

CREATION OF BRAND EQUITY IN THE CHINESE CLOTHING MARKET

A Dissertation Presented to the Faculty of the Graduate School
University of Missouri-Columbia

In Partial Fulfillment
Of the Requirement for the Degree

Doctor of Philosophy

by
XIAO TONG

Dr. Jana M. Hawley, Dissertation Supervisor

DECEMBER 2006

The undersigned, appointed by the Dean of the Graduate School, have examined the dissertation entitled

CREATION OF BRAND EQUITY
IN THE CHINESE CLOTHING MARKET

Presented by Xiao Tong

A candidate for the degree of Doctor of Philosophy

And hereby certify that in their opinion it is worthy of acceptance.

Professor Jana Hawley, Committee Chair

Professor Hyunjoo Oh

Professor Kitty Dickerson

Professor Pamela Norum

Professor Shaoming Zou

To my parents:

Li Shaofen and Tong Yutang

ACKNOWLEDGEMENTS

Special thanks to my parents, Yutang Tong and Shaofen Li, and to my other family members for all their unconditional and selfishless support and love for me.

I am especially gratefully to my advisor, Dr. Janna M. Hawley, for hours and hours of her time she spent reviewing my work and for encouraging me along the way. I greatly appreciate Dr. Shaoming Zou for his numerous brilliant ideas and great assistance in the research design and data analysis of my dissertation. I am also thankful to Dr. Pamela Norum and Dr. Kitty Dickerson for their amazing ability to make things clear when they are not. And I owe a lot to Dr. Hyunjoo Oh, who agreed to stay on the committee even though she had left University of Missouri-Columbia.

Finally, I am grateful to my friends in China, Chunyuan Hu, Guoqiang Ma and Zhen Hu, who helped me with the data collection in Beijing and Shanghai, and I am thankful to my Chinese friends in University of Missouri-Columbia, who are the voluntary participants in the pre-test of my dissertation. Also, special thanks to my boyfriend, Yilong Shu, for his great support and help.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	ii
LIST OF TABLES	v
LIST OF FIGURES	vii
ABSTRACT.....	viii
CHAPTER	
1. INTRODUCTION	1
Statement of the Problem	1
Statement of Purpose	10
Theoretical Perspective	12
Potential Contributions of the Study	14
2. REVIEW OF THE LITERATURE	16
The Relationship of Culture and Consumer Behaviors	16
Brand Equity Creation Model	24
Hypotheses	25
3. RESEARCH METHODOLOGY	62
Pretest	62
Data Collection Procedures	63
The Sample	64
Product Stimuli Selection	65
Instrument Development	66
Method of Analysis	72
4. RESULTS AND ANALYSIS	74
Frequency of Brands Response and Testing for Measurement Invariance	74
The Characteristics of the Sample	76
CFA Model Analysis	82
Structural Equation Model (SEM)	90
Results of Hypotheses	95
5. CONCLUSIONS	114
Comparisons with Previous Research	117

Additional Findings	120
Summary of Findings	122
Discussion and Implications	125
Limitations and Direction of Future Research	136
REFERENCES	139
APPENDIX A	157
APPENDIX B	161
VITA	180

LIST OF TABLES

Table	Page
1. Price Promotions	57
2. Non-price Promotions	59
3. Summary of Frequency of Clothing Brands Response	75
4. Summary of Frequency of Sports Shoes Brands Response	75
5. Summary of Sample Characteristics – Gender	77
6. Summary of Sample Characteristics – Age	77
7. Summary of Sample Characteristics – Education	78
8. Summary of Sample Characteristics – Marital Status	78
9. Summary of Sample Characteristics – Personal Annual Income	79
10. Summary of Cultural Values	82
11. Skewness and Kurtosis	83
12. Cronbach's Alpha of Constructs	85
13. Average Variance Extracted of Constructs	86
14. Convergent Validity of Constructs	87
15. Discriminant Validity: A Comparison of Variance Extracted and Correlation between Constructs	89
16. Parameter Estimates for the Measurement Model	92
17. Reported Values of Model Fit for the Measurement Model	93
18. Reported Values of Model Fit for the Structural Model	95
19. Results of Hypothesis Testing from Structural Model	97

20. Relationships Among Brand Equity Dimensions	99
21. Relationship of Brand Price and Brand Equity Dimensions	100
22. Relationship of Store Image and Brand Equity Dimensions	100
23. Relationship of Distribution Intensity and Brand Equity Dimensions	101
24. Relationship of Celebrity Endorsement and Brand Equity Dimensions	102
25. Relationship of Event Sponsorship and Brand Equity Dimensions	103
26. Relationship of Target Marketing and Brand Equity Dimensions	103
27. Relationship of TV Advertising Expenditures and Brand Equity Dimensions	107
28. Relationship of Print Advertising Expenditures and Brand Equity Dimensions	108
29. Relationship of Web Advertising Expenditures and Brand Equity Dimensions	109
30. Relationship of Price Promotion and Brand Equity Dimensions	111
31. Relationship of Non-price Promotion and Brand Equity Dimensions	112

LIST OF FIGURES

Figure	Page
1. Results from Yoo and Donthu’s Study (2002)	4
2. The Relationship Between Six Marketing Activities and Four Brand Equity Dimensions	11
3. The Relationship Between Advertising Expenditures and Brand Equity Dimensions	11
4. The Relationship Between Promotions and Brand Equity Dimensions	11
5. The Concept of Brand Equity	12
6. The Conceptual Framework of Brand Equity	13
7. The Relationship Between Six Marketing Activities and the Brand Equity Dimensions	48
8. The Relationship Between Advertising Expenditures and Brand Equity Dimensions	56
9. The Relationship Between Promotion and Brand Equity Dimensions	61
10. Results of Hypothesis Testing – Relationships among Brand Equity Dimensions	99
11. Results of Hypothesis Testing – Relationship of Six Marketing Activities and Brand Equity Dimensions	105
12. Results of Hypotheses Testing – Relationship of Advertising Expenditure and Brand Equity Dimensions	110
13. Results of Hypothesis Testing – Relationship of Promotion and Brand Equity Dimensions	113
14. Effect of Marketing Activities on Overall Brand Equity	121

CREATION OF BRAND EQUITY IN THE CHINESE CLOTHING MARKET

Xiao Tong

Dr. Jana M. Hawley, Dissertation Supervisor

ABSTRACT

This study explores the relationship between 15 selected marketing activities and the creation of brand equity in the Chinese clothing market. The brand equity creation model from Yoo, Donthu and Lee's study (2000) was expanded and employed to examine relationships between selected marketing element and four dimensions of brand equity, that is, perceived quality, brand loyalty, brand awareness and brand association, and the relationships among four dimensions of brand equity. Imported sports shoes and clothing brands were used as product stimuli in this study. Shopping center intercept survey was conducted to collect data in the two biggest cities of China: Beijing and Shanghai. Of the 660 responses, 623 were considered valid and were used in this study. The empirical tests using a structural equation model (SEM) support the research hypotheses. The results show that store image, event sponsorship, target marketing, and Web advertising expenditures have a strong combined effect on brand equity creation in China. Frequent price promotions have negative effects on brand quality level and brand image. Different results with those from two similar studies conducted with the American and Korean samples suggest that cultural differences mediate the effect of marketing efforts on brand equity creation.

CHAPTER 1

INTRODUCTION

Statement of the Problem

Previous Study of the Relationship Between Marketing Activities and Brand Equity

Marketing strategy is often considered the most important means of establishing brand equity. Over the years, a large number of studies have explored how various marketing mix elements affect brand equity. However, most of those studies were conducted in the United States or other Western countries, so their findings may not be generalizable to market without empirical testing. This study, in contrast, uses the established Brand Equity Creation Model to examine the relationship between marketing activities and brand equity for imported clothing brands in the Chinese market.

Brand equity is the incremental utility and value added to a product by its brand name. Researchers have catalogued the apparent effects of various marketing efforts and market conditions on brand equity.” For example, Simon and Sullivan (1993) listed advertising expenditures, sales force and marketing research expenditures, age of the brand, advertising share, order of entry, and product portfolio as sources of brand equity. Other marketing activities, such as the use of public relations (Aaker, 1991), warranties (Boulding and Kirmani, 1993), slogans or jingles, symbols, and packages (Aaker, 1991), have also been proposed. According to Keller (2002), several marketing communications (e.g., advertising, promotion, event marketing/sponsorship,

and public relations) have positive effects on brand equity. He further suggests that different marketing activities have different contributions. Advertising, for example, is often the central element of a marketing communications program to create brand equity.

