

# Ethical Brand Perceptions and Their Impact on Brand Loyalty and Brand Choice Intentions: Mediating Role of Emotional Brand Attachment

## Etik Marka Algıları ve Marka Sadakati ile Marka Seçim Yönelimi üzerindeki Etkileri: Duygusal Marka Bağlılığının Arabulucu Rolü

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*Abstract: In recent decades, with the technological advancements available to customers, companies' actions are more transparent than ever and customers are aware of companies that does not meet society's moral and ethical values. Those companies are heavily criticized and even boycotted unless they do take corporate actions to address their unethical practices, whether it is labor rights, work conditions, child labor, low and unequal pay or others. Nike, a global sportswear corporation, has suffered from claims regards unethical practices in their subcontracted factories in third world countries since 1970ties, and has implemented several programs and actions at corporate level to address those ethical issues. This study looks at whether after investments and corporate programs dedicated to improve Nikes ethical image, customers do perceive Nike as ethical brand. Moreover, it also investigates the relationship ethical brand perceptions have on emotional brand attachment, as well as brand loyalty and brand choice intentions, and looks at mediating role of emotional brand attachment in ethical brand perceptions and brand loyalty and brand choice intentions relationship. The study was quantitative in its nature, and was conducted on 400 international students studying in universities in Northern Cyprus, and obtained data was analyzed using PLS-SEM. The study results reveal that ethical brand perceptions does have a positive effect on emotional brand attachment, as well as brand loyalty. In contrast, ethical brand perceptions does not impact brand choice intentions, as students are known to be impulse buyers that quickly switch to other brands. Emotional brand attachment does positively relate to brand loyalty and brand choice intentions, and also is a mediator in ethical brand perceptions and brand loyalty and brand choice intentions relationship. The results are discussed and implications drawn from the findings of the study.*

*Keywords: Ethical Brand Perceptions, Brand Loyalty, Brand Choice Intentions, Emotional Brand Attachment, Nike, Northern Cyprus*

*Özet: Geçtiğimiz on yıllık dönemde, şirketlerin faaliyetleri müşterilerin erişiminde bulunan teknolojik gelişmeler sayesinde her zamankinden daha şeffaf bir hale gelmiştir. Söz konusu şeffaflık, toplumun ahlaki ve etik değerlerini karşılamayan şirketlerin müşteriler tarafından farkedilmesini sağlamaktadır. Bu şirketler ağır bir şekilde eleştirilmekle kalmayıp, işçi hakları, çalışma şartları, çocuk işçiliği, düşük ve eşit olmayan ödenek ve diğer etik olmayan faaliyetlerini düzeltmek amacıyla kurumsal işlem yapmadıkları takdirde boykot edilmektedirler. Global bir spor giyim kuruluşu olan Nike, 1970li yıllardan bu yana üçüncü dünya ülkelerindeki taşeron fabrikalarında uygulandığı iddia edilen etik dışı icraatları sebebiyle çeşitli eleştirilere maruz kalmaktadır. Nike, eleştiri konusu olan etik sorunlara değinmek amacıyla kurumsal düzeyde birtakım programlar ve faaliyetler gerçekleştirmiştir. Bu araştırma, Nike'in etik imajını iyileştirmek amacıyla gerçekleştirdiği yatırımlar ve kurumsal programlar sonrasında müşterilerin Nike'i etik bir marka olarak algılayıp algılamadıklarını incelemektedir. Araştırma aynı zamanda etik marka algılarının, duygusal marka sadakati, marka bağlılığı, ve marka seçim yönelimleri ile ilişkisini incelemektedir. Bunun yanı sıra, marka bağlılığının etik marka algıları, marka sadakati ve marka seçim yönelimi üzerindeki arabulucu rolü araştırılmaktadır. Nicel olan bu araştırma, Kuzey Kıbrıs'ta üniversite düzeyinde öğrenim gören 400 uluslararası öğrenci üzerinde gerçekleştirilmiş ve veriler PLS-SEM kullanılarak analiz edilmiştir. Araştırmanın sonuçları, etik marka algılarının, duygusal marka bağlılığı ve marka sadakati üzerinde olumlu bir etkisi olduğunu ortaya koymaktadır. Buna karşın, farklı markalara hızlı geçiş yapımlarıyla bilinen öğrencilerin, içgüdüsel satın alıcı olmaları sebebiyle, etik marka algılarının marka seçim yönelimleri üzerinde bir etkisi olmadığı görülmektedir. Araştırma, duygusal marka bağlılığının, marka sadakati ve marka seçim yönelimleri ile olumlu bir ilişki içerisinde olduğunu ve ayrıca etik marka algıları, marka sadakati ve marka seçim yönelimleri ilişkisi açısından bir arabuluculuk rolüne sahip olduğunu göstermektedir. Makalede sonuçlar ve araştırma bulgularının yansımaları tartışılmaktadır.*

