by trusted figures. Influencer collaborations help create authentic connections and encourage repeat purchases by aligning with Gen Z's expectations of innovation and social responsibility.

2.5 Brand Associations

Brand associations refer to the connections consumers make between a brand and its attributes, values, or experiences. These associations shape the brand image and influence how consumers perceive the brand. Keller (1993) defines brand associations as the mental links that consumers establish between a brand and its products, which can be either functional (e.g., product features) or emotional (e.g., brand identity and values). Strong brand associations help differentiate a brand from its competitors, creating a unique positioning in the market.

Aaker (1991) emphasized that positive and unique brand associations are critical for building brand equity, as they not only create consumer trust but also contribute to brand loyalty. When consumers associate a brand with specific qualities or values, such as innovation, reliability, or sustainability, they are more likely to favor it over competing brands. Aaker also highlights the importance of maintaining consistent messaging across

all touchpoints to reinforce these associations and strengthen the brand's position in consumers' minds.

Recent studies have expanded on the role of brand associations, particularly in the context of Generation Z. Brakus et al. (2009) found that for Gen Z, emotional brand associations—such as a brand's stance on social issues or sustainability efforts—are particularly influential. This demographic tends to gravitate toward brands that resonate with their values and offer experiences that go beyond the functional aspects of the product. Li et al. (2022) supported this view, noting that Gen Z consumers form stronger associations with brands that engage in corporate social responsibility (CSR) initiatives, especially those that advocate for environmental and social justice.

In today's digital environment, the formation of brand associations is increasingly influenced by social media interactions and digital content. Kim et al. (2022) argued that platforms like Instagram and TikTok allow brands to create deeper and more meaningful associations by interacting directly with consumers. Through storytelling and user-generated content (UGC), brands can communicate their values and foster emotional connections with Gen Z, further strengthening positive associations.

Jones and Lee (2023) also highlighted the role of influencers in shaping brand associations. Influencer collaborations enable brands to create authentic connections with younger consumers by leveraging trusted voices that align with the brand's identity. These influencers act as intermediaries, linking the brand's values with the consumer's personal beliefs, which helps reinforce emotional brand associations. This is particularly important for Gen Z, who value authenticity and transparency in their interactions with brands.

2.6 Brand Attitude

Brand attitude refers to a consumer's overall evaluation of a brand, which can range from positive to negative, and significantly influences their purchasing behavior (Spears and Singh, 2004). Also, both researchers defined brand attitude as the general disposition a consumer holds toward a brand, shaped by their experiences, perceptions, and interactions with it. A positive brand attitude is crucial for driving purchase intentions and cultivating long-term brand loyalty.

Keller (1993) emphasized the role of brand associations in forming brand attitude, explaining that positive associations with a brand's attributes, values, or identity are likely to result in a favorable attitude. When consumers have consistent positive experiences with a brand and perceive it to align with their personal values, they are more likely to develop a strong emotional connection, which translates into a positive attitude. For brands like Adidas, fostering a favorable brand attitude among Generation Z is critical, as this generation tends to evaluate brands not only based on product quality but also on ethical values such as sustainability and social responsibility.

Recent studies have further examined the factors influencing brand attitude, particularly in relation to Gen Z consumers. Esch et al. (2020) found that functional benefits, such as product performance and quality, are important in shaping brand attitude, but emotional factors—such as a brand's connection to social causes or environmental initiatives—are increasingly significant for younger consumers. This aligns with Gen Z's preference for brands that demonstrate authenticity and purpose beyond just selling products.

In today's digital age, social media engagement plays a pivotal role in shaping brand attitudes, particularly for Generation Z. According to Kim et al. (2022), platforms such as Instagram and TikTok allow brands to connect with consumers in more interactive and personalized ways, which positively influences how the brand is perceived. One key factor is the impact of user-generated content (UGC), which not only builds social proof but also cultivates trust within the consumer community. When users see others positively interacting with a brand, it creates a sense of belonging, further strengthening emotional ties and enhancing overall brand attitude.

Furthermore, Jones and Lee (2023) highlight the growing importance of influencers in shaping brand perceptions, especially for Gen Z. By partnering with influencers who resonate with the values of authenticity, innovation, and social responsibility, brands can positively shape their image. These influencers act as trusted voices, and their endorsements can lead to a more favorable attitude toward the brand, particularly among younger consumers who value transparency and ethical practices. This approach is especially critical for Gen Z, who increasingly seek out brands that are aligned with their values on social and environmental issues.

2.7 Purchase Intention

Purchase intention refers to the likelihood that a consumer will choose to buy a particular brand's products, and it serves as a critical indicator of future sales (Morwitz, 2012). Ajzen's (1991) Theory of Planned Behavior (TPB) posits that consumer intentions are influenced by their attitudes, subjective norms, and perceived behavioral control. In the context of branding, purchase intention is shaped by a consumer's brand attitude, brand associations, and overall perception of the brand's quality and values.

Keller (1993) emphasized the importance of positive brand associations and brand equity in driving purchase intention. When consumers have a favorable perception of a brand's attributes—such as product quality, innovation, or ethical practices—they are more likely to express the intention to purchase from that brand. Keller (1993) further notes that brand familiarity and brand trust also play a significant role in influencing purchase intention, particularly in competitive markets. For brands like Adidas, cultivating a strong relationship with Generation Z consumers is crucial for ensuring that the brand is not only considered but chosen during purchasing decisions.

Recent studies have highlighted the evolving factors influencing purchase intention among younger consumers. Morwitz (2021) found that Gen Z tends to base their purchasing decisions on a combination of emotional and functional factors, with a strong emphasis on authenticity and social responsibility. This generation expects brands to not only deliver high-quality products but also align with their personal values, such as sustainability and ethical sourcing. As a result, brands that successfully communicate these values are more likely to drive higher purchase intentions among Gen Z.

In the digital landscape, Wang et al. (2021) argue that social media engagement significantly impacts purchase intention, particularly for younger consumers who are highly active on platforms like Instagram and TikTok. Brands that maintain a consistent presence across social media platforms and engage in interactive content are more likely to capture consumer attention and foster a desire to purchase. UGC plays a vital role in driving purchase intention, as consumers are more likely to trust the recommendations and experiences shared by their peers. By encouraging UGC, brands can create social proof that reinforces positive perceptions and increases the likelihood of purchase.

Additionally, Jones and Lee (2023) highlighted the influence of influencer marketing on purchase intention among Gen Z. Collaborations with influencers who are seen as authentic and aligned with a brand's values can significantly boost consumer trust

and encourage purchasing behavior. For Adidas, partnering with influencers who advocate for innovation and sustainability can strengthen its connection with Gen Z and lead to higher purchase intentions, as these consumers are more likely to buy from brands that reflect their values.

