The influence of sellers’ ethical behaviour on customer’s loyalty, satisfaction and trust

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Abstract

Purpose – This study aims to examine the relationship between sellers’ ethical behaviour and customer loyalty. The mediating effect of trust and satisfaction in the relationship between ethical behaviour and loyalty was also assessed in the sportswear industry.

Design/methodology/approach – Data were collected from 265 consumers. Ten hypotheses were developed and tested by applying structural equation modelling.

Findings – There is a significant influence between sellers’ ethical behaviour and consumers’ loyalty. Also, satisfaction and trust mediate the relationship between sellers’ ethical behaviour and consumers’ loyalty. Trust is also found as the most proximal antecedent to customer loyalty.

Originality/value – This study empirically justifies the relationship between sellers’ ethical behaviour towards customer satisfaction and trust. This study also provides insight into the relationships between customer satisfaction, trust and loyalty in an integrated model.

Keywords Satisfaction, Sales, Sportswear, Trust, Loyalty, Ethical behaviour

Paper type Research paper

La influencia del comportamiento ético de los vendedores en la lealtad, la satisfacción y la confianza de los clientes

Resumen

Propósito – Este estudio examina la relación entre el comportamiento ético de los vendedores y la lealtad de los clientes. También se evaluó el efecto mediador de la confianza y la satisfacción en la relación entre el comportamiento ético y la lealtad en la industria de la ropa deportiva.

Metodología – Se recogieron datos de 265 consumidores. Se elaboraron diez hipótesis y se comprobaron aplicando un modelo de ecuaciones estructurales.

Resultados y conclusiones – Existe una influencia significativa entre el comportamiento ético de los vendedores y la lealtad de los consumidores. Además, la satisfacción y la confianza median en la relación...
Introduction

The sports industry is rapidly becoming more global, reaching billions worldwide. According to Globe Newswire (2020), the international sportswear market will reach US $224.9bn by 2027. The huge potential of sportswear markets makes it essential for the industry sellers to enhance their market share. However, the increasing growth of counterfeit products has been one of the restraining factors to the industry’s development (Fortune, 2020). Therefore, one strategy to enhance the market share is to increase customer loyalty. Customer loyalty and satisfaction are the core of customer relationship management (CRM). CRM has been considered one of the strategies to gain a competitive advantage. Also, it has been noted that ethical sales practices play a crucial role in forming and maintaining long-term customer relationships (Román and Ruiz, 2005; Roman and Munuera, 2005; Boroujerdi et al., 2020).

Retaining loyal customers is just as important as, if not more important than, acquiring new ones. The loyalty of customers depends on many factors, including their trust, satisfaction towards the seller, and the seller’s ethical behaviour. In other words, customers are empowered so much that everything is provided. Researchers further note that meeting and exceeding customers’ expectations is not easy in a competitive industry, including the sportswear industry. The challenge is further complicated because retail is far more complex; it requires investment in people, stores, digital, warehousing and logistics, and hence, requires robust marketing initiatives to differentiate, target and position its value proposition among customers (Deutsche, 2019). Therefore, the challenge and opportunity lie in a thorough and critical investigation of how customer loyalty can be gained and retained in the ever-demanding industry.

Research shows that adherence to ethical standards profoundly affects customer decision to buy the products, enables customer empowerment, increases satisfaction and ultimately provides a competitive advantage (Gauzente and Ranchhod, 2001). In addition, ethical sales behaviour directly impacts customer loyalty by building customer trust and long-term customer relationships (Tuan, 2015). Thus, adhering to ethical sales behaviour leads to trust,
a social and valuable asset, and guarantees the organisation’s long-term success. Most studies measuring customer loyalty have focused on SERVQUAL’s five service quality dimensions: tangibility, reliability, responsiveness, assurance and empathy (Haming et al., 2019; Saricam, 2021). However, it has been argued that SERVQUAL’s five dimensions are not universal and focus on the service delivery process, not on the outcomes (Ko and Chou, 2020).

This study differs from the others as the aim is to measure ethical behaviour, trust, satisfaction and loyalty in the sustainable sportswear industry. The links between ethical behaviour, trust, satisfaction and loyalty have not been tested empirically in the sportswear industry.

Examining the mediating effects of satisfaction and trust on the factors that affect consumer loyalty has consequently become an important topic that could close the gap in the relevant knowledge. The relationships proposed thereby add empirically derived insight into this area. Furthermore, the findings from this study would be helpful for the marketers, particularly in Iran, as the findings would help them develop strategies for promotional activities and design marketing strategies to attract and maintain customers.