*Anahtar Kelimeler: Etik Marka Algıları, Marka Sadakati, Marka Seçim Yönelimleri, Duygusal Marka Bağlılığı, Nike, Kuzey Kıbrıs*

### 1. Introduction

Ethical consumerism being rather new field of study addresses the need for businesses not only meet their corporate goals and bring benefit to their shareholders, but also meet society's ethical and moral values (Uusitalo & Oksanen, 2004). Consumers are concerned more than ever, willing not just to purchase quality product, but to know how and where it has been produced and who is economically benefiting from their purchases (Bird & Hughes, 1997). Business ethics being

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rather wide field and covering issues from environment to working conditions to child labor and organizations obeying rules, but according to Doane (2001), ethical purchase would be purchasing a product that “is aligned to a particular ethical issue, gives consumers a choice between one product and an ethical alternative and reflects, to extend possible, personal or individual choice”. Consumer demand for products and services that are ethically produced and sold is at rise (Schamp et al., 2019), while companies are being criticized over unethical practices and are under pressure from their customers to obey ethical norms.

Nike is an American multinational corporation which is the world's leading supplier and manufacturer of athletic shoes, apparel and supplementary sports equipment. It has achieved its worldwide success as “buyer-driven commodity chain” organization, where company has a full control over initial stage (design and concept) and final stage (marketing and distribution of the products), while intervening stage of production is mainly outsourced (Greenberg & Knight, 2004). The success does not come without criticism, which started in 1970s, when the first news regards unethical practices came out and targeted outsourced factories. But ethical issues reached the peak in 1990s, when activists reported unethical practices in contracted factories (Ballinger et al., 2008), mainly forced overtimes, low pay and unhealthy work environment. Since then, consumers have demanded Nike to become more involved and take control over working conditions in their factories (Boje, 1999), which resulted in CEO Phil Knight admitting their child labor, low pay and abusive labor conditions in 1998 (Connor, 2001) and implementing programs to address those issues. Subsequently, Nike as a company has come a long way to address claims towards them and have implemented several social responsibility and ethics programs. For example, Nike Shanghai store is made from recycled materials (Popescu, 2019), while majority of their factories are child-labor free and closely monitored (Delaney et al., 2016) to address other ethics issues. This study is designed to investigate wheatear after almost 20 years of implementing several actions to address their ethical issues, Nike is perceived as ethical brand, and moreover, also investigates the impact of ethical perceptions on consumer outcomes.