The literature reviewed in this chapter highlights the critical role of brand equity and its dimensions—brand awareness, perceived quality, brand associations, and brand loyalty—in shaping brand attitude and purchase intentions among consumers, particularly Generation Z.

To explore these relationships further, the next chapter will introduce the conceptual framework for this study. This framework will be tested through quantitative research, using a questionnaire to assess the impact of brand equity dimensions on brand attitude and purchase intentions among Gen Z consumers in Germany.

CHAPTER 3 – CONCEPTUAL FRAMEWORK

The conceptual framework for this project (Figure 1) is built upon the integration of three key models: Aaker's (1991) brand equity dimensions, Yoo and Donthu's (2001) multidimensional consumer-based brand equity (MBE) scale, and Singh's (2018) model linking brand attitude to purchase intention. These models provide the foundation for understanding how brand equity dimensions impact consumer attitudes and behaviors, which is essential for recommending strategies for adidas to enhance purchase intention among Generation Z in Germany.

Aaker (1991) defined brand equity as the value that a brand's name or logo adds (or subtracts) to the product or service from the consumer's perspective. He identifies five core dimensions: brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary assets. These dimensions represent the assets and liabilities of a brand that influence consumer behavior. Aaker's framework is central to this project as it enables the identification of key brand equity components that can be leveraged to strengthen brand attitude and, ultimately, purchase intention. Understanding how adidas can enhance its brand loyalty, perceived quality, and associations will be pivotal to achieving this project's objectives.

To measure the perceptions and attitudes of Gen Z consumers toward adidas, Yoo and Donthu's (1997, 2001) multidimensional consumer-based brand equity scale (MBE)

will be applied. This scale is particularly useful for its cross-cultural applicability, allowing insights into how different consumer groups perceive brand equity. By measuring individual consumer perceptions across Aaker's dimensions—brand awareness, loyalty, and associations—this scale provides a comprehensive assessment of how adidas is positioned in the minds of its target audience in Germany.

Singh's (2018) model further contributes to this framework by examining how brand attitude mediates the relationship between brand equity and purchase intention. His research, which focuses on the credibility of celebrities in advertising, underscores the importance of positive brand associations in shaping consumer attitudes. Singh demonstrates that attributes such as credibility, personality, and image significantly impact consumer attitudes toward a brand, which in turn drive purchase intention. This model is relevant for adidas, as it highlights the importance of aligning brand values with consumer expectations, especially when targeting a socially conscious demographic like Gen Z.

Together, these three models form the conceptual basis for this study, illustrating how brand equity dimensions influence brand attitude and purchase intention. By applying these frameworks, this project aims to provide actionable insights that will help adidas enhance its brand equity, build stronger connections with Gen Z, and ultimately drive purchase behavior in the German market.
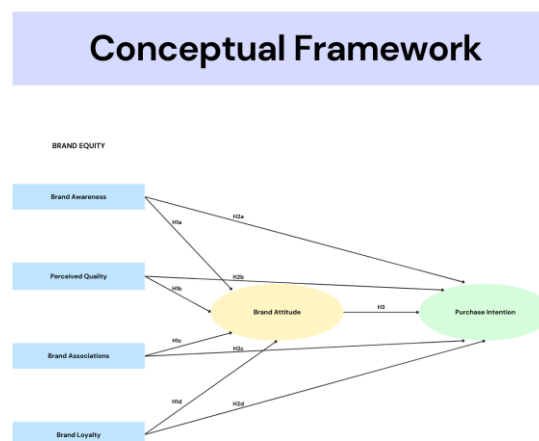

Figure 1: Conceptual Framework

To explore the relationship between consumer perception and purchase intention, the following hypotheses are developed, each supported by existing literature and

conceptual models. These hypotheses are visually represented in the conceptual framework presented in Figure 1.

Brand Attitude Hypotheses

Research consistently demonstrates the critical role of brand awareness in shaping brand attitudes. Aaker (1991) and Keller (1993) argue that when consumers recognize and recall a brand, they are more likely to develop favorable attitudes toward it. This is especially pertinent in the digital age, where brand recall through platforms like social media amplifies consumer engagement and perceptions (Wang et al., 2021). For Gen Z, a demographic that values familiarity and trust, high brand awareness can significantly enhance positive brand attitudes. Thus, we hypothesize: *H1a—There is a positive relationship between brand awareness and brand attitude.*

Perceived quality has long been linked to favorable brand attitudes. Zeithaml (1988) and Keller (1993) highlight that when consumers perceive a product as high-quality, they are more inclined to form a positive attitude toward the brand. For Gen Z, perceived quality goes beyond functional attributes; it includes elements like sustainability and ethical production (Oliver et al., 2021; Nguyen et al., 2020). Brands that emphasize these values not only meet expectations but also foster stronger positive attitudes. Thus, we hypothesize: *H1b—There is a positive relationship between perceived quality and brand attitude.*

Strong brand associations are fundamental to building positive brand attitudes. According to Keller (1993), consumer attitudes are shaped by the mental connections they form with a brand's identity, values, and characteristics. Brakus et al. (2009) suggest that emotional associations, particularly those related to sustainability and social responsibility, are especially influential among Gen Z. Brands that cultivate positive associations tied to ethical practices and authenticity are more likely to benefit from enhanced consumer attitudes. Thus, we hypothesize: *H1c—There is a positive relationship between brand associations and brand attitude.*

Brand loyalty is a strong predictor of positive brand attitudes. Aaker (1991) and Keller (1993) argue that consumers who exhibit loyalty tend to have deeper emotional connections with the brand, which translates into more favorable attitudes. For Gen Z,

brand loyalty often stems from the alignment of personal values with the brand's actions and mission (Chaudhuri & Holbrook, 2021). Therefore, the more loyal a consumer is to a brand, the stronger their positive attitude is likely to be. Thus, we hypothesize: *H1d— There is a positive relationship between brand loyalty and brand attitude.*

Purchase Intention Hypotheses

Brand awareness is strongly correlated with purchase intention. Keller (1993) posits that when consumers are aware of a brand, they are more likely to consider it during their decision-making process. Hoyer and Brown (1990) assert that familiar brands have an advantage, as consumers tend to gravitate toward them even when other options are available. This is particularly relevant for Gen Z, who rely on social media for brand recall and engagement, thereby influencing their purchase intentions (Wang et al., 2021). Thus, we hypothesize: *H2a—There is a positive relationship between brand awareness and purchase intention.*

Perceived quality is a significant factor influencing purchase intention. Zeithaml (1988) and Keller (1993) suggest that when consumers believe a product is of high quality, they are more likely to buy it. This relationship is especially strong for Gen Z, as their quality perceptions are shaped by sustainability and ethical practices (Oliver et al., 2021). Brands that deliver on these values are more likely to encourage purchases, as consumers see their products as both high-quality and aligned with their personal beliefs. Thus, we hypothesize: *H2b—There is a positive relationship between perceived quality and purchase intention.*