Understanding factors that affect customer loyalty is one of the major strategies for enhancing competitive advantage. The multifaceted nature of sportswear brand associations introduces complexity relative to product categories purchased primarily for utilitarian reasons. Meanwhile, even the functional purposes of sportswear require expertise to determine the best fit between products and consumer needs. Sales staff routinely provide consumers guidance and advice in selecting sportswear products (Boroujerdi et al., 2020), thus integral in the purchase process. Understanding the antecedents of customer loyalty promises increased long-term profitability while advancing knowledge regarding the sustained competitive advantages of engaging in ethical sales practices, rather than myopic approaches that prioritise immediate returns at the cost of customer benefits and relationship-building. Therefore, this study contributes to a better understanding of the driving forces of satisfaction and trust and their influence on customer loyalty.

This paper is organised as follows: Section 2 presents the literature review related to the study area. Sections 3 and 4 discuss the research methods applicable in this study and the results, respectively. Finally, Section 5 provides the discussion, implications, limitations and avenues for further research.

Theoretical background
Previous studies have focused on numerous theories, particularly SERVQUAL, to explain customer loyalty (Parasuraman et al., 1985) in various industries, including the sportswear industry (Saricam, 2021). SERVQUAL is a multi-dimensional research instrument designed to capture consumer expectations and perceptions of a service along five dimensions that are believed to represent service quality. However, despite their wide application, studies argue that SERVQUAL does not always provide enhanced character traits like loyalty. Furthermore, it has been argued that SERVQUAL’s five dimensions are not universal and focus on the service delivery process, not on the outcomes (Ko and Chou, 2020). This study developed the conceptual model for explaining consumers’ loyalty towards retailers based on the customer relationship model (CRM) and European Customer Satisfaction Index (ECSI) model by Ball et al. (2006). The same model has been extensively applied in other industries, including banking and e-commerce (Brilliant and Achyar, 2021; Chu et al., 2012; Wah Yap et al., 2012). Based on the extant literature, this study summarises two marketing theories that underpin the above considerations and arguments. Based on the theories, the intermediary constructs of trust and satisfaction were identified, and their interconnections were specified.
Literature review

Customer loyalty

Customer loyalty is defined as a deep commitment to repurchase a product in the future (Idrees et al., 2015; Cossio-Silva et al., 2016). Customer loyalty is important for an organisation as it increases profits, improves sales success and allows for sustainable growth (Bhat et al., 2022). Customer retention has recently attracted considerable attention because it shows a competitive advantage (Shafiee and Bazargan, 2018). A loyal customer will repeatedly make purchases from a brand and recommends the brand to others (Sirdeshmukh et al., 2002). Studies have shown that loyal customers are less price-sensitive (Shilbury et al., 2020) and are more likely to seek out their preferred brand, resulting in lower distribution, competition and marketing costs. Thus, customer loyalty is a valuable asset and a strategic priority (Junaid et al., 2019). For this reason, understanding customer loyalty has become crucial (Lapowski, 2014). Homberg and Giering (2001) have proposed different divisions of loyalty; it has two dimensions: attitudinal and behavioural. The attitudinal dimension of loyalty determines the customer’s desire to choose the type of service to establish relationships with service providers. The behavioural dimension of loyalty indicates the repetition of customers’ purchases and the passion for a particular brand, measured by the number of purchases. It is a purchase ratio, a buy recommendation or a combination of these criteria (Ghaffari and Shayesteh, 2020). Customer and brand loyalty in the sportswear industry has been investigated by many. For example, Dai and Chen (2017) examine the loyalty of university students in Hong Kong. Lu et al. (2017) explore the impact of customer loyalty in the context of two leading international sportswear companies operating in China. Saricam (2021), on the other hand, examines loyalty in the sportswear retail market in Turkey.

Ethical sales behaviour

How customers are treated determines the company’s ability to influence customer loyalty and dependence on the organisation. Unethical sales behaviour is defined as “short-run salespersons’ conduct that enables them to gain at the customer’s expense” (Román and Ruiz, 2005, p. 440), while ethical sales behaviour is the reverse. Examples of unethical behaviour include dishonesty, exaggerating product benefits, selling inappropriate products that do not match customer needs and engaging in high-pressure sales tactics (Robertson and Anderson, 1993; Román and Ruiz, 2005). While such behaviours may result in more significant short-run sales, they introduce tension between sellers and customers and pressuring or fooling customers into making inappropriate purchases is associated with a lack of satisfaction (Robertson and Anderson, 1993).