Most studies exploring the relationship between marketing efforts and brand equity building have focused on US customers. Conducting a study at a major state university in the United States, Grewal, Krishnan, Baker, and Borin (1998) argued that store image had a positive relationship with the perceived quality of the brand, and frequent price promotions would adversely affect a brand's perceived quality. Dodson, Tybout, and Sternthal (1978) showed that offering a promotion was found to enhance brand switching with the analysis of household purchasing data in the United States. Based on a sample of US women, Kirmani and Wright (1989) suggested that consumers might infer brand quality from perceived advertising spending. Raj (1985) used data from the Target Group Index report in the United States to investigate the relationship between market penetration and brand loyalty and found that a brand's popularity (market share) was positively correlated with loyalty to it. Employing different student samples from an American university, Cobb-Walgren, Ruble, and Donthu (1995) found that the brand with the higher advertising budget yielded a substantially higher level of brand equity.

Similar studies have been conducted in other Western countries. Dreze and Hussherr's study (2003) examined the effectiveness of Internet advertising by surveying Internet users in France finding that banner ads were an effective marketing tool because they could significantly improve brand recognition and awareness. With a Canadian student sample, Thakor and Lavack (2003) found that the country of

corporate ownership appears to have a powerful influence on consumers' perception of brand quality, and therefore emphasizing country-of-origin information in marketing activities can help improve the evaluations of brand image.

A successful management of brand assets must consider all aspects of the product strategy and marketing mix. In response to the call for a "systems view" of relationships between selected marketing mix elements and the creation of brand equity, Yoo, Donthu, and Lee (2000) built a Brand Equity Creation Process model to explore how marketing actions increased or decreased brand equity. As the first of this kind, their study provided a good starting point for further research on the marketing activities/brand equity linkage. Two years later, Yoo and Donthu (2002) conducted a cross-cultural study to test the generalizability of Yoo et al.'s Brand Equity Creation Process model with a South Korean sample. They found some between-group differences (across the US and Korean samples) in the equity formation process and explained them from a cultural perspective (see Figure 1).

Research has shown that differences in value systems across various cultures appear to be associated with major differences in consumer behavior (Grunert and Scherhorn, 1990; Corkindale and Lowe, 1998; McCracken, 1989; Tansuhaj, Gentry, John, Manzer, and Cho, 1991). A number of studies further suggest that consumers in different parts of the world can vary in their attitudes and opinions on marketing activity because of cultural, economic, and consumption disparities among nations (Green et al., 1983; Jain, 1989; Rodman, 1972).

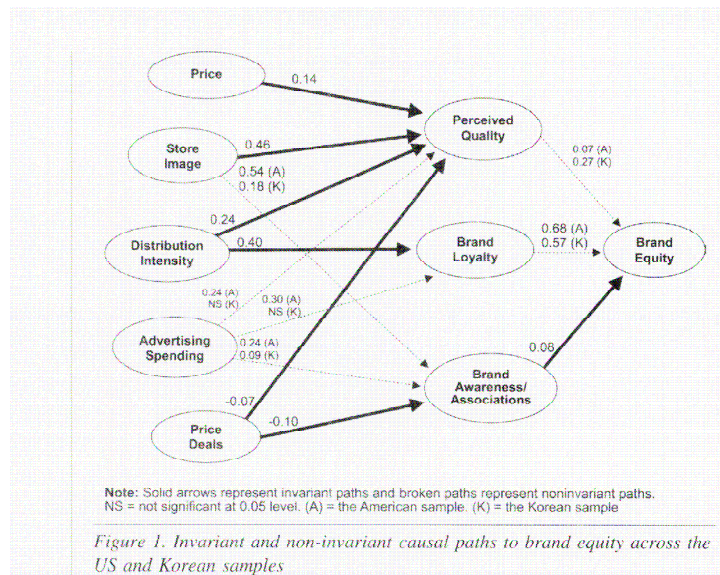


Figure 1: Results from Yoo and Donthu’s Study (2002)

Dawar and Parker (1994) evaluated whether the use of brand, price, retailer reputation, and physical product appearance as signals of quality are marketing universals for consumer products, and found that some behaviors are likely to be universal whereas others are not. A survey by Polly, Tse, and Wang (1990) of general Chinese consumers indicated that the respondents had very positive attitudes toward advertising compared to consumers in the West. Ferle and Lee (2002) obtained a similar finding. Upon investigating consumer response to sales promotions in three developing markets, Huff and Alden (1998) argued that despite the geographic and cultural proximity of Taiwan, Thailand, and Malaysia, significant differences existed in consumer responsiveness to different sales promotions. They suggested that managers should take care to understand how cultural and economic differences may influence consumers’ response to marketing strategies. Kaynak, Kucukemiroglu, and Ozturk (1998) further suggested that in the international arena, the effectiveness of

promotional activities differs among countries due to national and/or regional variations in the socioeconomic, technological, competitive and legal-political environments. So price sensitivity, promotion responsiveness, advertising, store image, and other activities all may differ according to the country involved. Keller (2002) notes that these differences in response to marketing activity might also be reflected in differences in consumer behavior and decision-making. Therefore, in developing a worldwide competitive strategy for brands, the successful strategy should be “Plan globally and act locally,” wherein activities such as product design are conducted at a global level and marketing and other transnational activities are customized at home.

Brand Equity Study in the Chinese Clothing Market

With a population of one billion plus, China has the greatest number of consumers in the world. The country has achieved tremendous economic growth since the adoption of its open-door policy in 1978. As a result of market reforms, and due to its sheer market size, it has increasingly become a coveted market and offers an opportunity that many Western marketers of branded goods have decided they can no longer ignore (Yan, 1994). In fact, China has become one of the most attractive consumer markets in the world (Brewer, 1997), and the second most popular host country for foreign direct investment (FDI), second only to the United States (Lounsbury and Martin, 1996).

After an economic slowdown from 1995 to 2000, China's economy rose by 8 percent in 2000 (Asian Development Bank, 2001). Retail sales reflect similar rates of growth; in 2002, retail sales were up 8.8 percent over the previous year (Just-style.com, 2003). The world's biggest population inhabiting one of the world's biggest land areas adds up to potentially the world's biggest consumer market.

As an economy, China is growing phenomenally at around 9 percent per year. Retail is still in its embryonic stages, there is everything to play for, and the fashion sector is the most elitist and dynamic, showing 13 percent growth year on year (*Brand Strategy*, 2004). The garment trade in China has been growing at a double-digit rate in recent years. According to the Economic and Textile Research Center of the Republic of China, demand for clothing in China approximated 5.57 billion suit in 2000, with total sales reaching RMB360 billion. A 2002 survey of 200 retailers in China showed that, compared to the same period in 2000, apparel retail sales grew 34.8 percent in 2002 (Lee, 2002).

Since the opening of its market over two decades ago, China has become one of the most attractive markets for global apparel firms. More than 50 multinationals have shops there that basically dominate the expensive apparel segment, and foreign brands have an annual growth rate of 15 percent (China Business Information Network, 1996). It is not surprising, then, that some foreign apparel businesses, including Hugo Boss, Armani, and Zegna, are finding Chinese customers for their higher-priced classic suits, jackets, and slacks (Bow, 1999). In China, imported clothing products are typically associated with high fashion, or with those who have high social status (Bow and Ford, 1993; Li and Gallup, 1995; Hong Kong Trade Development Council, 1994), so most consumers living in cities prefer imported brands to those produced locally. There is a tendency for Chinese consumers, especially young people, to pursue a “modern” lifestyle by spending on big brand name products and keeping up with the fashion trends (Ariga, Yasuo, and Wen, 1997; Bow and Ford, 1993; Cui, 1997; Swanson, 1995). According to the results of a survey of 1,200 Beijing and Shanghai youths in 2004, one-third of the respondents thought Nike was the coolest

brand, with Sony and Adidas each receiving about 15 percent of the votes (Wall Street Journal, 2004).

Joining the WTO would make China ever more interconnected to the global economic system. In line with expected economic growth and market prosperity, living standards in China are set to improve dramatically. Thus, the demand for and spending on medium to high-priced imported apparel brands are projected to rise along with household income. However, China has a culture and consumer behaviors that differ greatly from the West, giving it a reputation as a challenging market for overseas organizations to explore. Many companies have failed there because of their lack of knowledge of the people and the market (Ayala, Lai, Mok, Wei, and Zhang, 1996). Others have succeeded in making some immediate profits but still faced withdrawal from the market after a relatively short period of time. Only a few multinational companies have succeeded in building their brands in the Chinese market (Muhlbacher and Leih, 1999).

A few studies have investigated building brand equity in China, or in other developing countries that are at a comparable level of socioeconomic, market, and technological development. However, these studies are few and lack systematic investigation. Melewar, Meadows, Zheng, and Rickards (2004), in a study of the influence of culture on brand building in the Chinese market, showed that the emphasis of Chinese consumers' perceptions of brands is now focused on the real value and quality provided by the products, rather than on the brand name alone. A meaningful brand name associated with a product is more likely to be remembered by the Chinese consumer, and word-of-mouth recommendations are very important. Schmitt, Pan, and Tavassoli (1994) studied brand identities throughout the Asia

Pacific region. According to their report, three important tasks should be approached when introducing a brand in China: (1) consider the way the brand sounds, how it appears, and what it means in the country; (2) associate the brand with prestige while producing a positive image; and (3) convince the highly price-conscious Chinese consumer that a quality product is being provided at a good price. The study also showed that name recognition and a positive brand image might be established in China via mass media communication.