The current study aims to address several research gaps in ethical perception- consumer behavior literature. Firstly, ethical consumerism is relatively new field of study (Zander & Hamm, 2010), and authors who research ethical brand perceptions have suggested to test consumer perceived ethicality on well established brands, rather than new brands (Brunk & Boer, 2018). Moreover, Brunk (2012) suggests to expand studies regards to ethical brand perceptions to various samples and propose new relationships, that might not yet been investigated. Therefore, current study takes in account three consumer outcomes that has achieved less empirical attention in previous research. First, the study looks at emotional brand attachment as suggested by Dwivedi et al. (2018), who specifically emphasize the role of emotional impressions over product and service impressions that are important source of positive feelings, therefore positive outcomes. Also, study considers brand choice intentions as suggested by Phung et al. (2019), as it describes the consumers’ willingness to choose particular brand over other brands and low switching possibility towards other brands. Finally, it also considers brand loyalty as discussed by Hwang et al. (2019), which is a meaningful outcome is positive perceptions and attachment is formed. The current study is conducted on Nike brand as it has a long history of addressing ethical issues, and particularly looks at student perceptions on Nike ethical issues and its relation to study outcomes, as the students being one of the main stakeholders of ethical issues (Beltramini et al., 1984), which is especially the case for Nike, as the majority of sweatshop protests and debates are organized by students (Featherstone, 2002).

Author of the current study addressed above mentioned research gaps and designed to test (1) impact of ethical brand perceptions on emotional brand attachment, brand loyalty and brand choice intentions; (2) the relationship between emotional brand attachment on brand loyalty and brand choice intentions, and finally (3) the mediating role of emotional brand attachment in ethical brand perception and brand loyalty and brand choice intentions relationships. The above mentioned relationships are tested with the sample of 400 international students studying in Northern Cyprus and measures ethical brand perceptions and brand outcomes towards Nike brand.

## 2. Literature Review and Conceptual Framework

### 2.1. Ethical Brand Perceptions

Ethics refers to “an individual's subjective moral judgment of right/wrong or good/bad” (Brunk, 2010a). Companies nowadays are under public eye and are constantly observed weather their actions are falling into the category of right and good. Consumers are also more environmentally and socially aware and caring (Strong, 1996), therefore ethical issues in clothing and apparel industry, like child labor, work conditions for employees, use of harmful chemicals in production process to mention some, not just create bad reputation, but also result in consumers boycotting their products (Klein et al., 2004; Farah & Newman, 2010), and organization loosing existing and future profits (Koku et al., 1997). Therefore, organizations aim to act ethically and represent a socially responsible and ethical image (Singh et al., 2012). In return to this behavior, organizations expect the support and approval of their customers (Vitell, 2015).

Ethical consumerism refers to “production, exchange, and consumption activities that aim to support social values such as sustainability, social justice, corporate responsibility, workers’ rights, and environmentalism” (Bennett, 2018). When making a purchase decisions, consumers reflect their ethical believes and altruistic and biosphere value orientation (Yoganathan et al., 2019) by demanding organic, eco-labeled, fair-trade products (Summers, 2016; Khan et al., 2016). It is clear that ethical consumerism is highly impacted by ethical judgments and moral obligations to help (Andersch et al.,

2019), and allows consumers to take active role to self-govern towards becoming responsible consumer (Fuentes & Sörum, 2019).

Brunk (2010a) suggests that consumer perceptions on ethicality of an organization or brand forms based on six domains, namely, consumers, employees, environment, overseas community, local community and economy and business community. Ethical perceptions influence how consumers evaluate company, brand and products (Brunk, 2010b). If a positive perceptions of a brand being ethical are developed, consumers are more likely to patronage the brand.

## **2.2. Emotional Brand Attachment**

Emotional brand attachment reflects “the bond that ties a consumer to a specific brand and involves feelings of affection, passion, and connection towards that brand” (Thomson et al., 2005), and reflects consumers’ aspiration and faultless view about him/herself (Fastoso & González-Jiménez, 2018). Emotional brand attachment is characterized by affection, connection and passion (Guèvremont & Grohmann, 2016). Broadly speaking, perceptions of brand being ethical leads to consumers feeling emotionally attached to the brand.