The ethical behaviour of salespeople can significantly impact customer perception of the company’s ethics and customer–company relationship quality. The ethical behaviour of sellers is always associated with a higher evaluation of service satisfaction (Thomas et al., 2002). Furthermore, it leads to gaining trust, commitment, communication with the buyer and subsequent word-of-mouth advertising by the customer (Hansen and Riggle, 2009). Thus, ethical sales behaviour positively and significantly affects customer satisfaction, trust and loyalty to the organisation (Román, 2003). Reflecting increased loyalty, consumers are willing to pay higher prices for the products of companies that understand ethical behaviour and social responsibility (Carvalho et al., 2010). Thus, we hypothesise:

H1. Ethical sales behaviour has a positive influence on customer satisfaction.

H2. Ethical sales behaviour has a positive influence on customer loyalty.
H3. Ethical sales behaviour has a positive influence on customer trust.

Customer satisfaction
Customer satisfaction is the customers’ evaluations of the products or services. Customers tend to evaluate whether the product or service performance has exceeded their expectations (Veloutsou, 2015). Customer satisfaction is essential to future purchase intention and customer loyalty (Edward and Sahadev, 2011). Many factors affect customer satisfaction and loyalty throughout the customer life cycle (e.g. brand, salesforce, product or service quality, after-sales service; Jap, 2001). In general, customer satisfaction positively reflects a customer towards the business organisation. Therefore, increasing customer satisfaction is crucial for customer loyalty (Watson et al., 2015). In addition, satisfaction is associated with positive word of mouth (Alexandris et al., 2004), repeated purchases (Greenwell et al., 2002) and increased profitability (Hallowell, 1996). Customer satisfaction is also explicitly associated with trust, as satisfaction encompasses the company’s ability to fulfil relational norms (Schijns et al., 2016). Recurring satisfactory experiences lead to establishing trust (Chou, 2009). Therefore, companies must fully understand the importance of meeting customer needs and going beyond their product or service quality expectations. Because customer satisfaction and ultimately increasing the chances of companies retaining them is very important because the cost of retaining existing customers is less than the cost of attracting new customers (Kumar et al., 2021 Wangwacharakul et al., 2021), it is widely accepted in the literature that loyalty is based on satisfaction (Byon, 2020; Núñez-Barriopedro et al., 2021). Thus, we hypothesise:

H4. Customer satisfaction has a positive influence on customer loyalty.

H5. Customer satisfaction has a positive influence on customer trust.

Trust
Trust can be defined as a customer assessment of a company’s honesty and integrity. It deals with customers’ perceptions and beliefs that companies will not disappoint them and work hard to achieve their benefits (Román and Ruiz, 2005). In addition to evaluating direct interactions with the seller, the customer also considers whether the seller’s performance is satisfactory (Chen and Mau, 2009). Trust is one of the critical factors in any long-term relationship (Sirdeshmukh et al., 2002; Watson et al., 2015). Trust is also defined as the belief that others maintain their expected commitment (Flavián et al., 2022; Luhmann, 2018). Therefore, trust is one of the most critical factors in building long-term relationships, such as customer loyalty (Reichheld and Scheffer, 2000). If managers can strengthen trust and commitment to the community in the virtual and non-virtual realm, the success and survival of the community, in the long run, can be assured. (Casalo et al., 2008).

Trust is the core and crucial part of creating a relationship between companies and consumers. Trust leads to greater organisational commitment and efficiency (Flavian et al., 2019) and has been proven as one of a factor that affects brand loyalty. Previous research shows that trust positively affects brand loyalty (Liu et al., 2019; Samadi and Arianti, 2018). In addition, trust augments customer loyalty, and in the long term, trusting customers will be more loyal (Idrees et al., 2015). El Naggar and Bandari’s (2017) findings also indicate that brand loyalty increases through a trustworthy relationship. Thus, we hypothesise:

H6. Customer trust has a positive influence on customer loyalty.
The mediating role of customer satisfaction

Customer satisfaction is always associated with customers’ happiness with a company’s products, services and capabilities. Furthermore, a satisfied customer trusts the company and becomes loyal. The positive effect of customer satisfaction on trust has been established in many studies, including Baumann et al. (2013) and He et al. (2012). Previous studies have also investigated the mediating effects of customer satisfaction in various settings, including food, telecommunication and the health-care industry (Andreani et al., 2012; Islam et al., 2021; Aburayya, 2020). In this study, when customers experience ethical sales behaviour from the seller, they become satisfied with the service and, in turn, exhibit an enhanced propensity for trust and loyalty. Thus, we hypothesise the following mediation paths:

$H_7$. Customer satisfaction mediates the influence between ethical sales behaviour and customer trust.