Deficiencies of Previous Studies

Taken together, these previous studies have offered several generalizations about relationships between marketing activities and the building of brand equity. However, they also show some deficiencies.

First, compared to previous studies, Yoo et al. (2000) provided a more systematic view of the relationship between selected marketing mix elements and the creation of brand equity. However, as they pointed out, a major conceptual limitation of their study was that their Brand Equity Creation Process Model tested only a few marketing efforts, so future studies should examine more marketing actions to enhance the explanatory power of the brand equity phenomenon. They also urged explorations of more detailed marketing practices, not just the broad marketing activities (the 4 Ps) in their study.

Second, although considerable research has investigated how to employ marketing efforts to build brand equity, almost all previous studies have focused mainly on American and other Western countries' consumers, and very few of these theories have been subjected to validation outside Western culture. Consumers in

different parts of the world can vary in their attitudes and opinions concerning marketing activities (Dawar and Parker, 1994), so results from these previous studies might not be similarly associated with consumers in other countries with very different cultures and consumer behaviors, such as the Chinese. Since Yoo et al.'s (2000) Brand Equity Creation Model was designed according to consumer behaviors in Western countries, Yoo and Donthu (2002) repeated the study in the Korean market and found some variant effects of the marketing efforts and brand equity dimensions across the US and Korean samples. They suggested that cultural differences might mediate the effect of marketing efforts on creating brand equity. The unique Confucianism, family-ism, group orientation philosophy of life and mode of thinking makes the Chinese cultural system distinctive and powerful (Fan, 1995), so it is the purpose of the current study to analyze how cultural differences influence the effect of marketing activities on brand equity in the Chinese market.

Third, despite the growing importance of the Chinese market, the topic of how to build brand equity with various marketing strategies there appears to be under-researched. Both international marketing practitioners and researchers have proclaimed the need for greater cross-cultural understanding of consumer behavior as essential for improving international marketing efforts (Briley, Morris, and Simonson, 2000; Hampton and Gent, 1984; Leach and Liu, 1998; McCort and Malhotra, 1993). The importance of the Chinese market warrants an increase in research attention. What adds urgency to the research is the need for a solid understanding of the Chinese consumer. This can provide international marketers with valuable information for formulating marketing strategies as well as creating advocacy messages and corrective responses. Moreover, a knowledge of Chinese consumer

behavior may have tremendous implications for the Greater China area and other Eastern societies such as Singapore and Malaysia, where Confucian cultural values still have a profound influence regardless of economic achievement (Gong, 2003).

Statement of Purpose

To address the aforementioned deficiencies in the literature, the current study uses an expanded Brand Equity Creation Model to explore the relationship between selected marketing activities and brand equity in the Chinese market, using imported clothing brands. A secondary purpose is to examine different effects of detailed marketing practices on brand equity building in the Chinese clothing market, such as the effect between price and non-price promotions.

Yoo et al.'s Brand Equity Creation Process Model (2000) was modified and empirically tested for the study. Customer surveys were used to collect data from among a sample of customers chosen from shopping centers in Beijing and Shanghai. The selected marketing mix included price, store image, distribution intensity, celebrity endorsement, event sponsorship, target marketing, expenditures on TV, print, and Web advertising, frequency of price promotions, and frequency of non-price promotions. Being a multidimensional concept (Aaker 1991), brand equity was grouped into four categories: perceived quality, brand loyalty, brand awareness, and brand association. Specifically, the relationship between selected marketing activities and brand equity dimensions and the relationship among the four dimensions of brand equity were investigated (see Figures 2-4).

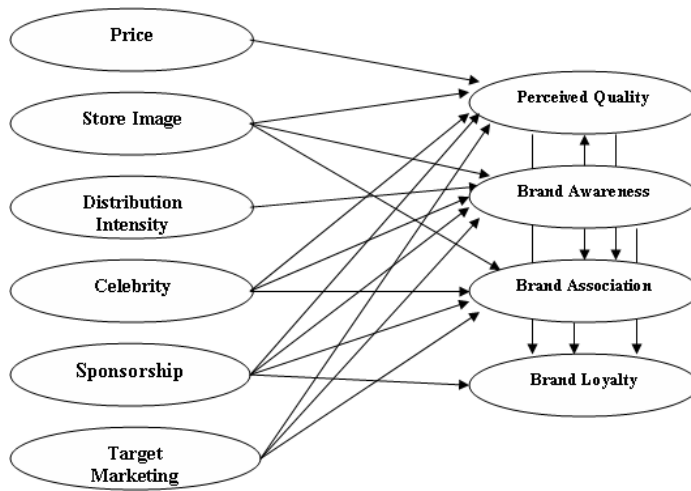


Figure 2: The Relationship Between Six Marketing Activities and Four Brand Equity Dimensions

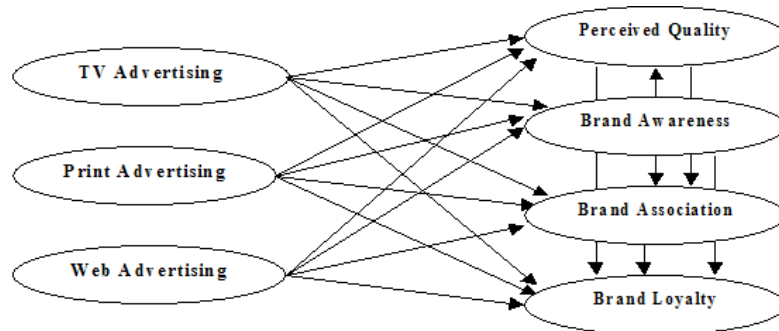


Figure 3: The Relationship Between Advertising Expenditures and Brand Equity Dimensions

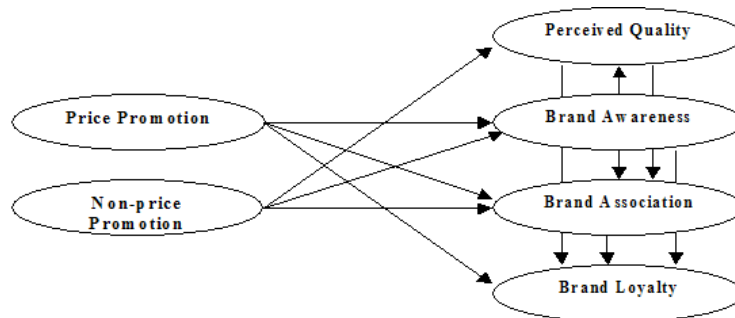


Figure 4: The Relationship Between Promotions and Brand Equity Dimensions

Theoretical Perspective

In order to generate meaningful research results in examining Chinese consumer attitudes toward the marketing strategies of apparel multinationals, proposed theoretical frameworks and findings from previous studies were analyzed and a modified model was developed. Aaker (1991) formulated the proposal of brand equity, defined as a set of assets and liabilities linked to a brand that create value for both customers and the firm (see Figure 5). The set of assets and liabilities could be usefully grouped into five categories: brand loyalty, brand awareness, perceived quality, brand association, and other brand proprietary assets. As the basis of brand equity, they are called the brand equity dimensions. Aaker (1991, 1996) also suggests that each brand equity dimension can be achieved by a variety of marketing strategies.

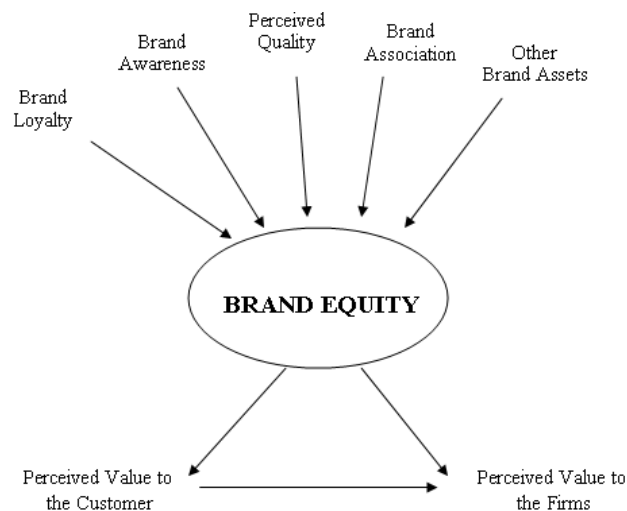


Figure 5: The Concept of Brand Equity

Based on Aaker's concept, Yoo, Donthu, and Lee (2000) created the Brand Equity Creation Process Model to systematically examine the relationship among

marketing efforts, brand equity dimensions, and brand equity. Their model was an extension of Aaker’s proposal that indicated marketing activities have significant effects on brand equity dimensions, which in turn create and strengthen the equity. Therefore, the relationship between marketing activities and brand equity is mediated by these dimensions. It was also assumed that significant relationships exist among the dimensions themselves. Yoo et al.’s model was built based on the following conceptual framework of brand equity (Figures 6). As one of the first studies of its kind, this framework provides a good starting point for further research on the linkage between marketing activities and brand equity.