Positive brand associations are a key driver of purchase intention. Keller (1993) notes that when consumers form strong, favorable associations—such as a brand's commitment to innovation or environmental sustainability—they are more likely to choose that brand. For Gen Z, social responsibility and authenticity are particularly influential, as Li et al. (2022) note that these factors can significantly boost purchase intentions. Thus, we hypothesize: *H2c—There is a positive relationship between brand associations and purchase intention.*

Brand loyalty is a key determinant of purchase intention. Aaker (1991) and Keller (1993) emphasize that loyal consumers are more likely to repurchase products from the

same brand, often being less sensitive to price or competing options. Chaudhuri and Holbrook (2021) argue that for Gen Z, loyalty stems from emotional connections and shared values, leading to stronger purchase intentions for brands that resonate with their personal beliefs. Thus, we hypothesize: *H2d—There is a positive relationship between brand loyalty and purchase intention.*

Interrelationship Hypothesis

The relationship between brand attitude and purchase intention is well-supported in the literature. Spears and Singh (2004) assert that consumers with positive attitudes toward a brand are more likely to convert those attitudes into purchase actions, as these attitudes signal trust and preference. Ajzen's (1991) Theory of Planned Behavior also suggests that positive attitudes influence intentions to engage in certain behaviors, including purchasing. Esch et al. (2020) found that for Gen Z, both functional and emotional factors shape brand attitudes, which, in turn, drive purchase intentions. Thus, we hypothesize: *H3—There is a positive relationship between brand attitude and purchase intention.*

CHAPTER 4 – COMPANY DESCRIPTION

Adidas AG is one of the world's leading sportswear companies, globally recognized for its innovation, quality, and iconic three-stripe logo. Founded in 1949 by Adolf Dassler in Herzogenaurach, Germany, the company's initial mission was to provide athletes with superior footwear. Dassler, known as "Adi," revolutionized sports footwear by introducing track shoes with spikes, which gained global attention during the Olympic Games (Adidas AG, 2000). Over the decades, Adidas has evolved into a global powerhouse, producing not only footwear but also a wide range of apparel and accessories for athletes and fashion-conscious consumers alike (Adidas Group, n.d.).

Adidas' growth from a sports-centric brand to a lifestyle icon was driven by collaborations with renowned designers, athletes, and celebrities, transforming its product offerings into both sports and fashion statements. The company's iconic three stripes now symbolize performance, innovation, and quality worldwide. This transformation also saw Adidas launching collections that cater not only to athletes but also to consumers who embrace sportswear as a part of their everyday attire (Adidas Group, n.d.).

Today, Adidas employs over 60,000 people globally and operates with the mission of becoming the "best sports brand in the world", driven by the motto "Impossible is Nothing" (Adidas Group, n.d.). The company's brand architecture consists of two lifestyle brands—Originals and Sportswear—and the sports-specific performance lines (Adidas, 2022). Originals focuses on reinterpreting classic designs, while Sportswear, a sub-brand launched after the COVID-19 pandemic, responds to the increasing demand for athletic-inspired yet fashionable clothes, particularly among Generation Z. This generation seeks apparel that combines comfort with style, making the brand's mission "Born from Sports, Worn for Style" particularly relevant (Gosselin, 2020; Maguire, 2023).

Sales Channels

Adidas generates its revenue through two primary sales channels: wholesale and direct-to-consumer (DTC). The wholesale channel accounts for approximately 60% of total sales, achieved through partnerships with major retailers like JD Sports and Dickies, which vary by region (Adidas Group, n.d.). Additionally, Adidas has a strong DTC presence, with around 20% of sales coming from its own retail stores and e-commerce platforms (Adidas Group, n.d.). This dual-channel strategy allows the company to maximize its reach across both traditional and digital markets, which is crucial for maintaining brand visibility and relevance among Gen Z consumers who heavily favor online shopping.

Competitor Overview

In the highly competitive global sportswear industry, Adidas holds the second-largest market share at 15%, behind Nike, which leads with a commanding 27.4% (Solomons & Bondarchuk, 2023). Nike's dominance is driven by its powerful branding and extensive marketing efforts. Puma follows closely behind Adidas with approximately 10% market share, particularly excelling in footwear (Smith, 2023). Other significant competitors, including Lululemon, Under Armour, Columbia Sportswear, FILA, and Asics, present strong competition across various segments such as footwear, apparel, and accessories. While Adidas performs well in the athletic wear category, it faces increasing competition from brands specializing in both athleisure and performance-focused apparel

Financial Overview

Adidas recorded sales of €22.51 billion in 2022, underscoring its strong position within the sportswear industry (Tighe, 2023). However, its closest competitor, Nike, reported revenues almost twice as high at €42.65 billion, highlighting the challenging competitive environment. Puma generated €8.47 billion in sales, reflecting the global popularity of these brands (Tighe, 2023).

The year 2023 was particularly difficult for Adidas, as the company announced an operating loss of €100 million (Veyet, Ergenay & Reid, 2023). While this was an improvement over the initially projected loss of €450 million, it still marked a challenging period, particularly due to the fallout from the termination of the partnership with Ye (formerly Kanye West), following his controversial remarks in 2022 (Adidas AG, 2022). Despite these setbacks, Adidas' global presence and robust brand equity position it for recovery and growth, especially as it continues to innovate and align itself with the values of younger, more socially conscious consumers like Generation Z (Veyet, Ergenay & Reid, 2023)

CHAPTER 5 – METHODOLOGY

5.1 Research Method and Data Collection Technique

For this research, a quantitative approach was adopted to enable the measurement and analysis of relationships between the various dimensions of brand equity, brand attitude, and purchase intention. This approach allows for the collection of numerical data that can be statistically analyzed to confirm or refute the proposed hypotheses.

Following Saunders et al.'s (2019) Research Onion framework, the methodology can be dissected into several layers. The research philosophy employed is positivism, which posits that knowledge is derived from observable phenomena and empirical evidence. This philosophy is suitable for the study as it seeks to quantify relationships among variables through statistical methods (Saunders et al., 2019).

In terms of research approach, a deductive strategy is utilized, whereby existing theories and models, such as Aaker's brand equity framework and Singh's model linking brand attitude to purchase intention, guide the formulation of hypotheses that will be tested through data collection (Aaker, 1991; Singh, 2018). This deductive approach allows for a systematic examination of the relationships among the variables of interest.

The chosen research strategy is a survey, which is particularly effective for collecting quantitative data from a large sample. Surveys enable researchers to gauge consumer perceptions and behaviors, providing a broad understanding of the target demographic (Bryman & Bell, 2015). This strategy aligns with the goal of assessing Gen Z's attitudes towards adidas and the influence of brand equity on their purchase intentions.