$H_8$. Customer satisfaction mediates the influence between ethical sales behaviour and customer loyalty.

The mediating role of trust

This study also highlights the indirect effects of ethical sales behaviour and customer satisfaction on customer loyalty through customer trust. The importance of trust in business cannot be ignored. It is believed that customers’ put trust in a salesperson based on the salesperson’s consistency, reliability, honesty and friendliness (Román and Ruiz, 2005). It has been reported that those who are not trusting a seller are unlikely to be loyal (Palacios-Florencio et al., 2018). It is also documented that the seller’s ethical behaviour can generate trust (Morales-Sánchez et al., 2019). Therefore, sellers that practice ethical sales obtain a higher degree of commitment from their customers and, simultaneously, increase customers’ trust in the company. From this perspective, customers’ perceptions of the positive aspect of sellers’ behaviour increase.

Previous research has demonstrated that trust towards the seller is mediated by the indirect impact of customer loyalty (Alrubaiee, 2012; Palacios-Florencio et al., 2018). Furthermore, ethical sales behaviour affects customer loyalty through trust and commitment (Tuan, 2015). In this study, when customers experience ethical sales behaviour from the seller and are satisfied with the service, they build trust and, in turn, exhibit an enhanced propensity for loyalty. Thus, we hypothesise the following mediation paths:

$H_9$. Customer trust mediates the influence between ethical sales behaviour and customer loyalty.

$H_{10}$. Customer trust mediates the influence between customer satisfaction and customer loyalty.

We present a conceptual framework representing our proposed hypotheses in Figure 1.

Method

Sampling

Data were collected via a questionnaire distributed at sportswear stores in Tehran, Iran. Iran was chosen because of several reasons. Firstly, Iran is one of the largest economies in the Middle East. Secondly, Iran is a substantial market of 80 million consumers with a growing and well-educated middle class. Thirdly, there is a high
domestic demand for products, goods and services. In total, 300 copies of the questionnaire were distributed to the respondents, and 265 copies of the questionnaire were used for data analysis.

**Characteristics of the sample.** Men made up 66% of the sample. Most of the respondents are highly educated; 54% of them holds bachelor’s degree and are relatively young adults (67% of the participants were aged between 21 and 30 years old). Table 1 presents the demographic characteristics of the respondents.

**Measure and questionnaire development.** The items measuring ethical sales behaviour and trust were adapted from Román and Ruiz (2005). Customer satisfaction was measured with four items adapted from Dehdashti et al. (2012) and Román and Ruiz (2005). On the other hand, customer loyalty was adapted from Sirdeshmukh et al. (2002), with minor modifications to reflect the sportswear context. All items were drawn from scales developed in English and translated into Persian. A team of faculty and doctoral students assessed the validity of all items in sports management, marketing and management.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cases (%)</th>
<th>Variable</th>
<th>Cases (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td><strong>Active on social media</strong></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>175 (66)</td>
<td>High school diploma</td>
<td>8 (3)</td>
</tr>
<tr>
<td>Women</td>
<td>90 (34)</td>
<td>Diploma</td>
<td>36 (14)</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td>Bachelor degree</td>
<td>144 (54)</td>
</tr>
<tr>
<td>Below 20 years old</td>
<td>12 (5)</td>
<td>Master</td>
<td>64 (24)</td>
</tr>
<tr>
<td>21 to 26 years old</td>
<td>100 (38)</td>
<td>Doctoral degree</td>
<td>13 (5)</td>
</tr>
<tr>
<td>27 to 30 years old</td>
<td>77 (29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 to 35 years old</td>
<td>42 (16)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36 to 40 years old</td>
<td>26 (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 40 years old</td>
<td>8 (3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1. Demographics of the participants
Results