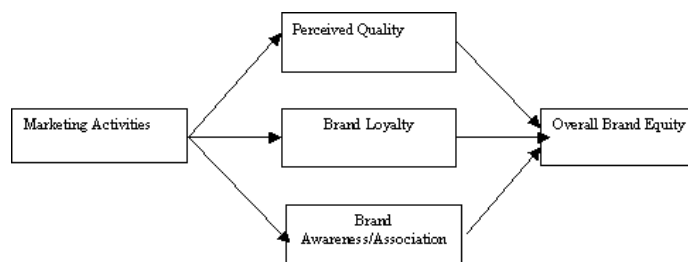


Figure 6: The Conceptual Framework of Brand Equity

Because brand equity is rooted in these four dimensions, brand management should capitalize on the current strength of the dimensions. Brand-leveraging strategy that ignores the roots of brand equity may jeopardize the brand and its extensions (Aaker, 1997). Therefore, the relationships between the selected marketing efforts and the four brand equity dimensions are crucial in creating brand equity. Since the Brand Equity Creation Process Model in Yoo et al. (2000) has been modified and expanded in this study to explore the relationship of marketing activities to brand equity in the

Chinese market, the relationship between marketing efforts and brand equity dimensions is the primary focus of this research.

When Yoo et al.'s Brand Equity Creation Process Model was applied in this study, more marketing activities were added to enhance the explanatory power of the brand equity phenomenon. In addition, more detailed marketing activities (e.g., print, TV, and Web advertising) were examined in order to provide more insightful suggestions for marketers.

Potential Contributions of the Study

Compared with previous research in this area, there are two main unique contributions of this study:

1. Conceptually, the study enriches the literature by using more variables in the Brand Equity Creation Model. The model expands Yoo et al.'s model by including more activities and examining more detailed practices in order to more systematically examine the relationship between marketing efforts and brand equity building.
2. Empirically, the cross-cultural test can enhance the generalizability of findings from previous studies and use the expanded model to investigate marketing activities and brand equity creation in the Chinese market, with its distinctive Eastern culture so different from the West.

This research should benefit practitioners and academics alike. For researchers, it expands existing brand equity creation models and provides a more systematic framework, which can be used in future similar research. Moreover, the study empirically tests the expanded Brand Equity Creation Process Model of Yoo et al. (2000) in the Chinese market, thereby enhancing the generalizability of Yoo et al.'s

findings.

To multinational companies, China's 1.3 billion consumers undoubtedly represent a huge and important market. But marketers need to know how best to reach those customers. First, this study should help foreign marketers find answers to the following key questions: How do we build brand equity through the appropriate marketing strategy in China? And do the marketing activities designed to build brand equity need to be modified to accommodate different attitudes or behaviors in China? Second, through a focus on a specific category—clothing brands—findings about brand-building strategies can be related or applied to other product categories. Third, for multinational companies considering this market opportunity, the study provides general information about consumer behavior in Greater China and other Eastern societies, as well information about Chinese market environments.

CHAPTER 2

REVIEW OF THE LITERATURE

The Relationship of Culture and Consumer Behaviors

There are many definitions of culture. Kroeber and Parsons (1958) described it as “transmitted and created content and patterns of values, ideas, and other symbolic-meaningful systems as factors in the shaping of human behavior and the artifacts produced through behavior.” Culture is the collective programming of the mind, which distinguishes the members of one category of people from another (Hofstede, 1984). According to Samovar and Porter (1994), culture refers to the cumulative deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religions, notions of time, roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a group of people in the course of generations through individual and group striving. Using White’s (1969) terminology, culture comprises technology (material), social structure (behavior), and ideology (cognitive) components. Because culture is an interacting system, these components influence and are influenced by each other in satisfying human needs.

Dress is a sub-cultural system, unique in its particular cultural manifestation but universal in the fact of its expression. Like the macro-cultural system in which dress functions, this cultural subsystem also consists of three primary and distinctive but interrelated and interactive components: technology (material culture), social structure (social behavior), and ideology (beliefs, attitudes, values) (Hamilton, 1987).

There are large differences among the value systems of consumers in different

countries, value systems that are strongly rooted in history and appear to be very resistant to change. Effectiveness in marketing means adapting to cultural values (Mooij and Hofstede, 2002). Culture has recently gained more attention from academics in the area of consumer behavior. Nevertheless, the relation between culture and consumer behavior seems debatable. In his article “The Globalization of Markets,” Levitt (1983) argued that new technology would lead to the homogenization of consumer wants and needs because consumers are expected to prefer standard products of high quality and low price. His argument was based on the assumption that consumer behavior is rational. However, the assumption of rationality has been increasingly regarded as unrealistic, placing the consumer outside a cultural context (McCracken, 1990; Suerdem, 1994). In business practice, ignoring culture’s influence has led many multinationals to centralize operations and marketing, but instead of increasing efficiency this has resulted in declining profitability. Thus, many experts have expressed their confidence and consensus in the link between culture and consumer behavior (Yau, 1994).

Chinese Culture and Its Relationship to Chinese Consumer Behaviors

It has been said that Chinese culture is simultaneously the oldest and the youngest culture in the World: oldest because it has about 5,000 years of history, youngest because of a history that has often made radical changes in cultural values possible (Lu and Alon, 2004). According to Yin (2000), traditional Chinese culture encompasses diverse and sometimes competing schools of thought, including Confucianism, Taoism, Buddhism, and a host of regional cultures. Among these, Confucianism has played the biggest part in shaping a uniquely Chinese culture.

Confucianism was not a religion but a set of pragmatic rules of daily life derived from what Confucius saw as the lessons of Chinese history. It was a secular social theory, the foremost principle of which was to achieve a harmonious society (King and Bond, 1985). The following are key principles of Confucian teaching (Hofstede, 2001):

1. The stability of society is based on unequal relationships between people. The five basic relationships are: master-follower, father-son, elder brother-younger brother, husband-wife, and senior friend-junior friend.
2. The family is the prototype of all social organizations. A person is not primarily an individual, but rather a member of a family.
3. Virtuous behavior toward others consists of not treating others as one would not like to be treated oneself.
4. Virtue with regard to one's tasks in life consists of trying to acquire skills and education, working hard, not spending more than necessary, being patient, and persevering. Conspicuous consumption is taboo, as is losing one's temper. Moderation is prescribed in all things.

With the advent of economic reform after 1978, China moved from a centrally planned economy to a diversified structure in which different economic forms have developed side by side. The transition from planned to market economy has brought about great political and cultural changes, which naturally have led to changes in the value system. Like consumers in other countries, Chinese consumers have experienced greater spending power, new communication capabilities, and globalization during this period.

Lu and Alon (2004) analyzed the changing trends in attitudes and values of the

Chinese, specifically focusing on the cultural trends that affect today's young and educated population. They found that whereas some newer values borrowed from trading nations (most from the individualization of society) have permeated all levels of society, traditional values such as education, integrity, responsibility, patriotism, and concern for others have remained intact over time and across generations. Self-realization is now a strong concept among the young in China; however, collectivism is still prevalent as it is closely related to the individual-group relationship.

Several studies have explored the relations between Chinese culture and Chinese consumer behavior. Kluckhohn and Strodtbeck (1961) suggested a multidimensional classification of culture in 1961 and found that five value orientations—man-nature, man-himself, relational, time, and activity—could be used to discriminate a culture. According to this classification, Yau (1994) explored Chinese cultural values and their possible marketing implications.

In studying international differences in working-related values, Hofstede (1997, 2001) also suggested a framework of national culture with five dimensions: (1) individualism; (2) long-term orientation; (3) uncertainty avoidance; (4) power distance; and (5) masculinity. Individualism refers to the degree to which individual decision making and action are accepted and encouraged by society. Long-term orientation is the extent to which a society exhibits a pragmatic, future-oriented perspective rather than a conventional historic or short-term perspective. Uncertainty avoidance refers to the degree to which society is willing to accept and deal with uncertainty. Power distance refers to the degree to which differences in degrees of are accepted. And masculinity refers to the degree to which traditional male values (assertiveness, performance, ambition, achievement and material possessions) are

important. Hofstede's dimensions have been measured in many countries, including China, on an index scale from 0 to 100.

This study employs a combination of these two classification frameworks to examine Chinese cultural values and their marketing implications.

Man-Nature Orientation

The Chinese regard man as a part of nature, and believe that man should not try to overcome or master nature but learn instead how to adapt to it so as to achieve harmony. Therefore, the Chinese have a great tendency to attribute the failure of products and services to fate rather than to the retailer that distributes them or the manufacturer that produces them. Hence, they are reluctant to complain about products that do not meet their expectations.

Man-Himself Orientation

Chinese people believe in modesty and self-effacement, and they try to avoid saying "No" when asked to express an opinion. This value of abasement means Chinese buyers like to shop in a free environment without interference. So for sellers in China, it is proper to maintain distance from the customer while, at the same time, letting the customer know they are ready to help.