Brand ethical value perceptions allow consumers to form certain emotions (Mpinganjira & Maduku, 2019). Moreover, perceived brand ethicality interacts with consumer- brand experiences providing reasoning to passion, and acts as a buffer in building strong emotion-laden bond with a brand (Das et al., 2019). Previous empirical studies reveals that positive perceptions of brand significantly contribute towards brand attachment (Wu et al., 2017), allowing to develop emotional ties with brands that reflect customer believes (Yao et al., 2015). Moreover, Vredeveld (2018) argues that strong brand attachments are formed when brands prompt customers’ memories about emotionally significant experiences, events or believes. Brands that meet customers’ best interests (Kang et al., 2017) when choosing ethical products would develop strong emotional customer- brand ties, allowing author to propose the following hypothesis:

*H1: Ethical brand perceptions have a positive impact on emotional brand attachment*

## **2.3. Brand Loyalty and Brand Choice Intentions**

Although both brand loyalty and brand choice intentions reflect the consumers’ behavior and are used as synonyms in some studies (e.g. Lu et al., 2015), author argues that brand loyalty reflect close ties organizations build with their customers (Coelho et al., 2018), which serves as a reason for consumers to purchase that brands’ products on regular basis. It is consumers' attachment to the brand (Foroudi et al., 2018). Several authors argue that brand loyalty have various components, for example He et al. (2012) identified affective, cognitive conative and action brand loyalty components. Zhang et al. (2014) identified attitude and behavior dimensions. In other hand, brand choice intentions emphasize customers’ willingness to choose particular brand over other, similar or even same brand (Phung et al., 2019).

Although it is expected that consumers who perceive brand being ethical would show positive purchase behavior and even loyalty, previous research on ethical brand perceptions and its impact on consumer behavior have mixed results. Limbu et al. (2012) study results suggest that customer perceived ethicality has no direct impact on loyalty. Meanwhile, Chen and Mau (2009) suggest that perceived ethical behavior do affect customer behavior when mediated by trust in salespeople and company. Amongst industrial buyers ethical branding was found to be the major influencer of reputation and loyalty (Alwi et al., 2017). Also, consumer perceived ethicality was found to positively affect retail patronage (Bezençon & Etemad-Sajadi, 2015). A large study amongst more than four thousand consumers in Spain reveal that in consumer goods sector perceived ethicality has a positive direct effect on brand loyalty. Therefore, author suggest that:

*H2: Ethical brand perceptions positively affect brand loyalty*

*H3: Ethical brand perceptions positively affect brand choice intentions*

One of the things that leads consumers to choose and patronage a particular product or service is emotions (Levy & Hino, 2016). Consumers tend to become emotionally attached to products, services and brands (Thomson et al., 2005), and that can have a direct effect on consumers’ behavioral responses (He et al., 2016). According to Hemsley-Brown and Alnawas (2016), consumer self-brand connection is a strong predictor of brand loyalty. A study on car brands (Hung & Lu, 2018) reveals that positive brand attachment is a strong predictor of repurchase intentions, and allows to build strong brand- consumer relationships. Moreover, Japutra et al. (2017) emphasize the role of symbolic security the emotional brand attachment gives that makes customers become loyal. A study conducted on luxury restaurants (Bahri-Ammari et al., 2016) reveals that satisfied customers are more likely to develop emotional attachment towards brands and that would in return contribute towards behavioral loyalty, leading author to set up the hypothesis:

*H4: Emotional brand attachment positively impact brand loyalty*

*H5: Emotional brand attachment positively impact brand choice intentions*

Loyalty is not necessary generated from customer satisfaction, it is a reflection and combination of institutional and personal level factors (Oliver, 1999). Loyalty is also more complex than repeated purchase behavior (Jacoby & Kyner, 1973). But based on theory of reasoned action (Ha, 1998) it is expected that customers who have formed positive attitude and intent to purchase certain product are more likely to become loyal customers. Empirical evidence reveals that brand choice intentions can be strong determinant of brand loyalty (Foroudi et al. 2018), allowing to propose the following hypothesis:

