

## Factors Affecting Purchase Intention of University Licensed Apparel

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### Introduction

University-manufacturer partnerships, through trademark licensing, bring significant benefits to a university. The retail market for university/college-licensed merchandise was 4.3 billion US dollars in 2008, and among all university-licensed merchandise, apparel is the biggest seller accounting for 60% of the market (Reuters, 2009). Current university trademark licensing literature is limited, and very few studies have been done exploring consumer motivation to purchase university-licensed merchandise, resulting in a lack of knowledge in developing key marketing strategies to increase purchases. Therefore, this study attempted to fill the void in the literature by exploring the factors that may influence the purchase intention of university-licensed apparel among college students.

### Literature Review and Conceptual Framework

Customer perceived value is defined as “the consumer’s overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given” (Zeithamal, 1988, p. 14). A product’s value is determined by its utilitarian (e.g., product attributes), social or emotional values (e.g. social identity). The value-intention framework assumes that consumers’ willingness to perform a certain behavior is a direct function of the perceived value of the behavioral consequences (Zeithamal, 1988). The greater the value an individual perceives, the more likely the individual will be to perform the behavior. This research model (see Figure 1), adapted from the value-intention framework, identifies key factors (school identification, clothing product attributes, and peer influence) that may influence the perceived value and purchase intention towards university-licensed apparel among college students. The following four hypotheses were derived from the literature:

- H1: School identification has a positive effect on the perceived value of university-licensed apparel.
- H2: Clothing attributes have a positive effect on the perceived value of university-licensed apparel.
- H3: Peer influence has a positive effect on the perceived value of university-licensed apparel.
- H4: Perceived value has a positive effect on the purchase intentions towards university-licensed apparel.

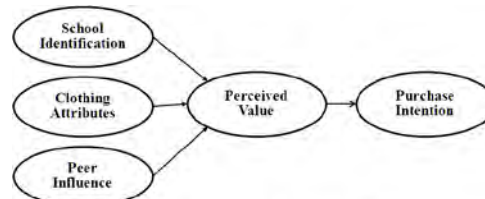


Figure 1. Proposed Research Model

School identification is the application of the social identity theory of Tajfel and Turner (1979), which is defined as an individual’s self-concept derived from perceived membership in a relevant social group. According to social identity theory, consumers have a tendency to buy and possess identity related products (e.g., university logo sweatshirts) relevant to their self or organizational identity. Thus, college students’ attitudes and purchasing intentions towards university-licensed apparel may be created and supported by the sense of belonging to their

respective university or university sports team (Park and Park, 2007) (H1). When considering a product purchase, consumers tend to compare and contrast alternative products made up of different attribute combinations (North, De Vos, and Kotze, 2003). As with many other items, consumers' preferences for university-licensed apparel may depend on the joint influences of price and product attributes such as quality, style, and comfort (H2). A reference group is a person or group of people that significantly influences an individual's valuations or behavior. Previous research suggests that reference groups influence product/brand evaluation and purchase decisions, and that young students are the set of people who are most likely to be susceptible to a reference group's influence (Bearden and Etzel, 1982). Therefore, college students' attitudes and purchasing intentions toward university-licensed apparel can be influenced by their peers (H3). Previous studies have also shown that perceived value plays a mediating role in the relationship between consumers' attitudes and purchase intentions (Kwon, Trail, and James, 2007) (H4).

### Research Design and Methodology

A questionnaire was developed based on a thorough review of the literature and semi-structured interviews with college students. A pilot study (n=50) was conducted to ensure the reliability and validity of the scales. The survey questionnaire consisted of items measuring the five constructs in the study and the respondents scored each of these questions using a five-point Likert-type scale. These items were validated questions that have been used in previous studies (Kwon and Armstrong, 2004). The sample was comprised of undergraduate students from a large university in the Southeast region. University students were targeted because they are one of the major markets for university-licensed apparel products (Park and Park, 2013). A paper questionnaire was distributed to a sample of 300 students through their classes. Of these, 255 responses were valid and therefore used in this study. Structural Equation Modeling (SEM) was used to guide the research design and the data analysis procedures.

### Data Analysis and Results

Thirty-six test items were retained as measures of the five constructs in the study, with all of the constructs meeting both reliability and validity requirements. All of the model fit statistics, indicating the overall acceptability of the structural model analyzed, were acceptable:  $\chi^2/df = 1.48$ , GFI = .90, CFI = .97, and RMSEA = .04. Thus, the estimated structural model illustrated in Figure 1 seems to be a good fit for the sample data. Based on the estimations from the structural model, all four hypotheses were supported ( $p < .05$ ). The results of this study supported that school identification, clothing attributes, and peer influence positively affect college students' perceived value of university-licensed apparel (H1, H2, and H3). It was also found that higher perceived value of the university licensed apparel can lead to higher purchase intention (H4). Therefore, the findings supported the mediating role of perceived value.

Figure 2. Structural Model Estimates

| Hypotheses | From                  | To                 | Standardized Coefficient | T-value | P-value     | Results |
|------------|-----------------------|--------------------|--------------------------|---------|-------------|---------|
| H1         | School Identification | Perceived Value    | 0.28                     | 2.82    | $\leq .05$  | Support |
| H2         | Clothing Attributes   | Perceived Value    | 0.28                     | 3.66    | $\leq .001$ | Support |
| H3         | Peer Influence        | Perceived Value    | 0.22                     | 3.19    | $\leq .001$ | Support |
| H4         | Perceived Value       | Purchase Intention | 0.77                     | 11.37   | $\leq .001$ | Support |

### Selected Reference

- Kwon, H. H., Trail, G., & James, J. D. (2007). The mediating role of perceived value: team identification and purchase intention of team-licensed apparel. *Journal of Sport Management*, 21(4), 540-554.
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