Relational Orientation

Respect for authority. The Chinese people have a strong respect for authority. Hofstede's analysis for China showed a significantly higher Power Distance ranking of 80 than the world average of 55 (ITIM Culture and Management Consultants, 2005). Power distance is a measure of the interpersonal power or influence between Boss B and Subordinate S as perceived by the less powerful of the two, S. In cultures with large power distance, everyone has his/her right place, there is respect for old age,

and status is important to show power (Mooij and Hofstede, 2002). For example, people in China were accustomed to calling Mao Zhedong “Chairman Mao” in order to show respect for his authority. And a child is not allowed to call his parents’ friends by name. So advertising should be more effective in China when opinion leaders are included in commercials to recommend products/services to target customers. When products/brands are launched by well-known forms, their price can be higher than other competitive products because Chinese people believe in established brands and companies (Yau, 1994).

Face. Face is a very important concept in interpersonal relations among the Chinese. People are always strongly constrained to meet the expectations of others, to maintain their “face,” and to allow others to maintain “face” as well. Someone who is embarrassed, makes a mistake, or is humiliated is said to “lose face.” This value is very meaningful for studying gift-giving behavior in China. When products are given as gifts in China, their packaging should look beautiful and prestigious, thereby gaining face for the gift senders.

Collectivism. The concept of face conflicts with individualism, which emphasizes the individual’s well-being and self-realization. Hofstede’s analysis of China showed that the Chinese ranked lower than any other Asian country on Individualism, with a ranking of 15 compared to an average of 24 (ITIM Culture and Management Consultants, 2005). A society with low individualism fosters strong relationships in which everyone takes responsibility for fellow group members, and the social network is the main source of information. Hofstede (2001) suggests further that in a collectivist society, at the opposite end of the continuum from individualism, group membership is maintained through filial piety (obedience to parents, respect for

parents, honoring of ancestors, financial support of parents) and chastity in women, and is associated with patriotism. And in Chinese society, judgment of an individual's behavior is based on whether he has done something to honor the large group to which he belongs.

The fact that the Chinese are such highly collectivistic and group-oriented people has several implications for marketing. First, communication is more implicit, as the Chinese tend to rely more on word-of-mouth communication. Second, they are likely to buy products/brands recommended by other group members, so choosing the proper reference people is very important in marketing a new product or brand. Third, family—even including distant relatives—is a more important concept than in Western cultures, so the theme of extended family in advertising is attractive to customers in China. Fourth, according to Mooij and Hofstede (2002), people in collectivist cultures are more likely to rely on extrinsic cues to choose products and brands, so the Chinese should more likely prefer national or global brands to private label brands.

Schwartz (1990) states that individualist and collectivist cultures can be viewed as essentially reflecting a basic value emphasis. Collectivism versus individualism is the basic difference between Chinese and Western cultures and between the traditional China and the modern, more Westernized China.

Time Orientation

Past-time orientation. Chinese people are strongly oriented to the past (Kluckhohn and Strodtbeck, 1961). China has always been a conservative country, and its people are likely to consider the opinions, values, and influences of deceased relatives and respected figures in their consumption choices. Such an orientation

implies that Chinese are loyal customers, tending not to switch easily to other products or brands if they are still satisfied.

Long-term orientation. People with a long-term orientation foster virtues that aim toward future rewards, particularly perseverance and thrift. In Hofstede's analysis, China had the highest Long-term Orientation score (114) in the world (ITIM, 2005). Following Confucianist teachings, Chinese people work hard, do not spend more than necessary, and are patient and persevering. They believe thrift is a virtue. For instance, studies have shown that discounts offered by retailers do not necessarily attract customers in a long-term-oriented culture, even though they emphasize the value of thrift. Offering long-term savings opportunities to such customers is a more effective way to build a marketing relationship.

The use of financial services and services of Chinese people is related to long-term orientation. According to Mooij and Hofstede (2002), a long-term orientation culture involves cash or debit cards, not credit cards. Chinese people like saving money for the future and do not like borrowing money from it. They are also unwilling to pay for convenience. Many prefer to go to a store and pick up merchandise rather than have it delivered to their home. These are obvious obstacles to the development of e-commerce in China.

Personal Activity Orientation

“Mean” is a foundational concept in China's Confucianist cultural system, which is defined as “without inclination to either side” (Legge, 1960). People do not believe in suppressing passion and impulses but in regulating them so as to achieve internal harmony. This explains why Chinese customers are more averse to taking risks and slow to accept new fashions and innovations, believing that those are

extreme behaviors and not in accord with the “mean” value.

Masculinity and Femininity

According to Hofstede (2001), masculinity and femininity refer to the dominant gender role patterns in the vast majority of both traditional and modern societies—patterns of male assertiveness and female nurturance. Because Chinese philosophers have always stressed that the masculine (*yang*) and the feminine (*yin*) elements in life are intertwined, both the values correlated with femininity (patience, courtesy, and kindness) and those with masculinity (patriotism and a sense of righteousness) are consistent in the Chinese value system.

Brand Equity Creation Model

This study employs a Brand Equity Creation Model to investigate the relationship between selected marketing activities and brand equity creation for imported clothing brands in China. As stated above, Yoo, Donthu, and Lee’s (2000) Brand Equity Creation Process Model, an extension of Aaker’s model (1991), indicates that marketing activities have significant effects on brand equity dimensions, which create and strengthen the equity and, it also assumed that there were significant relationships among the dimensions of brand equity. Yoo et al. used this model to investigate the relational linkage between several perceived marketing mix activities and brand equity through the mediating role of the dimensions in the United States, then Yoo and Donthu (2002) applied it in a cross-cultural study of US and Korean samples.

In the original Brand Equity Creation Process Model, Yoo et al. defined brand equity as the difference in consumer choice between the focal branded product and an

unbranded product given the same level of product features. They recognized three dimensions of brand equity: perceived quality, brand loyalty, and brand awareness with brand association. And they selected some key elements of the marketing mix from the traditional "4P" marketing activities as a representative set of marketing programs: price, store image, distribution intensity, advertising expenditures, and price promotions.

Compared to the three brand equity dimensions in Yoo et al.'s model (2000), four brand equity dimensions are examined in the current study. As identified by Aaker (1991, 1996), they are: brand loyalty, perceived quality, brand awareness, and brand association. Because brand awareness and brand association, which are combined as one dimension in Yoo et al.'s model, may contribute differently to establishing brand equity and relate differently to some marketing practices, we have separated them into two independent variables in this study.

Hypotheses

Definition of Brand Equity

Brand equity is the incremental utility and value added to a product by its brand name, such as Coke, Kodak, Levi's, and Nike (Farquhar, Han, and Ljiri, 1991; Kamakura and Russell, 1993; Park and Srinivasan, 1994; Rangaswamy, Burke, and Oliva, 1993). It can create value for both the customer and the firm (Aaker, 1991). Consequently, it has received tremendous interest both in conceptual development and empirical research.

Since the term "brand equity" emerged in the 1980s, there has been a

burgeoning interest in the subject among marketing academicians and practitioners (Cobb-Walgren et al., 1995), who have given it many definitions: the added value endowed by the brand name (Farquhar et al., 1991); incremental utility (Kamakura and Russell, 1993); the difference between overall brand preference and multi-attributed preference based on objectively measured attribute levels (Park and Srinivasan, 1994); and overall quality and choice intention (Agarwal and Rao, 1996). From a customer-based perspective, Keller (1993) defines brand equity as the differential effects that brand knowledge has on consumer response to the marketing of the brand (customer-based brand equity). Based on the value of brand equity, Aaker (1991) defines it as a set of assets (and liabilities) linked to a brand's name and symbol that add to (or subtract from) the value provided by a product or service to a firm and/or that firm's customers. Adopting an information economics view, Erdem and Swait (1998) have argued that customer-based brand equity is the value of the brand as a credible sign of a product position. More generally, brand equity is often referred to as the added value to the firm, the trade, or the consumer with which the brand endows a product (Farquhar, 1989)—or, similarly, as the difference between the value of the branded product to the consumer and its value without that branding (McQueen, 1991).

The Value of Brand Equity

A primary responsibility of brand managers should be to build up the equity of a brand, since the result provides value to both the firm (e.g., via effectiveness of marketing programs, brand loyalty, price premiums, favorable environment for brand extensions, and so on) and the customer (e.g., via enhanced information processing,

purchase decision confidence, and increased satisfaction) (Aaker, 1991; Keller, 1993; Cobb-Walgren et al, 1995).