H6: Brand choice intention positively impact brand loyalty

In addition to direct impact emotional brand attachment have on brand loyalty and brand choice intentions, emotional brand attachment mediates the relationship between ethical brand perceptions and behavioral outcomes. Positive perceptions regards brand ethicality creates emotional reactions (Saini & Singh, 2019), which becomes basis of a brand relationship (Kang et al., 2017), which further develops in consumers’ patronizing the brand. Study on online retailers (Limbu et al., 2012) reveals that perceived ethics towards online sites do not have a direct effect on purchase behavior, unless trust and attitude mediates this relationship. Moreover, Japutra et al. (2018) discuss that emotional brand attachment including personal connection, affection and passion are mediating the relationship between self-congruence and consumer behavior, allowing author to suggest following hypothesis:

H7: Emotional brand attachment mediates the link between ethical brand perceptions and brand loyalty

H8: Emotional brand attachment mediates the link between ethical brand perceptions and brand choice intentions

Conceptual model is presented in Figure 1.

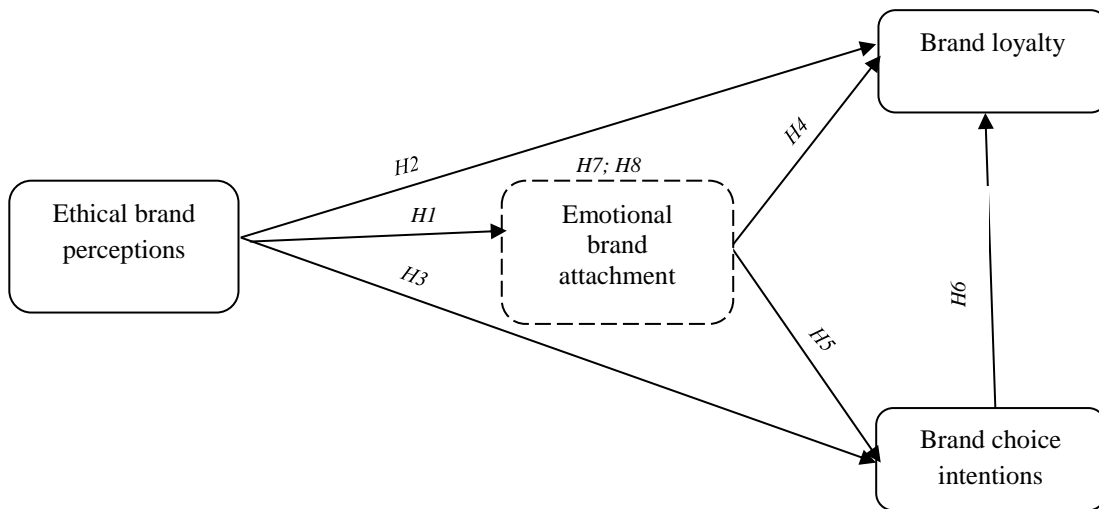


Figure 1. Conceptual model.

### 3. Methodology

#### 3.1. Respondents and procedure

The current study adopted quantitative study approach, and specifically focused on measuring international students’ perception on study concepts. Researcher prepared a questionnaire and distributed it to international students studying in North Cyprus using virtual snowball sampling method via Facebook personal contacts following guidelines of Baltar and Brunet (2012). According to Ministry of Education in Northern Cyprus, there are over 100 thousand international students in different universities in 2018, therefore minimum sample size at 5% precision level would be 398 respondents according to Israel (1992).

Questionnaire was prepared and distributed in English as the language of instruction for international students in North Cyprus is English, therefore researcher assumes that all respondents are intermediate and upper-intermediate users of English language. Questionnaire included questions regards demographic profile of respondents (age, gender, level of studies, and country of origin) as well as questions to measure ethical brand perception, emotional brand attachment, brand loyalty and brand choice intentions.