The research choice involves a mono-method quantitative choice, focusing solely on quantitative data collection and analysis to test the defined hypotheses. This decision facilitates a more straightforward interpretation of the data and strengthens the reliability of the findings (Creswell, 2014).

The study adopts a cross-sectional time horizon, gathering data at a single point in time. This approach is appropriate for understanding the current perceptions of Gen Z consumers regarding adidas and its brand equity (Saunders et al., 2019).

To conduct the survey, Qualtrics was utilized as the data collection tool. Qualtrics was chosen for its user-friendly interface and seamless integration with social media platforms like Instagram, which facilitated effective outreach to the target demographic of Gen Z. This platform also ensures data security and provides the capability to analyze large datasets efficiently (Qualtrics, 2022).

The survey was distributed through Instagram and personal networks, ensuring that the target group—specifically Gen Z in Germany—was effectively reached. This method of distribution capitalizes on the digital habits of Gen Z, who are highly active on social media platforms (Wang et al., 2021).

Using a survey was particularly appropriate for this study, as it enables the collection of quantifiable data that can be statistically analyzed. This analysis makes it possible to test the hypotheses outlined in the conceptual framework, allowing for a comprehensive understanding of how brand equity dimensions influence brand attitude and purchase intention within the Gen Z demographic.

The survey was developed using Yoo and Donthu's (1997) multidimensional consumer-based brand equity (MBE) scale, which measures key dimensions such as brand loyalty, perceived quality, and brand awareness and associations. These are central to understanding how Gen Z perceives the Adidas brand in Germany. Additionally, Singh's (2018) celebrity credibility scale was included to examine how attributes such as honorable image, dignified persona, and exquisite personality influence brand attitude

and purchase intention. The questionnaire was divided into three sections: demographic information, brand equity measures, and brand attitude/purchase intention.

By utilizing these established scales, the survey provides a robust foundation for gathering insights into the attitudes and perceptions of the target audience. The quantitative method was chosen because it offers statistical precision and allows for the analysis of relationships between variables, making it ideal for addressing the research question.

5.2 Empirical Study Strengths and Limitations

The chosen research method offers several strengths. First, the survey format allows for the collection of data from a large sample of participants, making the results more generalizable. The use of validated scales like those developed by Yoo and Donthu (2001), as well as Singh (2018), ensures the reliability and accuracy of the data collected. Moreover, the quantitative nature of the survey enables the measurement of relationships between variables, which is crucial for testing the hypotheses related to brand equity and purchase intention.

However, there are also limitations to this approach. The use of Instagram and personal networks for distribution introduces the potential for sampling bias, as the respondents may not fully represent the entire Gen Z population in Germany. Additionally, surveys rely on self-reported data, which can be affected by biases such as social desirability or misunderstanding of the questions. Another limitation is that while quantitative methods are excellent for breadth, they may not capture the depth of individual experiences or motivations, which qualitative methods (e.g., interviews or focus groups) could provide.

5.3 Research Accuracy and Ethical Considerations

To ensure the accuracy of the research, careful attention was given to designing a clear and concise survey that minimizes the risk of leading questions and misinterpretation. The incorporation of established and validated scales enhances the reliability of the collected data. Additionally, the questionnaire underwent pre-testing with a small sample of respondents to confirm that the questions were comprehensible and interpreted as intended.

In terms of integrity, the research process strictly adhered to ethical guidelines. All participants were provided with informed consent, clearly outlining the purpose of the research, the voluntary nature of their participation, and the confidentiality of their responses. Anonymity was assured to all participants, ensuring that their data would be handled responsibly and ethically.

Moreover, data handling was conducted systematically. All information gathered through Qualtrics was securely stored, and only aggregate data was utilized for analysis. The analysis employed statistical methods, including descriptive statistics, correlation analysis, and PLS-SEM to evaluate the relationships between the variables, ensuring that the findings are both rigorous and aligned with the research objectives. The statistical software SMARTPLS was chosen for data analysis, as it allows for the assessment of both the measurement and structural models, ensuring accurate processing and minimizing the potential for errors.

CHAPTER 6 – DATA ANALYSIS

6.1 Descriptive Statistics

6.1.1 Sample Characterization

The questionnaire had a total of 110 participants, providing valuable insights into the demographic and socio-economic profiles of the respondents. To ensure the analysis is aligned with the focus of this research, which is Gen-Z, all responses were excluded that were outside the scope of over 27 years old. After this, a total of 77 valid responses remained for analysis.

The gender composition of the sample was relatively even, with 42% identifying as female, and while 49% were male.

When analyzing education, the largest proportion of respondents held a bachelor's degree (43%), followed by high school graduates (27%) and roughly one in five participants obtained a master's degree (21%). The educational breakdown indicates a relatively well-educated sample.

In terms of, household income, almost half of the respondents (49%) stated living comfortably on their current income, while 40% indicated that they were coping. A smaller percentage, 11%, mentioned struggling to manage on their present income.

The respondent's age distribution showed a younger demographic, with 77% of participants being 27 years or younger, and 18% falling into the 28-35 age range. This suggests that the sample skews toward younger adults, a group that is relevant to this study's focus – Gen-Z.

Lastly, a large majority of the participants (92%) are based in Germany, with only 8% living in other countries, highlighting a highly localized sample focused predominantly on the German population.

A detailed table presenting the sample characterization is provided in the Appendix 2.

6.1.2 Survey Results and Brand Perception Analysis

The results of the questionnaire provided insightful details about respondents' preferences and perceptions towards adidas. In terms of preferred sports brands, Nike emerged as the most popular choice, selected by 38% of participants, followed by adidas at 19%, and VF Corporation brands (e.g., North Face, Vans) at 17%. Despite being the second most favored brand, a significant 72% of respondents reported having purchased something from adidas before, indicating a strong level of consumer engagement with the brand.

When asked about the most purchased product category, apparel dominated with 47%, closely followed by footwear at 42%, while accessories accounted for only 12% of purchases. These results suggest that adidas' main offerings—apparel and footwear—are particularly appealing to consumers.

The survey also assessed the brand's competitive position. Notably, 45% of respondents disagreed that it makes sense to buy adidas over other brands if all factors (e.g., price, quality) are the same. Interestingly, 41% disagreed with the statement that they would prefer adidas even if another brand had the same features, highlighting a certain level of neutrality or lack of brand differentiation among consumers.

However, 53% agreed that the quality of adidas products is perceived to be high, and 94% could recognize 'the brand with the three stripes' among other brands. Additionally, 59% of respondents supported the statement that they are generally aware of adidas, with 38% strongly agreeing with this assertion—resulting in an impressive overall awareness rate of 97%.

The responses also highlighted brand loyalty patterns. Although 44% of the respondents disagreed with being loyal to adidas, 19% agreed that they consider themselves loyal. Additionally, 51% of respondents stated that they were likely to make a purchase from adidas, indicating a moderate level of purchase intention.