Brand equity has various benefits for a firm. Strong brands enhance consumer awareness, loyalty, and the efficiency and effectiveness of marketing and advertising programs (Aaker, 1991; Aaker and Biel, 1993). In other words, enhanced brand equity leads to higher prices, lower price elasticity, greater competitiveness, and, ultimately, higher profits and market value (Aaker and Biel, 1993; Agres and Dubitsky, 1996; Graeff, 1997). According to Lane and Jacobson (1995), brand names are valuable because of their ability to maintain and create earnings for the firm over and above those generated by tangible assets. The financial value of brand equity stems not only from the additional earnings that accrued to a specific product in its traditional market but also because an established name can be used with new and different products. Adler and Freedman (1990) have further suggested that brand equity can provide short-term protection from competition (based on consumer loyalty and switching costs), and can also be used to deflect competitive initiatives, such as through the judicious use of trade leverage.

The Relationship Between Brand Equity and Brand Equity Dimensions

The multidimensional concept of brand equity takes several forms, such as favorable impressions, attitudinal dispositions, behavioral predilections (Rangaswamy et al., 1993), loyalty, and image (Shocker and Weitz, 1988). Aaker (1991, 1996) grouped it into five categories: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. According to Keller (2002), sources of brand equity come from

brand knowledge, which can be characterized in terms of two components: awareness and association. A high level of brand awareness and a set of strong, favorable, and unique brand associations in consumer memory lead to a high level of brand equity. Collectively, then, brand equity can be grouped into four major dimensions: perceived quality of the brand, brand loyalty, brand awareness, and brand association. These dimensions can be used to explore the findings of marketing and consumer behavior research in relation to brand equity (Barwise, 1993). This study examines these four brand equity dimensions.

Perceived Quality

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to intended purpose, relative to alternatives (Zeithaml, 1988). Aaker (1991) has suggested that perceived quality lends value to a brand in several ways: reason-to-buy, differentiation, price premium, channel member interest, and brand extensions. Marketers across all product and service categories have increasingly recognized the importance of perceived quality in brand decisions (Morton, 1994).

Chinese consumers are now paying more attention to product quality. Siu and Chan (1997) argue that quality cues enjoy a supreme position in clothing product evaluation for Chinese consumers in Hong Kong. Similarly, Melewar et al. (2004) have shown that the emphasis of Chinese consumer perceptions of brands is now placed on the real value and quality provided by the products, rather than on the brand name alone. DeLong, Bao, Xu, Chao, and Li (2004) suggest that clothing products will remain competitive in the Chinese market only if consumers perceive a maintained product quality. Guaranteed quality is one of the most important reasons why

consumers in China prefer imported brands to those produced locally. So it is widely believed that the major challenges for foreign products in the Chinese market stem from improved local product quality (Cui, 1997).

Brand Loyalty

Brand loyalty, according to Schoell and Guiltinan (1990), is "the degree to which a buying unit, such as a household, concentrates its purchases over time on a particular brand within a product category." According to Oliver (1997), brand loyalty refers to the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice. Aaker (1991) defined brand loyalty as consumers continue to purchase a brand even in the face of competitors with superior features, price, and convenience, and substantial value existing in the brand and perhaps in its symbol and slogans. Brand loyalty is qualitatively different from the other major dimensions of brand equity in that it is linked to prior purchases and experience. According to Aaker (1991), brand loyalty adds considerable value to a brand and/or its firm because it provides a set of habitual buyers for a long period of time. Brand equity increases as brand loyalty increases.

Kim, Forsythe, Gu, and Moon (2002) examined the relationship of consumer values, needs, and purchase behaviors in China and South Korea and found that Chinese consumers exhibited brand-loyal behavior in apparel purchases that satisfied three needs: functional, experiential, and social needs, especially the latter two. This finding suggests that Chinese are loyal to a brand when high brand equity can bring them great value. Wang, Siu, and Hui's study (2004) supports this finding. They showed that consumers in China who preferred to buy imported brand clothing tended

to be brand loyal and brand conscious. They also found that the consumers normally linked imported brands to higher quality and a more positive brand image.

Brand Awareness

Brand awareness refers to the ability of a potential buyer to recognize or recall a brand as a member of a certain product category (Aaker, 1991). According to Keller (1993), brand awareness consists of two sub-dimensions: recall and recognition.

Brand recognition is the basic first step in the task of brand communication, whereby a firm communicates brand attributes until a brand name is established with which to associate them. Aaker (1991) argues further that brand awareness can be a sign of quality and commitment, letting consumers become familiar with a brand and helping them consider it at the point of purchase.

Because of their limited experience with the modern free marketing system, Chinese consumers depend on reputable brands to provide security. Brand name and country of origin have emerged as important evaluative criteria among them. They tended to associate imported brand names with the positive image they have of Western culture, such as high quality, high technology, and high fashion. A well-known brand is not only an assurance of quality but also earns "face" or a sort of respect, for them (Gong, 2003). Lin and Chang (2003) examined habitual behavior, such as loyalty, toward national and leading underwear brands in China and found that perceived awareness not only represented the dominant cue for choice decisions but also had a significant effect on consumers' brand loyalty.

Brand Association

Brand association is anything "linked" in memory to a brand (Aaker, 1991). A set of associations, usually organized in some meaningful way, forms a brand image.

Brand associations create value for the firm and its customers and lead to brand equity by helping to differentiate the brand, create positive attitudes or feelings in customers' minds, and provide a reason to buy it.

As the Chinese market has grown, consumers have become more sophisticated and demanding. Not only have they raised their standards in choosing apparel but also have made them more personalized, tending to choose clothes that reflect their personalities (Kwan, Yeung and Au, 2003). Siu and Tam (1995) argue that in a Chinese business environment, comprehension (customers' perceptions of product attributes) and image (customers' associations with the brand) are pivotal to foreign brands. Currently, Chinese consumers pay more attention to brand uniqueness and personality, not just fashionable products (Market-Expert, 2004). Zhang (1999) has shown further that Chinese increasingly emphasize brand name, designer status, and the entrenched social and cultural values of a product or service. Having explored consumer perceptions of US branded apparel in Shanghai, DeLong et al. (2004) suggest that consumers' positive perceptions of design, innovation, and brand image should enable US branded products to capture market share in China.

Relationship Among Brand Equity Dimensions

As previous studies have determined, directional relationships exist among the four brand equity dimensions. Perceived quality is based in part on brand awareness, as a visible brand might be considered more able to provide superior quality. Brand association relies on the establishment of brand awareness, because brand awareness indirectly affects behavior, having a positive influence on perceptions and attitudes toward the brand (Aaker and Alvarez del Blanco, 1995). It is usually wasteful to

attempt to communicate brand attributes until a name is established with which to associate them. Moreover, the principal characteristic of a brand is its position on the perceived quality dimension. High quality enables consumers to recognize the brand's distinctiveness and superiority. Brand loyalty is a basis of brand equity. However, it is influenced in part by the other dimensions of brand equity, awareness, association, and perceived quality.

Thus, there is no claim that the four major brand equity dimensions are independent. Results from Yoo et al. (2000) support the statements that there are significant intercorrelations among the dimensions of brand equity. The current study proposes the following relationships among the four dimensions:

Hypothesis A1: The perceived quality of a brand is related positively to the extent to which brand awareness is evident in the product.

Hypothesis A2: Brand association is related positively to the extent to which perceived quality is evident in the product.

Hypothesis A3: Brand association is related positively to the extent to which brand awareness is evident in the product.

Hypothesis A4: Brand loyalty is related positively to the extent to which perceived quality is evident in the product.

Hypothesis A5: Brand loyalty is related positively to the extent to which brand awareness is evident in the product.

Hypothesis A6: Brand loyalty is related positively to the extent to which brand association is evident in the product.

Relationship Among Marketing Activities and Brand Equity Dimensions

The brand knowledge-building process depends on three factors: choosing brand elements, designing and integrating marketing programs, and leveraging secondary knowledge to build brand equity. Among them, the primary input comes from the marketing activities related to the brand. A high level of brand awareness and strong, favorable, and unique brand associations can be created in a variety of different ways by marketing programs (Keller, 2002).

According to Yoo et al.'s Brand Equity Creation Process Model, the effects of marketing activities are mediated by the dimensions of brand equity. To examine this relationship, we need to first investigate and determine the relationships between marketing activities and brand equity dimensions. This study has investigated 11 activities designed to build brand equity: price, store image, distribution intensity, celebrity endorsement, event sponsorship, target marketing, TV, print, and Web advertising expenditures, frequency of price promotions, and frequency of non-price promotions. Compared to Yoo et al.'s model, the new marketing activities in the current study are: celebrity endorsement, event sponsorship, target marketing, TV, print, and Web advertising expenditures, and frequency of non-price promotions. These represent the most commonly used marketing strategies employed by a firm in the process of building brand equity. Some specific marketing efforts, which belong to the same marketing strategy, are included in this study, so the examination of their comparable effects on brand equity building provide more insightful suggestions for marketers (Kalra and Goodstein, 1998).

Following the literature, for each selected marketing activity we obtained hypotheses about its relationship with the dimensions of perceived quality, brand

loyalty, brand awareness, and brand association. These hypotheses are stated in the following sections.