The sample of the study consisted of 400 respondents. 61% of the respondents were male, and 39% female. Almost half of the respondents (49%) were 18-25 years old, while 25% were 26-30 years old, and 15% were 31-35 old, and the 11% were in age above 36. Such a large population of younger respondents is due to the fact that majority of students do their first degree as soon as they graduate from schools. 47% of respondents were doing their undergraduate degree, while 37% were doing master’s degree, and 12% doing PhD degree and 4% other degree. The respondents were from 41 different countries, though the majority were Nigerians (34%), Zimbabweans (15%) and Cameroons (9%) and Turkey (5%), representing rich cultural diversity of students studying in North Cyprus.

**3.2. Measurement scales**

The measures of study concepts were adapted from previous studies. Ethical brand perceptions were measured with four items adapted from Brunk and Boer (2018). Emotional brand attachment was measured with items measuring affection, connection and passion adapted from study of Dwivedi et al. (2018). Brand loyalty four items were adapted from Hwang et al. (2019) and brand choice intention four items were adapted from Phung et al. (2019). All items were measured using 5-point Likert scale, with scores ranging from 1 (strongly disagree) to 5 (strongly agree).

**3.3. Data analysis strategy**

Obtained data was suspect to analysis using Smart PLS-SEM, an analysis tool used in recent marketing research (e.g. Zaborek & Mazur, 2019; Martins et al., 2019). Data analysis was conducted following step-by-step guide suggested by Lowry and Gaskin (2014), measuring validity and reliability, common method bias, as well as measurement invariance. The results are presented below.

**4. Results**

**4.1. Model validity and reliability**

To access model internal consistency and validity several indicators were used as suggested by McCrae et al. (2011). All indicators are summarized and represented in Table 1.

Table 1. Validity and reliability test (N=400)

<i>Dimensions</i>	<i>Items</i>	<i>Factor loadings</i>	<i>Composite reliability</i>	<i>Cronbach's alpha</i>	<i>AVE</i>
Ethical brand perceptions	EPerc1- Nike respects moral norms	0.651	0.808	0.811	0.516
	EPerc2- Nike always adheres to the law	0.629			
	EPerc3- Nike is a socially responsible brand	0.758			
	EPerc4- Nike is a good brand	0.819			
Emotional brand attachment	EBAtt1- I feel that I love Nike brand	0.892	0.932	0.932	0.633
	EBAtt2- My feelings towards Nike can be characterized by affection	0.794			
	EBAtt3- My feelings towards Nike can be characterized by a sense of personal connection	0.739			
	EBAtt4- I feel attached with Nike	0.834			
	EBAtt5- I am passionate about Nike	0.819			
	EBAtt6- My feelings towards Nike can be characterized by delight	0.840			
	EBAtt7- I feel captivated by Nike	0.774			
Brand loyalty	BLoy1- I regularly buy Nike products	0.766	0.850	0.850	0.586
	BLoy2- I will buy Nike products again	0.754			
	BLoy3- Nike is my first choice when buying sport apparel	0.803			
	BLoy4- I am satisfied with my experience with Nike	0.738			
Brand choice intentions	Bin1- Even when other sport brands sell similar apparel, it is smarter to choose Nike products	0.742	0.868	0.870	0.624
	Bin2- Nike is always a better choice compared to its rivals	0.740			
	Bin3- It makes sense to choose Nike even if others are the same	0.768			
	Bin4- Nike is my favorite among all sport apparel companies	0.899			

The questionnaire items measuring concepts of the study showed high factor loadings, ranging from 0.629 to 0.899, well above suggested cutoff values (Osborne et al., 2008). Also, study concepts achieved high reliability, measured with both composite reliability and Cronbach's alpha, all values being above 0.808 (Aguirre-Urreta et al., 2014). Average variance extracted (AVE) measuring variance captured by a construct versus the level due to measurement error (Alarcón et al., 2015). Also, t-values were greater than 1.96 (Hair et al., 2010).

**4.2. Discriminant validity**

Discriminant validity, assuring that concepts are unrelated, was measured using Fornell-Larcker and Heterotrait-Monotrait (HTMT) ratios as suggested by Albort-Morant et al. (2016).