In summary, the responses demonstrated that while adidas is widely recognized and has a strong reputation for quality, there is potential for strengthening brand loyalty and differentiating it from competitors, particularly concerning consumer purchase preferences.

6.2 Measurement Model Assessment

To analyze the Purchase Intention and Brand Attitude of Generation Z consumers in Germany, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed, using the SmartPLS 4 software. This approach was chosen because it facilitates the evaluation of complex relationships between latent variables (Brand Awareness, Brand Loyalty, Brand Associations, and Perceived Quality) and their corresponding survey indicators.

PLS-SEM offers some advantages in this context. First, it enables a deeper exploration of latent constructs that are not directly observable, like Brand Attitude and Purchase Intention. Additionally, this method simplifies the research process by allowing the simultaneous measurement of these latent variables and testing the relationships between them to validate the hypotheses of the study (Urban & Mayerl, 2013).

One key benefit of PLS-SEM is that it can effectively handle smaller sample sizes, which was particularly useful for this research, as the sample included 77 valid responses from Gen-Z consumers. In traditional statistical methods, a larger sample size is often required to ensure robust results, but PLS-SEM can still provide reliable insights with fewer respondents (Fuchs, 2011).

Lastly, Shackman (2013) highlights that PLS-SEM offers greater statistical power in explanatory research, meaning it is more capable of detecting significant relationships between variables compared to other methods. This is particularly beneficial for this study, which seeks to understand how Brand Equity Dimensions influence Brand Attitude and Purchase Intention among Gen-Z consumers. By using PLS-SEM, this research could uncover valuable insights into the role of these dimensions in driving consumer behavior, even with a relatively modest sample size.

6.2.1 Reliability and Validity

The first step in evaluating the reflective measurement model using PLS-SEM involves checking how effectively each indicator reflects its associated construct. Ideally, indicator loadings should be above 0.708, as this indicates that the construct explains more than 50% of the indicator's variance **(Sarstedt et al., 2021).** In this study, indicators with lower loadings, such as Q14_BrandAwareness2 (loading = 0.315), were excluded to enhance model fit.

Next, composite reliability (CR) was used to evaluate the internal consistency of the constructs. All constructs met the minimum recommended value of 0.7 (Jöreskog, 1971), confirming that the indicators consistently measured their respective latent variables.

Finally, convergent validity was assessed through the Average Variance Extracted (AVE). An AVE value above 0.5 indicates that the construct captures enough variance from its indicators (Hair et al., 2022). In this case, all AVE values exceeded 0.5, validating the constructs used in the model.

6.2.2 Discriminant Validity

Discriminant validity ensures that each construct in the model is distinct and measures a unique concept. To confirm discriminant validity, the Fornell-Larcker Criterion and the HTMT ratio were employed. The results showed that the square root of the Average Variance Extracted (AVE) for each construct was greater than its correlations with other constructs, indicating that each construct is sufficiently distinct. Additionally, the HTMT values were below the threshold of 0.85, further confirming that the constructs are empirically different from one another. These findings provide confidence in the distinctiveness and validity of the constructs used in the model.

6.2.3 Collinearity Validity

To ensure that the model does not suffer from multicollinearity, the Variance Inflation Factor (VIF) was examined for each construct. All VIF values were below the critical threshold of 5, confirming that collinearity is not a concern in this analysis.

Table 1: VIF Inner Model

Relationship	VIF
Brand Associations -> Brand Attitude	1.062
Brand Associations -> Purchase Intention	1.062
Brand Attitude -> Purchase Intention	1.028
Brand Awareness -> Brand Attitude	1.097
Brand Awareness -> Purchase Intention	1.108
Brand Loyalty -> Brand Attitude	1.011
Brand Loyalty -> Purchase Intention	1.014
Perceived Quality -> Brand Attitude	1.065

6.3 The Structural Model

After validating the measurement model, the next step was to evaluate the structural model, which examines the relationships between the latent variables: Brand Awareness, Brand Loyalty, Perceived Quality, Brand Associations, Brand Attitude, and Purchase Intention. This analysis is crucial in determining the influence of Brand Equity Dimensions on Brand Attitude and Purchase Intention among Generation Z consumers in Germany.

The path coefficients represent the strength and direction of these relationships. Positive coefficients indicate a positive influence, while negative coefficients indicate an inverse relationship. In this analysis, Brand Awareness had a positive but moderate effect on Brand Attitude, with a path coefficient of 0.258. On the other hand, Perceived Quality unexpectedly showed a negative relationship with Brand Attitude (coefficient = -0.180), suggesting further exploration is needed. Brand Loyalty had a significant positive impact on Purchase Intention, confirming its role as a key driver of purchasing behavior for Gen-Z.

The R^2 values indicate the proportion of variance explained by the independent variables. The R^2 for Brand Attitude was 0.228, meaning that 22.8% of its variance is explained by the brand equity dimensions. For Purchase Intention, the R^2 was 0.129, indicating that 12.9% of its variance is explained by Brand Loyalty, Brand Awareness, and Brand Attitude.

Overall, the structural model demonstrates that Brand Loyalty is a significant predictor of Purchase Intention, while the influence of Brand Awareness and Perceived Quality on Brand Attitude requires further investigation.
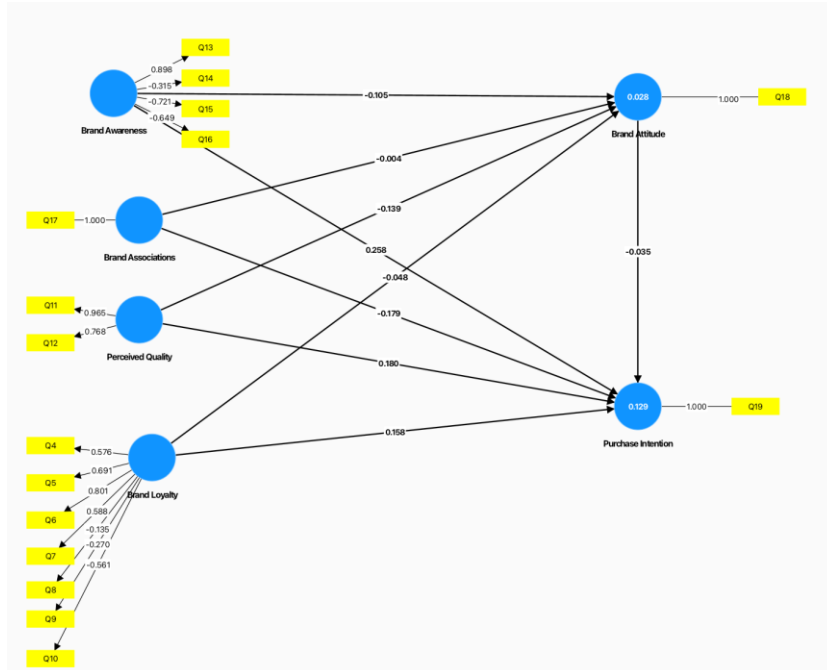

Figure 2: PLS Algorithm Model

6.4 Hypotheses Testing: Bootstrapping

To test the proposed hypotheses, bootstrapping with 5000 subsamples was conducted using PLS-SEM. Bootstrapping allows for the assessment of the statistical significance of the relationships between the latent variables by generating T-values and P-values for each path coefficient. The hypotheses were evaluated based on the T-values (should exceed 1.96 for significance) and P-values (should be below 0.05 for statistical significance).