Measurement model

We assessed the measurement model, construct reliability and convergent and discriminant validity via confirmatory factor analysis (CFA). The absolute fit indices, incremental fit indices and parsimony-adjusted indices exceeded suggested thresholds to indicate a satisfactory measurement model fit (Hair et al., 2019). Specifically, $\chi^2$/df = 2.70; CFI = 0.938; TLI = 0.924; RMSEA = 0.08; and SRMR = 0.091. Cronbach’s $\alpha$ of study constructs ranged from 0.81 to 0.85, exceeding the conventional 0.70 threshold, indicating acceptable internal reliability (Nunnally, 1978). Measurement model reliability was assessed using composite reliability (CR). The CR values in this study ranged from 0.81 to 0.88, exceeding the recommended threshold of 0.70 (Hair et al., 2019); thus, the measurement model’s reliability was confirmed. The convergence validity of each measure of every construct was estimated using the mean-variance extracted. The average variance extracted (AVE) greater than or equal to 0.5 is recommended (Fornell and Larcker, 1981). In this study, AVE values ranged from 0.53 to 0.62. Collectively, these tests provided evidence of CR and convergent validity. Discriminant validity was assessed in two ways: AVE-SV comparison (Fornell and Larcker, 1981) and heterotrait-monotrait (HTMT) ratio (Henseler et al., 2015). Based on both criteria, discriminant validity was established for all constructs. Detailed results are presented in Table 2 (Table 3).

<table>
<thead>
<tr>
<th>Ethical behaviour</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALFA</strong> = 0.88; <strong>CR</strong> = 0.88; <strong>AVE</strong> = 0.60</td>
<td></td>
</tr>
<tr>
<td>This salesperson lies about availability to make a sale</td>
<td>0.790</td>
</tr>
<tr>
<td>This salesperson lies about competition to make the sale</td>
<td>0.798</td>
</tr>
<tr>
<td>This salesperson paints rosy pictures of the products to make them sound as good as possible</td>
<td>0.808</td>
</tr>
<tr>
<td>This salesperson applies sales pressure even though he/she knows the product is not right for me</td>
<td>0.817</td>
</tr>
<tr>
<td>This salesperson gives answers when he/she does not know the answers</td>
<td>0.670</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALFA</strong> = 0.83; <strong>CR</strong> = 0.86; <strong>AVE</strong> = 0.61</td>
<td></td>
</tr>
<tr>
<td>I believe this salesperson could completely satisfy my expectations</td>
<td>0.887</td>
</tr>
<tr>
<td>The amount of contact I have had with this salesperson was adequate</td>
<td>0.986</td>
</tr>
<tr>
<td>I am satisfied with the level of service this person has provided</td>
<td>0.573</td>
</tr>
<tr>
<td>In general, I am pretty satisfied with my dealings with this salesperson</td>
<td>0.598</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Trust</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALFA</strong> = 0.81; <strong>CR</strong> = 0.81; <strong>AVE</strong> = 0.53</td>
<td></td>
</tr>
<tr>
<td>This salesperson was competent and professional</td>
<td>0.709</td>
</tr>
<tr>
<td>This salesperson was sincere</td>
<td>0.728</td>
</tr>
<tr>
<td>This salesperson was honest</td>
<td>0.756</td>
</tr>
<tr>
<td>I felt very little risk was involved when dealing with this salesperson</td>
<td>0.716</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loyalty</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALFA</strong> = 0.85; <strong>CR</strong> = 0.85; <strong>AVE</strong> = 0.61</td>
<td></td>
</tr>
<tr>
<td>Do most of your future shopping at this store?</td>
<td>0.574</td>
</tr>
<tr>
<td>Use this store the very next time you need to shop for a sportswear item?</td>
<td>0.856</td>
</tr>
<tr>
<td>Recommend this store to friends, neighbours and relatives?</td>
<td>0.637</td>
</tr>
<tr>
<td>Spend more than 50% of your sportswear budget at this store?</td>
<td>0.979</td>
</tr>
</tbody>
</table>
Common method bias
Common method bias represents a potential threat to statistical conclusion validity, especially in studies where measures of both predictor and criterion variables are generated from the same source (Podsakoff et al., 2003). We used two techniques to reduce the potential threat of common method bias in the current study. Firstly, using a procedural remedy, we reduce bias by emphasising participant anonymity and encouraging study participants to answer all questions honestly. Secondly, using a post hoc statistical technique, we used Harman’s single-factor test to assess whether a single factor accounted for a majority of the variance in our variables. The results indicated that the variance associated with the first factor was 48.12%; thus, a general factor did not account for most covariance between measures.