Table 2. Fornell-Larcker criteria and HTMT ratio (N=400)

	Brand choice intentions	Brand loyalty	Emotional brand attachment	Ethical brand perceptions
Brand choice intentions	0.790	0.772*	0.851 *	0.564*
Brand loyalty	0.708	0.765	0.790*	0.654*
Emotional brand attachment	0.656	0.693	0.814	0.585*
Ethical brand perceptions	0.568	0.661	0.588	0.718

\*- HTMT ratios.

All variables present discriminant validity measured with Fornell-Larcker criteria, comparing square root of AVE with correlations of the constructs, and in all cases the square root of AVE is higher than construct correlations (Fornell & Larcker, 1981). HTMT ratio also shows values below 0.85 as suggested by Henseler et al. (2015). Author can conclude that model has achieved high overall validity and reliability, and therefore can be analyzed further.

**4.3. Common method bias**

To ensure than model is not contaminated with common method bias, assessment of inner IVF values at factor level was used, and all indicators were in range from 1.566 to 2.750, which is lower than 3.3 suggested by Kock (2015), indicating that model is free from common method bias.

**4.4. Hypothesis testing**

After ensuring the validity and reliability of proposed model, both direct and indirect effects were tested and results are summarized in Table 3.

Table 3. Total and indirect effects (N=400)

	Coefficient	t-value	p value
<b>Direct effects</b>			
Ethical brand perceptions -> Emotional brand attachment	0.591	11.526	0.000
Ethical brand perceptions -> Brand loyalty	0.293	5.180	0.000
Ethical brand perceptions -> Brand choice intentions	0.100	1.837	0.067
Emotional brand attachment -> Brand loyalty	0.621	11.641	0.000
Emotional brand attachment -> Brand choice intentions	0.799	19.355	0.000
Brand choice intentions -> Brand loyalty	0.668	17.895	0.000
<b>Indirect effects</b>			
Ethical brand perceptions -> Emotional brand attachment -> Brand loyalty	0.365	8.914	0.000
Ethical brand perceptions -> Emotional brand attachment -> Brand choice intentions	0.472	9.712	0.000

Ethical brand perceptions do have a positive impact on emotional brand attachment and brand loyalty, ( $\beta = .591, p < .00$ ) and ( $\beta = .293, p < .00$ ), thus H1 and H2 have gained empirical support. Meanwhile, ethical brand perceptions impact on brand choice intentions was not significant ( $\beta = .100, p > .067$ ), therefore there is no empirical support for H3. Both H4 and H5 stating that emotional brand attachment will affect brand loyalty ( $\beta = .621, p < .00$ ) and brand choice intentions ( $\beta = .799, p < .00$ ) received empirical support indicating that there is a positive effect of emotional brand attachment of study outcomes of brand loyalty and brand choice intentions. Also, brand choice intentions are strong predictors of brand loyalty ( $\beta = .668, p < .00$ ).

Both hypothesis predicting indirect effect of emotional brand attachment acting as mediator in ethical brand perceptions and brand loyalty ( $\beta = .365, p < .00$ ) and ethical brand perceptions and brand choice intentions ( $\beta = .472, p < .00$ ) relationships also gained empirical support and therefore were accepted. Overall, the predictive power of the model is high, with R2 for brand choice intentions, brand loyalty and emotional brand attachment having values of 0.740, 0.687 and 0.346 respectively. The results are discussed further.

## 5. Conclusion and Discussion

In the recent decades consumers are becoming more educated related to ethical issues that surround fashion industry, and therefore are requesting companies to act ethically. Due to the high consumer demands businesses implement various social responsibility and ethics programs (Uusitalo & Oksanen, 2004). Nike being the largest sportswear brand in the world, has undergone multiple crisis, and their ethicality is questioned since 1970ties. Company has responded criticisms and changed its practices, therefore this study aims to understand whether companies policies have resulted in students perceiving Nike as ethical brand, and moreover, does ethical perception of brand contribute to consumer outcomes.