The results of the bootstrapping analysis are presented in Table 1. The analysis showed that most relationships between the brand equity dimensions (Brand Awareness, Brand Associations, Brand Loyalty, and Perceived Quality) and Brand Attitude or Purchase Intention were not statistically significant.

- H1a, which proposed a positive relationship between Brand Awareness and Brand Attitude, was not supported (Path Coefficient = -0.105, T-value = 0.656, P-value = 0.512). This indicates that Brand Awareness does not have a significant influence on Brand Attitude in this context.

- Similarly, H2a (Brand Awareness → Purchase Intention) was also not supported, as the P-value of 0.360 exceeds the threshold for significance, and the T-value was relatively low at 0.916.

- H1c (Brand Associations → Brand Attitude) was not supported either, with an insignificant P-value of 0.968 and a T-value of 0.041, showing a negligible influence.

- Interestingly, H2c (Brand Associations → Purchase Intention) approached significance with a P-value of 0.053 and a T-value of 1.938, suggesting that Brand Associations may have a negative impact on Purchase Intention, although further investigation is needed to confirm this result.

- The relationship between Brand Loyalty and Brand Attitude (H1d) was not significant, as shown by the P-value of 0.808 and a T-value of 0.243.

- Similarly, H2d (Brand Loyalty → Purchase Intention) was not supported, with a P-value of 0.460 and a T-value of 0.739.

- Finally, H1b (Perceived Quality → Brand Attitude) was not supported, with a P-value of 0.200 and a T-value of 1.282, indicating that perceived quality does not significantly influence Brand Attitude in this sample.

Table 2: Hypothesis Testing

Hypothesis	Relationship	Path Coefficient	T-value	P-value
H1a	Brand Awareness → Brand Attitude	-0.105	0.656	0.512
H2a	Brand Awareness → Purchase Intention	0.258	0.916	0.360
H1c	Brand Associations → Brand Attitude	-0.004	0.041	0.968
H2c	Brand Associations → Purchase Intention	-0.179	1.938	0.053
H1d	Brand Loyalty → Brand Attitude	-0.048	0.243	0.808
H2d	Brand Loyalty → Purchase Intention	0.158	0.739	0.460
H1b	Perceived Quality → Brand Attitude	-0.139	1.282	0.200
H2b	Perceived Quality → Purchase Intention	0.180	1.677	0.094
H3	Brand Attitude → Purchase Intention	-0.035	0.314	0.753

6.5 Discussion of Results

The results of the data analysis provide significant insights into how Generation Z in Germany perceives Adidas, particularly regarding brand awareness, perceived quality, brand associations, and brand loyalty. These findings shed light on the effectiveness of Adidas' brand equity dimensions in influencing brand attitude and purchase intention, though some relationships did not yield statistically significant results, suggesting areas for further exploration.

Brand Awareness and Loyalty

The survey results revealed that while brand awareness is high, it did not significantly correlate with purchase intention. This finding suggests that adidas is well-known among Generation Z; however, mere brand recognition is insufficient to drive purchasing behavior (Keller, 1993). Although adidas enjoys extensive awareness, it must focus on creating deeper emotional connections with its target audience to foster loyalty. Research indicates that emotional engagement is crucial for influencing consumer decisions, especially among younger demographics (Thomson et al., 2005). High brand awareness should be supported by consistent, meaningful engagement, transforming adidas into more than just a familiar name. By positioning itself as a brand that resonates with Gen-Z consumers on a personal level, adidas can enhance brand loyalty and increase purchase intentions (Batra et al., 2012; Homburg et al., 2015).

In summary, while brand awareness is a valuable asset, it must be complemented by strategies that cultivate emotional connections and engage consumers authentically to drive purchasing decisions.

Perceived Quality

The results show that perceived quality has a moderate but positive impact on purchase intention among Generation Z consumers. However, this relationship was not statistically significant, suggesting that while quality is an important factor, it may not be the primary driver for Gen-Z purchasing behavior when it comes to brands like Adidas. This aligns with previous research, which highlights that Gen-Z places high importance

on other factors such as brand values, authenticity, and social responsibility (Baker & Kim, 2017).

Despite this, perceived quality remains an essential component of brand equity. According to Aaker (1991), consumers who perceive a brand as offering high-quality products are more likely to develop brand loyalty over time. For Adidas, maintaining a reputation for quality is still important, but it must be combined with other strategies that speak to Gen-Z's values and lifestyle preferences.

Given that Gen-Z consumers are increasingly influenced by a brand's ethical practices, sustainability efforts, and how they reflect their personal identity, focusing solely on product quality may not suffice (Francis & Hoefel, 2018). Adidas needs to ensure that its quality proposition is coupled with consistent messaging around these other key elements to foster deeper connections with its audience.

Brand Associations

The survey results show that brand associations have a weak and negative relationship with brand attitude, which contradicts expectations. Although brand associations are a critical component of brand equity, this finding suggests that the current associations linked to Adidas may not resonate positively with Generation Z consumers in Germany. Research indicates that Gen-Z places more emphasis on values such as authenticity, sustainability, and social responsibility when forming their perceptions of brands (Francis & Hoefel, 2018), which might not be sufficiently reflected in Adidas' current brand associations.

Strong, positive brand associations typically contribute to the development of a favorable brand attitude, as they create an emotional bond between the consumer and the brand (Keller, 1993). However, in this case, the weak and negative impact suggests that Adidas may need to reevaluate the aspects of the brand that Gen-Z associates with. It's essential for Adidas to ensure that its associations align with the core values and expectations of this demographic, particularly in areas like sustainability and social responsibility.

To improve brand associations and enhance brand attitude, Adidas should focus on creating meaningful connections with Gen-Z by reinforcing messages that resonate with their priorities. By doing so, the brand can build stronger emotional connections and ultimately influence purchase behavior and loyalty (Batra et al., 2012; Homburg et al., 2015).

Brand Attitude and Purchase Intention

The survey results reveal that brand attitude has a weak and negative relationship with purchase intention among Generation Z consumers in Germany. This finding indicates that while a favorable brand attitude is generally expected to lead to higher purchase intention, this may not hold true for Gen-Z in the context of Adidas. Previous research highlights that Gen-Z consumers are more motivated by factors like authenticity, social causes, and personal identity, which might not be adequately captured through brand attitude alone (Francis & Hoefel, 2018).