Structural model
The results of the structural model are presented in Table 4. The results of the structural model fit indices demonstrated satisfactory fit (CMIN/df = 2.70; CFI = 0.934; TLI = 0.92; RMSEA = 0.079; SRMR = 0.091). The model explained 33% of the variance in customer satisfaction, 54% of the variance in customer trust and 54% of the variance in customer loyalty. Cohen’s $f^2$ is a measure of the effect size of independent variables on explained

### Latent variable

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Ethical behaviour (1)</th>
<th>Satisfaction (2)</th>
<th>Trust (3)</th>
<th>Loyalty (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical behaviour (1)</td>
<td>0.778</td>
<td>0.571</td>
<td>0.709</td>
<td>0.634</td>
</tr>
<tr>
<td>Satisfaction (2)</td>
<td>0.667</td>
<td>0.782</td>
<td>0.555</td>
<td>0.637</td>
</tr>
<tr>
<td>Trust (3)</td>
<td>0.721</td>
<td>0.692</td>
<td>0.728</td>
<td>0.613</td>
</tr>
<tr>
<td>Loyalty (4)</td>
<td>0.656</td>
<td>0.818</td>
<td>0.681</td>
<td>0.779</td>
</tr>
</tbody>
</table>

**Notes:** The diagonal elements (in italic) are the square root of the AVE. Values below the diagonal elements are the HTMT ratio. Values above the diagonal indicate inter-construct correlations (Fornell and Larcker’s test)

### Direct effects

| H1 | Ethical behaviour $\rightarrow$ Satisfaction | 0.57*** | 0.082 | 7.91 | Supported |
| H2 | Ethical behaviour $\rightarrow$ Loyalty | 0.27** | 0.062 | 3.19 | Supported |
| H3 | Ethical behaviour $\rightarrow$ Trust | 0.58*** | 0.095 | 6.60 | Supported |
| H4 | Satisfaction $\rightarrow$ Loyalty | 0.37*** | 0.043 | 5.27 | Supported |
| H5 | Satisfaction $\rightarrow$ Trust | 0.22** | 0.064 | 3.23 | Supported |
| H6 | Trust $\rightarrow$ Loyalty | 0.22** | 0.057 | 2.56 | Supported |

**Indirect Effects**

| H7 | Ethical behaviour $\rightarrow$ Satisfaction $\rightarrow$ Trust | 0.58 | 0.12** | Yes | Partial effect |
| H8 | Ethical behaviour $\rightarrow$ Satisfaction $\rightarrow$ Loyalty | 0.27 | 0.21** | Yes | Partial effect |
| H9 | Ethical behaviour $\rightarrow$ Trust $\rightarrow$ Loyalty | 0.27 | 0.13** | Yes | Partial effect |
| H10 | Satisfaction $\rightarrow$ Trust $\rightarrow$ Loyalty | 0.37 | 0.05** | Yes | Partial effect |

**Explained variance**

<table>
<thead>
<tr>
<th>$R^2$</th>
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<tbody>
<tr>
<td>Satisfaction</td>
</tr>
<tr>
<td>Trust</td>
</tr>
<tr>
<td>Loyalty</td>
</tr>
</tbody>
</table>

**Notes:** ***$p < 0.001$; **$p < 0.01$; $\beta =$ Path coefficient; SE = standard error
The effect sizes of ethical behaviour on trust, loyalty and satisfaction on trust were small. The effect of satisfaction on loyalty was medium, and trust’s effect on loyalty was large.

To determine whether the hypotheses were approved or rejected, we used a cut-off value of 1.96 (t ≥ 1.96) as a measurement to support or refute the hypotheses. If the t-values of a hypothesis is less than 1.96, the hypothesis is rejected. However, if the t-values of the hypothesis is greater than 1.96, we can assume and conclude that it has been confirmed.

The hypothesis (H1) states that ethical sales behaviour positively affects satisfaction. The t-values in the hypothesis was 7.91, which was higher than the cut-off value or the minimum acceptance of 1.96. Consequently, the hypothesis (H1) was also confirmed. The hypothesis (H2) states that ethical sales behaviour positively affects loyalty. The t-values in the hypothesis was 3.19, which was higher than the cut-off value or the minimum acceptance of 1.96. Consequently, the hypothesis (H2) was also confirmed. The hypothesis (H3) states that ethical sales behaviour positively affects trust. The t-values in the hypothesis was 6.60, which was higher than the cut-off value or the minimum acceptance of 1.96. Consequently, the hypothesis (H3) was also confirmed. The hypothesis (H4) states that satisfaction positively affects loyalty. The t-values in the hypothesis was 5.27, which was higher than the cut-off value or the minimum acceptance of 1.96. Consequently, the hypothesis (H4) was also confirmed. The hypothesis (H5) states that satisfaction positively affects trust. The t-values in the hypothesis was 3.23, which was higher than the cut-off value or the minimum acceptance of 1.96. Consequently, the hypothesis (H5) was also confirmed. The hypothesis (H6) states that trust positively affects loyalty. The t-values in the hypothesis was 2.56, which was higher than the cut-off value or the minimum acceptance of 1.96. Consequently, the hypothesis (H6) was also confirmed. Furthermore, the seventh (H7), eighth (H8), ninth (H9) and tenth (H10) hypotheses were confirmed accordingly, as the t-values of these relationships exceeded 1.96, the minimum acceptance value to determine a meaningful relationship and support the hypotheses.