Price

In many categories, consumers often infer the quality of a product on the basis of its price (Keller, 2002). Olson (1977) showed that in judging product quality, consumers use intrinsic cues (information about quality-related product features) as well as extrinsic cues (price, brand name, and so on). When investigating the relationship among price, advertising, and quality, Klein and Leffle (1981) found that price was positively related to quality. Many other studies have also provided evidence to support this relationship: consumers use price as an important extrinsic cue and indicator of product quality or benefits. High-priced brands are often seen as having higher quality and being less vulnerable to competitive price cuts than low-priced brands (Blattberg and Winniewski, 1989; Dodds, Monroe, and Grewal, 1991; Kamakura and Russell, 1993; Rao and Monroe, 1989).

Yoo et al. (2000) argue that although price implies high quality, it does not create loyalty to the brand because both low and high prices can be equally strongly linked to a brand in memory of the benefits that each brought to the consumers. A low-priced product would give transaction utility, whereas a high-priced product would give high-quality image or acquisition utility. Thus, there is no significant and directional relationship between price and brand association. Either a low or high price strategy can make consumers equally aware of the product, so neither is there a significant and directional relationship between price and brand awareness. Following Yoo et al.'s findings from their study, we have assumed there are no significant relationships between price and brand awareness, loyalty, and association.

Chinese people's suspicion of the idea of getting something for nothing dates back to the fourteenth century. People believed that "cheap products are never good," and a high price would be repaid with high-quality products (Yan, 1994). If two products with the same or similar functions differed largely in price, Chinese consumers might think the cheap one had quality problems or other kinds of defects. Therefore, while Chinese consumers are price conscious, they also use price as a signal of quality, as Westerners do (Gong, 2003). Ahmed and Astous (2004) conducted a T-shirt study in China and found that price had the greatest impact on the perceived quality of the shirts. Thus, they believe that exclusive pricing policies in China can provide a quality image to the product.

Based on these findings, the following hypothesis about the relationship between price and brand equity dimensions in China is put forth:

Hypothesis B1-1: The perceived quality of a brand is related positively to the extent to which the price of the brand is perceived to be high.

Store Image

Store image encompasses characteristics such as physical environment, service levels, and merchandise quality (Baker, Li, Parasuraman, 1994; Zimmer and Golden, 1988). The role of distributors in the marketing system is becoming increasingly important. Their influence on brand equity is beyond the "availability" factor in the marketing share equation, and retailers' brand equity might enhance the equity of the brands they carry based on the value the retailers provide to their customers (Srivastava and Shocker, 1991).

Grewal et al. (1998) found that store image provided a tremendous amount of information to consumers about store environment, customer service, and product

quality, and the perceived quality of the brand was found to have a positive relationship with store image. When examining the effects of price, brand, and store information on buyers' product evaluation, Dodds et al. (1991) found that both brand and store names had a positive effect on perception of quality.

Stores with a positive image can provide greater consumer satisfaction and stimulate active and positive word-of-mouth communication among consumers (Rao and Monroe, 1989; Zeithaml, 1988). So a positive store image can increase a brand's level of exposure in the marketplace, which can improve brand recognition and awareness.

A brand's image is a combination of consumers' subjective perceptions of the product's innate characteristics and the surrounding environment—the retail setting (Porter and Claycomb, 1997). The distribution channel can directly affect the equity of the brands it sells by its supporting actions. It can also indirectly affect the brand equity of the products by influencing the nature of the product associations on the basis of the associations linked with the retailer stores in consumers' minds. The transfer of the store image associations can be either positive or negative for a brand (Keller, 2002).

Store image appears to have no relationship with loyalty to a specific brand. If the store image does not match the perceived image of the product, consumers will not be impressed enough to show loyalty to the product. Only when there is consistency between product and store images will consumers be loyal to the product available in the store (Yoo et al., 2000).

The marketing literature has long established the importance of store reputation in consumer product evaluation. Choosing the right retail outlet is also important in

China because consumers might expect to find a specific range of values in any given store. Chinese are usually prone to minimizing social risk when making a purchase decision, so such motivation might lead to their use of price ranges and store and brand names to identify products of good value (Gong, 2003). However, when Ahmed and Astous (2004) investigated Chinese consumers' judgments of apparel products (T-shirts) made in both highly and newly industrialized countries, they found that store type did not have a significant impact on judgments of perceived quality and purchase value. As they explained, the channels of distribution in China were just establishing themselves as product promotional tools because of the emerging nature of the economy, so the negligible effect of store type was understandable. Although we could not find more studies conducted in China in this area, we still assume there is a positive relationship between store image and perceived quality, brand awareness, and brand association in the Chinese market.

Based on this, then, the following hypotheses about the relationship between store image and dimensions of brand equity in China are posited:

Hypothesis B2-1: Perceived quality of a brand is related positively to the extent to which the brand is distributed through stores with a good image.

Hypothesis B2-2: Brand awareness is related positively to the extent to which the brand is distributed through stores with a good image.

Hypothesis B2-3: Brand association is related positively to the extent to which the brand is distributed through stores with a good image.

Distribution Intensity

Distribution intensity has been commonly defined as the number of intermediaries used by a manufacturer within its trade areas (Bonoma and Kosnik,

1990; Stern, El-Ansary, and Coughlan, 1996). Alashban, Hayes, Zinkhan, and Balazs (2002) further suggest that distribution intensity refers to the number and different levels of distribution channels for a product in a market. In many categories of consumer products, desired distribution patterns are not straightforward. Some markets, such as the food industry, are characterized by complicated distribution channels; others, such as automobiles, are characterized by selective distribution channels. Ideal distribution intensity would make a brand widely available enough to satisfy, but not exceed, target consumers' needs, since oversaturation raises marketing costs without providing benefits (McCarthy and Perreaul, 1984).

Distribution intensity helps develop brand awareness and recognition (Smith, 1992). A wide variety of possible distribution channels can improve the awareness of brands or products among potential customers.

Consumers might also use brand popularity as a decision influence when the intrinsic quality cues are not available (Rao and Monroe, 1988). Some researchers have thought that a positive relationship exists between market share (popularity) and product quality (Buzzell and Wiersema, 1981; Szymanski, Bharadwaj, and Varadarajan, 1993), because buyers use market share as a signal for brand quality and a brand's widespread acceptance as an indicator of superior quality. However, Frazier and Lassar (1996) showed that manufacturers of brands positioned near the low end of the quality continuum are expected to rely on numerous retailers in each trade area to promote convenient and competitive pricing for their customers. In contrast, the higher the manufacturers position their brands on quality, the lower the level of distribution intensity. Manufacturers positioning their brands as high-quality are likely to be more diligent in screening prospective retailers, because retailer image or

reputation can influence brand image within the store (Lusch and Dunne, 1990).

Farley (1964) found that consumers were brand loyal in markets where brands tended to be widely distributed. Raj (1985) also showed that brand popularity was positively correlated with brand loyalty. A brand had higher repeat rates because of its broader distribution. However, Frazier and Lassar's study (1996) implies that target consumer focus has a significant inverse relationship with distribution intensity. A manufacturer pursuing a broad cross-section of the market for its brand must employ an intensive distribution approach in order to reach a diverse group of consumers who differ in preferences and shopping patterns (Levy and Weitz, 1992). In contrast, a manufacturer targeting a market niche consisting of a relatively small and homogeneous group of consumers is more likely to use a more selective distribution approach. So the impact of distribution intensity on brand loyalty also extensively relies on target consumers of certain brands and manufacturers.

Companies commonly have to juggle distribution decisions and brand image considerations. From a distribution perspective, intensive distribution can provide the products where and when the consumer wants, which implies target customers' needs can be satisfied with intensive distribution strategy (Ferris, Oliver, and Kluyver, 1989; Smith, 1992). However, from a brand image perspective, making the product available in too many places may weaken the brand image. For example, compared to Clinique, Revlon follows an intensive distribution strategy and places its cosmetic products in as many outlets as possible (drugstores, supermarkets, and online). This strategy gives Revlon the image of a convenience good. Similarly, Frazier and Lassar (1996) found that the use of too few intermediaries can limit a brand's level of exposure in the marketplace. However, using too many intermediaries can be

detrimental to the brand's image and its competitive position.

Therefore, based on the above discussion, we could not assume directional relationships of distribution intensity to brand quality, brand loyalty, and brand association, and the relationships are not included in the model of this study. However, the study still explores their relationships according to collected data in the Chinese market.

In China, major apparel retail channels include department stores, individual stores, specialty stores, street markets, and factory/export outlets. A survey conducted by the Hong Kong Trade Development Council (2002) revealed that with the improvement of living standards of urban dwellers in China, many people regard shopping as a leisure activity. Shopping is becoming a habit in many Chinese cities. Tam and Tai (1998) further suggest that many Chinese people see shopping as a leading leisure activity, and they prefer the convenience, proximity, and easy access to shopping centers that are open seven days a week, usually until 9:30 p.m.