While brand attitude traditionally plays a crucial role in driving consumer behavior (Keller, 1993), these results suggest that Gen-Z may place less emphasis on overall brand evaluations and more on specific values and experiences the brand represents. This generation tends to prioritize transparency, sustainability, and a brand's alignment with their personal beliefs (Baker & Kim, 2017). For Adidas, this could mean that brand attitude alone is not enough to significantly influence purchase decisions.

To strengthen purchase intention, Adidas needs to focus on strategies that go beyond building a positive brand attitude. By incorporating elements that Gen-Z finds relevant—such as ethical practices and community engagement—Adidas can better connect with this demographic and enhance both brand loyalty and purchase intentions.^

Explanation for Unexpected Results

The results revealed that brand attitude and perceived quality did not show the expected significant positive impact on purchase intentions, contrary to initial hypotheses. Several factors may explain this result. Firstly, it is possible that Generation Z's purchasing decisions are less influenced by traditional brand equity dimensions and more by external reasons such as price sensitivity, social influence, or competitor offerings. Secondly, sustainability and social responsibility, key priorities for Gen Z, may not have been sufficiently reflected in the brand's messaging or perceived value during the study. Moreover, the methodological limitations—such as sample size, self-reported data, and the focus on a single demographic in Germany—may have impacted the generalizability of the results. These limitations suggest a need for further exploration into how cultural and socioeconomic variables shape Gen Z's behavior. Lastly, psychological factors like choice overload in the sportswear market or a mismatch between brand positioning and Gen Z values could have diluted the influence of brand attitude.

Future research should incorporate qualitative methods, such as interviews or focus groups, to uncover deeper insights into these unexpected findings and refine the study's focus on emergent factors that drive consumer behavior.

6.6 Recommendation

Based on the data analysis results and thus, the preferences of Gen Z consumers, Adidas must implement the following strategic recommendations to improve brand loyalty, awareness, and overall brand perception in the German market.

Enhance Emotional Engagement and Authenticity

The data indicates that while brand awareness is strong, it does not translate into purchase behavior. This suggests that Adidas should focus on building deeper emotional connections with Gen-Z consumers. Emphasizing authenticity, transparency, and social responsibility—values highly prioritized by this generation—can help create more meaningful relationships. Adidas should aim to communicate its sustainability efforts, ethical practices, and support for social causes in a way that resonates with Gen-Z's desire for brands that reflect their personal values (Francis & Hoefel, 2018).

Leverage Social Media and Influencer Marketing

The survey revealed that brand associations have a weak and negative relationship with brand attitude, indicating a gap between how Adidas is perceived and how Gen-Z expects brands to behave. To improve brand associations, Adidas should focus on leveraging social media platforms like Instagram, TikTok, and YouTube, which are popular among this demographic. Partnering with influencers who share similar values, such as sustainability advocates or socially responsible content creators, can help reshape the brand's image and create stronger, positive associations that align with Gen-Z's preferences (Batra et al., 2012).

Highlight Product Quality and Innovation

While perceived quality shows a moderate positive relationship with purchase intention, it is not a significant driver. However, quality remains an essential aspect of Gen-Z's decision-making process. Adidas should continue to emphasize the high quality and innovation of its products while integrating sustainability into the narrative. As

highlighted by Aaker (1991), perceived quality is a key element of brand equity and can influence long-term consumer perceptions. For example, promoting eco-friendly materials, circular fashion initiatives, and sustainable product lines will not only reinforce the brand's commitment to quality but also align with Gen-Z's values (Francis & Hoefel, 2018). These sustainability efforts can also address the growing demand for socially responsible brands (Batra et al., 2012).

Foster Brand Loyalty through Personalized Experiences

Brand loyalty shows a significant positive impact on purchase intention, indicating its importance in driving repeat purchases. To strengthen loyalty, Adidas should invest in personalized marketing strategies that cater to Gen-Z's individual preferences. According to Keller (1993), fostering brand loyalty requires ongoing, meaningful engagement with consumers. This could include offering customizable products, personalized shopping experiences, or tailored loyalty programs that reward engagement and advocacy. By aligning these efforts with the values of Gen-Z, such as authenticity and inclusivity, Adidas can build a community around its brand that feels personal and relatable (Homburg et al., 2015). This approach will foster long-term brand loyalty, which is crucial for retaining customers and enhancing purchase intention (Batra et al., 2012).

CHAPTER 7 – CONCLUSION

7.1 General Conclusion

The objective of this study was to provide strategic insights into how Adidas can strengthen its brand positioning and deepen its connection with Generation Z consumers in Germany. By addressing the key questions stated in the first chapter, this research sheds light on where Adidas currently stands among this demographic, how Gen Z can be effectively engaged, and how Adidas can leverage its brand equity to drive purchase intention and customer loyalty.

Where does Adidas currently stand among Gen-Z consumers in Germany?

First, the analysis results revealed that Adidas maintains a strong presence among Gen Z customers in Germany, with the brand being recognized for its innovation and quality. However, it was also evident that competing brands are gaining attention,

especially those emphasizing sustainability and social responsibility, which are highly valued by this demographic group. Thus, while Adidas is well-regarded, there is still room to enhance its connection with these values.

How can this demographic be effectively engaged?

Second, engaging Gen Z effectively requires more than just promoting product quality. This generation responds to authenticity, transparency, and brand purpose. The findings suggest that Adidas must continue to focus on social media engagement, leveraging platforms like Instagram and TikTok to build more personalized and interactive relationships with younger consumers. Additionally, partnering with influencers who align with Gen Z's core values can foster a stronger emotional connection and enhance brand loyalty.

How can Adidas leverage its brand equity to boost purchase intention and strengthen customer loyalty within this group?

Lastly, the study found that Adidas can significantly boost purchase intention and customer loyalty by reinforcing its brand equity dimensions, especially brand loyalty and brand associations. Highlighting Adidas' commitment to sustainability and ethical practices while ensuring consistent positive brand experiences will be crucial in solidifying loyalty within this group. By focusing on these strategies, Adidas has the potential to reaffirm its status as the leading sports brand in the minds of Gen Z consumers.

By adopting these strategic insights, Adidas will be well-positioned to maintain and grow its connection with Gen Z, securing its status as "the best sports brand in the world."

7.2 Study Contributions

This study contributes to both academic theory and business practice in the areas of brand equity and consumer behavior, especially focusing on the Gen Z demographic group in the German market.

From a theoretical point, this work expands on existing models of brand equity, particularly in relation to brand attitude and purchase intention. Existing studies have

often focused on different geographic regions or a wider consumer market, leaving a gap in understanding how these dimensions influence Gen Z in Germany. By incorporating these values into the analysis of the brand equity dimensions this project provides a deeper understanding of how young consumers engage with brands like Adidas. Moreover, the study emphasizes the evolving role of digital platforms in shaping brand perceptions and purchase behavior, offering insights that could serve as a foundation for further research on Gen Z's digital engagement.