To determine the relationship between variables, this study performed a mediation analysis. If the t-values of the relationship between the independent, mediating and dependent variables is significant (i.e. greater than 1.96), satisfaction and trust are both mediation effects between the independent and dependent variables. On the other hand, if the t-values of the relationship between the independent, mediating and dependent variables were not significant (i.e. less than 1.96), the mediation effect would not occur (mediation-free). Also, it should be noted that if the mediation effect occurs in this study, one of these two types of mediation may occur: partial mediation or complete mediation. In this study, partial mediation occurs if the direct effects between ethical sales behaviour and loyalty in mediating variables, i.e. satisfaction and trust, are significant. Whereas, if the direct effects between ethical sales behaviour and loyalty in the presence of the mediating variables are insignificant, complete mediation occurs.

Table 4 shows the mediation analysis results of the mediating variables discussed in this research. Based on the data shown in Table 4, we can conclude that all four mediation hypotheses (i.e. H7, H8, H9 and H10) partially mediate the effect of their independent and dependent variables.

**Conclusion and discussion**

This study investigates the relationships between sellers’ ethical behaviour and customer satisfaction, trust and loyalty in sportswear brands. The results showed that sellers’ ethical behaviour positively affects customer satisfaction, trust and loyalty. Ethical behaviour also indirectly impacts customer loyalty, mediated through customer satisfaction and trust. Trust plays a vital role in forming long-term relationships between parties and is essential...
in continuing any relationship (Morgan and Hunt, 1994). This study indicates positive relationships between the ethical behaviour of salespersons and customer satisfaction, trust and loyalty. The positive relationship between ethical behaviour and customer satisfaction is consistent with previous research (Román, 2003; Román and Ruiz, 2005) and suggests ethical behaviour is an antecedent of customer satisfaction. Consistent with previous research (Alrubaiee, 2012; Chen and Mau, 2009; Hansen and Riggle, 2009; Román and Ruiz, 2005; Tuan, 2015), we found a positive relationship between ethical sales behaviour and customer trust. Therefore, we suggest that sellers put honesty and transparency at the forefront of their work to enhance the factors leading to customer trust. While deceptive sales practices may be effective on a short-term basis (Santana et al., 2020), customer trust requires respectful behaviour, patience and asking the customer’s right questions to serve customer needs best. Sellers are recommended to offer their best advice on the products to the customer since appropriate guidance is associated with higher trust levels.

Consistent with prior literature (He et al., 2012; Román and Ruiz, 2005), customer satisfaction was positively related to customer trust. Having relied upon guidance from sales staff in selecting products, satisfaction with the process and products purchased reinforces trust. In addition, customer satisfaction is associated with higher seller credibility. This helps further establish the nomological network between satisfaction and trust.

A positive direct relationship between customer satisfaction and loyalty was consonant with extensive previous research (Cambra-Fierro et al., 2017; Kaur and Soch, 2018; Sharma, 2017; Watson et al., 2015). Based on the confirmation of the relationship between satisfaction and loyalty, sportswear brand managers are encouraged to provide quality services in accordance with customer demands to satisfy customers. The most vital antecedent of customer loyalty, however, was customer trust. This suggests that some academic and practitioner attention to customer satisfaction might be more fruitfully focused on establishing and enhancing customer trust. A positive relationship between customer trust and loyalty is consistent with previous findings (Hong and Cho, 2011; Sarkar et al., 2016; Watson et al., 2015). Therefore, we recommend sellers pay special attention to the words and phrases they say to the customer when presenting their product to gain trust and keep customers loyal to their brand. Emphasising these relationships, indirect paths indicated that satisfaction and trust partially mediate the relationship between ethical sales behaviour and customer loyalty, with trust the most proximate antecedent of loyalty. Based on these findings, sellers’ ethical behaviour is positively associated with achieving customer satisfaction, trust and loyalty.

Managers of sportswear brands should pay due attention to their sales staff’s ethical behaviour because it is associated with higher satisfaction, trust and customer loyalty to the brand. Furthermore, managers of sportswear brands should inform customers about discounts by creating markdowns, incentives for purchases and promotional advertisements on social media (e.g. Instagram, Twitter and Facebook). This way, they can attract customers, gain satisfaction and trust and foster loyalty. Considering the significance of consumer satisfaction with the brand and its consequence on consumer loyalty to the sportswear brand, we suggest companies adopt customer orientation and the needs of customers as two main pillars of improving the quality of customer experience and as a basis for providing desirable services and obtaining customer loyalty to their brand.