The study results indicate that ethical brand perceptions contribute towards emotional brand attachment and brand loyalty. When consumers perceive Nike as ethical brand, it is then transferred into more attachment towards brand and into more brand loyalty, so when next time a consumer needs to make a purchase decision, he or she would choose Nike over other brands and have positive feelings towards Nike as a brand. The consumer perceived ethicality helps brands to build their positive and favorable image (Iglesias et al., 2019), and that leads to positive feelings towards the brand. Moreover, some studies indicate that business ethics perceptions are more critical than social responsibility perceptions (Ferrell et al., 2019). Previous studies also indicate that social responsibility and ethics pay off because it help to create and facilitate consumer loyalty and secure future purchases (Singh et al., 2012). In contrast to previous studies, this particular study did not achieve empirical support for H3, which stated that ethical brand perceptions would have a positive effect on brand choice intentions. There could be two main reasons for this outcome. First of all, Nike is not an only brand that emphasize its business ethics, rather, it is a requirement set up by consumers and followed by most brands (Yoganathan et al., 2019), and therefore consumers do not have to particularly choose Nike products as only ethical brand. Secondly, this study is conducted on international students, and half of study population is in the age of 25 and under, known as Generation Z. This particular generation is referred as “switchers” as they continuously intent to purchase different products (Fernandes & Radebe, 2018) and are impulsive (Mishra & Das, 2019). But interestingly, once students develop intention to purchase Nike brand apparel and clothing, they are likely to become loyal Nike brand customers.

The outcomes of the current study also indicate that emotional brand attachment has a positive impact on both consumer outcomes, as well as it mediates the ethical brand perception and brand loyalty and brand choice intention relationships. Therefore, the study results indicate that affection, connection and passion about Nike as a brand would contribute to a positive outcomes. Several previous authors (e.g. Dwivedi et al., 2018) also see emotions as reliable source and predictor of human behavior, and creates a positive outcomes (Li et al., 2019). Overall, this study has provided an empirical evidence that ethical brand perceptions do contribute towards consumer outcomes, but in these relationships emotions and emotional attachment towards brand play an important role.

From the outcomes of the current study, several practical contributions can be drawn. Firstly, it is clear that ethical consumerism is at its rise, and if Nike wants to secure its leading position in the market, constantly addressing ethical dilemmas and challenges is a must. Secondly, the study outcomes also indicate that emotionality has a great role in creating positive brand outcomes, and knowing Generation Z consumers are known to be emotional and impulse, brand should adjust their strategies that would trigger emotional responses from them.

There are several limitations of the current study. Firstly, current study is cross-sectional and is limited to one geographical region and study population. Extending the current study to different geographies and populations regards age, gender, occupation and income level would provide significant insights and empirical support for the study model. Secondly, the current study focuses on two consumer outcomes, namely brand loyalty and brand choice intentions that are triggered by ethical brand perceptions and emotional attachment. The future studies might investigate several other but not less important outcomes like brand equity, brand satisfaction and brand image.

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## **APPENDIX**

### **1. Questionnaire**

#### **Ethical brand perceptions**

- Nike respects moral norms
- Nike always adheres to the law
- Nike is a socially responsible brand
- Nike is a good brand

#### **Emotional brand attachment**

- I feel that I love Nike brand
- My feelings towards Nike can be characterized by affection
- My feelings towards Nike can be characterized by a sense of personal connection
- I feel attached with Nike
- I am passionate about Nike
- My feelings towards Nike can be characterized by delight
- I feel captivated by Nike

#### **Brand loyalty**

- I regularly buy Nike products
- I will buy Nike products again
- Nike is my first choice when buying sport apparel
- I am satisfied with my experience with Nike

#### **Brand choice intentions**

- Even when other sport brands sell similar apparel, it is smarter to choose Nike products
- Nike is always a better choice compared to its rivals
- It makes sense to choose Nike even if others are the same
- Nike is my favorite among all sport apparel companies