From a practical point of view, the outcomes offer valuable insights for brands targeting Gen Z consumers, particularly in highly competitive industries like sportswear. This project reveals that brand associations and perceived quality have the strongest influence on brand attitude, suggesting that Adidas and similar brands must focus on reinforcing these dimensions through authentic messaging and sustainable practices.

7.3 Limitations and Suggestions

While this project provided valuable insights into the relationship between brand equity dimensions, brand attitude, and purchase intention among Gen-Z consumers in Germany, there are a few limitations that should be stated to enable improvements for future projects.

One notably limitation is the sample size, which was sufficient for this research, but it could have been a larger one to enhance the broader applicability of the findings. More respondents would allow for more robust conclusions and help reduce the error in the results.

Additionally, most participants were acquaintances or friends of the researcher, which may have introduced a degree of bias. Familiarity with the researcher could have influenced the responses, either knowingly or unknowingly, leading to potential response bias. This could have an impact on the objectivity of the data and limit the overall findings to a broader population. Future research will aim to reach a more diverse and unbiased respondent pool by employing random sampling techniques to improve the reliability of the results.

Another limitation of this study was the reliance on self-reported data through an online survey. Self-reported data can be affected by social desirability bias, where

respondents may overstate their positive brand attitudes or intentions to align with perceived norms, or recall bias, where respondents may not accurately remember past brand experiences. These prejudices could have impacted the authenticity of the data. Future studies should consider incorporating mixed methods, such as qualitative interviews or observational research, to provide deeper insights into actual brand behavior and attitudes among participants.

A key limitation of this study was the lack of attention to product-specific characteristics, such as the visual appeal, design, and quality of the product itself, in the survey. These factors are critical components of consumer perception and play a significant role in influencing purchase intentions. Their omission may have limited the scope of the findings by not capturing a holistic view of the factors driving consumer decisions. Future studies should incorporate questions related to product aesthetics and functionality to provide a more comprehensive understanding of brand perception. By doing so, insights into how consumers evaluate products within a brand's portfolio can be better integrated into the overall assessment of brand equity.

Lastly, the research focused solely on Gen-Z consumers in Germany, which may limit the applicability of the findings to other markets and cultures. Cultural and socioeconomic factors likely influence how brand equity dimensions, such as brand loyalty or perceived quality, affect brand attitude and purchase intention. Future studies could expand the research to other geographic regions or explore cross-cultural differences in brand perceptions within Gen-Z to gain a more comprehensive understanding.

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APPENDIX

Appendix 1: Survey Introduction and Questions

. Dear Participant,

My name is Jenny Dao Dinh, and I am a student at ISEG, currently completing my Master's in Management. I am working on my project which is focused on Adidas' desirability and image among Gen-Z in Germany. The purpose of this survey is to gather information about the existing state of this.

Completing this survey should take five minutes or less. Honest responses for all questions are appreciated, as they are crucial to the accomplishment of this research. Rest assured that your responses in this survey are entirely anonymous and will be handled with strict confidentiality. The data collected will be used solely for the purpose of my research.

Please don't hesitate to contact me if you have any queries or worries. Thank you so much for your collaboration and have a good day:)

Jenny

→

Q1/24. What is your favourite sports brand?
- ○ Adidas
- ○ Nike
- ○ New Balance
- ○ Puma
- ○ Under Armour
- ○ Asics
- ○ VF Corporation (North Face, Vans..)

Q2/24. Have you ever bought anything from Adidas?
- ○ Yes
- ○ No

Q3/24. What is the typical product category you purchase?
- ○ Apparel
- ○ Footwear
- ○ Accessories

Q4/24. It makes sense to buy Adidas instead of any other brand, even if they are the same. (e.g. price, quality, looks..)
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q5/24. Even if another brand has the same features as Adidas, I would prefer to buy Adidas.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q6/24. If there is another brand as good as Adidas, I prefer to buy Adidas.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q7/24. If another brand is not different from Adidas in any way, it seems smarter to purchase Adidas.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q8/24. I consider myself to be loyal to Adidas.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q9/24. Adidas would be my first choice.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q10/24. I will not buy other brands if adidas is available at the store.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q11/24. The (likely) quality of Adidas is extremely high.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q12/24. The likelihood that adidas would be functional is very high.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q13/24. I can recognise Adidas among other competing brands.
- ○ yes
- ○ Maybe
- ○ No

Q14/24. I am aware of Adidas.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q15/24. Some characteristics of Adidas come to my mind quickly.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q16/24. I can quickly recall the symbol or logo of Adidas.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q17/24. I have difficulty in imagining Adidas in my mind.
- ○ strongly disagree
- ○ disagree
- ○ neutral
- ○ agree
- ○ strongly agree

Q18/24. Considering Adidas, what is your general attitude towards the brand?
- ○ I think the brand is very good.
- ○ I think the brand is very useful.
- ○ My opinion of the brand is very favourable.

Q19/24. Considering your willingness to purchase a product of Adidas, what is your agreement with the following statements?
- ○ I'm likely to make a purchase.
- ○ I would like to have more information.
- ○ I'm interested in the brand.

Q20/24. What is your gender?
- ○ Male
- ○ Female
- ○ Non-binary / third gender
- ○ Prefer not to say
- ○ Other

Q21/24. How old are you?
- ○ 27 or below
- ○ 28 - 35
- ○ 36 - 45
- ○ 46 - 55
- ○ above 56

Q22/24. What is your country of residence?
- ○ Germany
- ○ Other

Q23/24. What is your highest degree or level of education you have completed?
- ○ Less than high school
- ○ High school graduate
- ○ Bachelor's degree
- ○ Master's degree
- ○ P.h.D. or Higher
- ○ Prefer not to say
- ○ Other

Q24/24. Which situation comes closest to how you feel about your household's income these days?
- ○ Living comfortably on present income.
- ○ Coping on present income.
- ○ Finding it difficult on present income.
- ○ Finding it very difficult on present income.

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Appendix 2: Table with Sample Characterization

Table 3: Sample Characterization

Variable	Response Breakdown	Distribution %
Total Participants	/	110
Valid Responses (Gen-Z)	/	77
Gender	Female	42%
	Male	49%
	Other / Prefer not to say	9%
Education Level	High School	27%
	Bachelor's Degree	43%
	Master's Degree	21%
	Other	9%
Household Income	Living comfortably on current income	49%
	Coping on current income	40%
	Struggling to manage on current income	11%
Age Distribution	27 years or younger	77%
	28-35 years	18%
	Over 35	5%
Location	Germany	92%
	Other countries	8%