Salespeople generally have a salient impact on customers’ perception of the organisation’s reliability. Salespeople who behave ethically enhance customer satisfaction, trust and brand loyalty. Ethical sales behaviour and providing customers with relevant
information to make the most appropriate purchase decision improve customer satisfaction. Satisfaction with sportswear products and the purchasing process is associated with increased trust. As customers are loyal, they will preferentially repeat purchases and enhance company profitability. Table 5 summarises this study’s conclusions and theoretical and managerial implications.

**Theoretical and practical contributions**

This study provides several theoretical and practical contributions. Firstly, theoretically, we have developed prominent concepts in the sales ethics literature in the field of sports retail stores. We have also thoroughly described the positive elements of ethical behaviour, trust and customer satisfaction in customer loyalty, specifically in sports retail stores. Most researchers, including Sirdeshmukh et al., 2002; Román and Ruiz, 2005; Edward and Sahadev, 2011; Dehdashti et al., 2012; Watson et al., 2015, conducted their studies on the non-sports fields. On the other hand, this study focused on the sports product customers. Secondly, this study is one of the first studies attempts to study sports consumers in Iran, which was done using a developed framework in public marketing. In addition, the positive effect of sellers’ ethical behaviour on customer trust and satisfaction indicates that the management of sports retail stores should design an internal statute in the store to increase attention to the ethics of their sellers so that sellers treat customers according to store instructions. Next, the mediating effect of satisfaction and trust between ethical sales behaviour and loyalty was partial. Hence, it can be concluded that customer loyalty can be strengthened and enhanced by raising the level of customer satisfaction and trust.

This study also makes a practical contribution by validating all dimensions’ value by assessing ethical behaviour, satisfaction and trust in consumer loyalty. The outcomes of this study would benefit companies in the sportswear industry, as they would aid them in developing methods to improve their service. They may also contribute to the atmosphere of the service experience for other customers in various service settings; this contribution is especially relevant in in-service settings where customer-to-customer interaction is a key component of the service experience.

**Table 5. Conclusions, theoretical and managerial implications**

<table>
<thead>
<tr>
<th>Conclusions</th>
<th>Theoretical and managerial implications</th>
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<tbody>
<tr>
<td>• Sellers’ ethical behaviour affects customer satisfaction, trust, and loyalty</td>
<td>• Sellers must ensure high level of honesty and transparency is practice at all time</td>
</tr>
<tr>
<td>• Trust plays a vital role in forming long-term relationships between sellers and buyers</td>
<td>• Avoid information gaps and monitor false information in emergencies promoting effective coordination with unofficial sources</td>
</tr>
<tr>
<td></td>
<td>• Combining video with emotional and identifying content is key for reaching a high diffusion in unofficial accounts</td>
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<tr>
<td></td>
<td>• Together, these three factors improve information reliability and generate engagement through content dissemination</td>
</tr>
<tr>
<td></td>
<td>• Implementing this configuration in the content of official information sources can increase the dissemination of reliable content</td>
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</table>
Lastly, considering the positive effects of ethical behaviour and satisfaction on customer trust, the management of sports retail stores should measure their satisfaction from time to time. Therefore, measuring customer experience indicators should be timely and at short intervals to provide the store with the opportunity for continuous improvement. Knowing the methods and techniques of measuring customer satisfaction helps management conduct customer surveys based on the correct principles and rules. With the help of valid data, it can make fundamental and correct business changes and increase customer satisfaction.

**Limitations and future research**

The main limitation of this study is its cross-sectional research design. Sellers’ ethical behaviour, customers’ satisfaction, trust and loyalty can co-evolve over time. Furthermore, trust and loyalty require repeated experience and gradually grow (Vanneste et al., 2014). Therefore, longitudinal research in this area would be beneficial. Repeated data collection would be particularly relevant when examining consumer response to a new brand or product that lacks extensive customer history or other external quality markers (e.g. positive word of mouth from existing customers). A cross-sectional research design also limits the ability to infer causal relationships, supporting the only assessment of correlational associations. While our results are consistent with causal paths leading from sellers’ ethical behaviour through customer satisfaction and trust to loyalty, future research should confirm these mechanisms using experimental designs.

This study collected data exclusively from consumers of Iranian sportswear brands. However, the model can be extended to another geographical market to enhance generalisability.

**References**


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