A popular Chinese saying states, "Never make a purchase until you have compared three shops." Due to perceived risk, amount of external information, search prudence, and the desire to make a better choice, Chinese usually "shop around" among shops before making a purchase (Gong, 2003). One could observe that many shoppers in big stores are not about to become immediate buyers. Actually, they are looking for market information that can help them in their buying decisions (Melewar et al., 2004). Thus, Lin and Chang (2003) suggest that channel convenience is the most relevant factor determining consumers' habitual behavior in the Chinese clothing market. So improving distribution intensity is crucial for imported clothing brands that are trying to attract and hold consumers in China.

Based on this discussion, the following hypothesis about the relationship between distribution intensity and dimensions of brand equity in China is posited:

Hypothesis B3-2: Brand awareness is related positively to the number of distributors or outlets for the brand.

Celebrity Endorsement

Friedman and Friedman (1979) define a celebrity as “an individual who is known to the public (i.e., actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed”. In testimonial advertising, consumers traditionally have been chosen as product endorsers because of their similarity to the target group. However, a noticeable trend appears to be endorsements by actors/actresses and well-known athletes who are closely associated with both the product and the target audience (Slinker, 1984). According to Bradley (1996), approximately 20 percent of all commercials use some type of celebrity endorsement. The celebrities are most commonly used in advertising, although they can also be effective in consumer promotion, on the package, and at large trade shows, national sales meetings, and other significant publicity events (Till, 1998). Past empirical research has shown celebrities to be well-liked and generally attractive, though not always credible and effective spokespeople (Atkin and Block 1983; Freiden 1984; Friedman, Termini, and Washington 1977).

When a company induces a celebrity to endorse a brand, it hope the brand can benefit from customers' awareness of the product, which could include the perception of quality, educational value, or a certain image. A credible celebrity endorser is normally a sign of high quality in consumers' minds. For example, the association of top-line athletes with a particular sports brand can be seen as an indication of the

superior quality of the product, which creates an image of credibility.

Celebrity endorsement can be used for a variety of purposes, such as the celebrity can be used to attract attention to the product or brand (Kaikati, 1987), communicate its merits (Kamins, 1990), and penetrate commercial clutter (Miciak and Shanklin, 1994). Spielman (1981) has shown that celebrities can be employed to enhance the subject's attentiveness to the ad, make the copy more memorable, credible, or desirable, and effectively glamorize the product. Keller (2002) suggests that the rationale behind the celebrity strategy is that a famous person can draw attention to a brand and shape its perceptions based on consumers' knowledge of the famous person.

Used appropriately, celebrity endorsers can also serve a valuable role in developing brand equity and enhancing a brand's competitive position (Till, 1998). Although marketers can invoke a variety of tools to develop and maintain appropriate associations, celebrity endorsement represents one way in which meanings can be transferred to brands (McCracken, 1989) and become a powerful mechanism for managing brand equity. Endorsements can be effective especially for products high in psychological or social risk (Friedman and Friedman 1979). Nevertheless, although celebrity endorsement can significantly improve brand image, there is little research suggesting that it has a significant effect on brand loyalty.

Fame is big business for a fashion firm. Luxury brands battle intensely to get movie stars to wear their clothes because such a personal choice speaks louder than an advertising deal based on money. Working the celebrity circuit has helped build many fashion brands, such as Versace and Gucci.

The root of Chinese people's strong respect for authority lies in Confucius's five

cardinal relations (Hchu and Yang, 1972). Thus, Yau (1988) has suggested that advertising tends to be more effective when opinion leaders are in commercials recommending products/services. In addition, although the Chinese value system places an emphasis on uncertainty avoidance and conformity (Fan, 2000), people might also feel discomfort from being left behind in a new fashion and thus might be easily induced to follow what the innovator has tried (Hofstede, 1984). Schmitt and Pan (1994) further suggest that under the collectivist culture system, Chinese are likely to use reference groups as influencers. Thus, innovators and opinion leaders have a significant effect on consumer attitudes and behaviors in China. Specifically, the innovator takes over the social and financial risk of trying new products/fashions or lifestyles, while other people make use of his reference in order to diminish their own risks. Thus, the innovator/opinion leader plays an important role in introducing the new product/brand and influencing the majority to purchase it. Kindle (1985) has shown that Chinese consumers are more likely than US consumers to be influenced in their purchasing by opinion leaders. For this reason, many apparel advertisers have invited fashion leaders to appear in commercials and recommend products to target customers. Examples include Michael Chang, who appeared in Procter & Gamble's ads, and Cindy Crawford, who went to Shanghai to promote Omega watches.

Based on the above literature and discussion, the following hypotheses about the relationship between celebrity endorsement and brand equity dimensions in China are put forth:

Hypothesis B4-1: Perceived quality of a brand is related positively to the celebrity endorsement used for the brand.

Hypothesis B4-2: Brand awareness is related positively to the celebrity

endorsement used for the brand.

Hypothesis B4-3: Brand association is related positively to the celebrity endorsement used for the brand.

Event Sponsorship Campaigns

Cornwell (1995) defines sponsorship-linked marketing as “the orchestration and implementation of marketing activities for the purpose of building and communicating an association to a sponsorship.” Promotion industry analysts have found sponsorship popular as a “platform from which to build equity and gain affinity with target audiences” (Smith, 1996).

Previous research suggests that event sponsorship may increase both perceived brand superiority (Crimmins and Horn, 1996) and corporate image (Stipp and Schiavone, 1996). According to Dean (1999), once a link between the sponsoring company and the event has been created and feelings of goodwill toward the event have resulted in feelings of goodwill toward the sponsor, a “halo effect” might then suggest to consumers that the sponsor’s products are superior to its competitors.

The sponsorship of sports, causes, and events has become an established communication tool seen as useful in building brand awareness, brand image, brand preference, and corporate image (Javalgi et al. 1994; Quester, 1997; Keller, 1993; Park and Srinivasan, 1994; Nicholls, 1994). Keller (2002) suggests that sponsored events can contribute to brand equity by increasing the awareness of the company or product name, as well as by creating new associations and improving the strength, favorability, and uniqueness of existing associations. From a consumer perspective, the duration of sponsorship association might influence the strength of brand associations in memory (Johar and Pham, 1999; Keller, 1993).

Sponsorship is far more than a device to build awareness and goodwill. It can inspire customer loyalty or deliver an emotion-laden brand experience to target customers (Cliffe, 2004). About 48 percent of NASCAR fans said they would almost always purchase a sponsor's product over that of a closely priced competitor, and 42 percent said they actually switched brands when a manufacturer became a race sponsor (Crimmins and Horn, 1996). Bloxham (1998) notes that sponsorship of TV programs offers suppliers of goods and services the potential to strengthen brand loyalty and brand positioning among viewers.

Event sponsorship is a very important marketing strategy in China. As stated in the celebrity endorsement section, innovator/opinion leaders play an important role in the unique Chinese culture by introducing a new product/brand, then influencing the majority to purchase it. Fan and Pfitzenmaier (2002) used the Internet-survey method to explore event sponsorship in China, arguing that event promotion plays a key role in international companies' branding and integrating marketing strategy. According to them, one of the most important benefits of event sponsorship in China was the opportunity to establish direct contact with opinion leaders and innovators. Sponsoring sports and music events was found particularly effective in reaching the opinion leaders/innovators and establishing favorable links between an audience and a sponsor's brand image. Among Chinese young people, for example, music events reflect their contemporary wants and attitudes, something that is highly valued by a specific group of the audience. Therefore, event sponsors can develop positive effects in building favorable associations with the brand.

Based on all this, the following hypotheses about the relationship between event sponsorship and dimensions of brand equity in China are posited here:

Hypothesis B5-1: Perceived quality of a brand is related positively to the event sponsorship campaigns used for the brand.

Hypothesis B5-2: Brand loyalty is related positively to the event sponsorship campaigns used for the brand.

Hypothesis B5-3: Brand awareness is related positively to the event sponsorship campaigns used for the brand.

Hypothesis B5-4: Brand associations are related positively to the event sponsorship campaigns used for the brand.

Target Marketing

Most brand marketers view targeting marketing as essential and efficient if they are to reach the right customers (Kotler, 1991). The definition of target marketing is the focusing of all marketing decisions on a very specific group of people the business wants to reach. Market segmentation is the process of target marketing. Once a target is identified, the organization develops a product offering (marketing mix) that is positioned to attract that segment. This enables the firm to concentrate its marketing efforts on one or a few key segments. The integrated and focused message across the marketing mix can effectively protect and enhance brand equity.

The first type of knowledge consumers might want is product-related information such as superiority of product attributes or quality. Currently many products and brands, from cars to bread, come in varying quality ranges. Consumers can and do choose only the quality level that suits their budget and personal wants (McEnally and Chernatony, 1999). Therefore, knowing the quality preferences of one's target consumers can improve the perception of brand quality in their minds.

As various studies indicate, more and more consumer markets are realizing that

to maximize sales it is necessary to advertise with different messages to different segments of the market. This means that a focused message can be more effective in increasing brand awareness. Star (1989) has suggested that consumers appreciate market segmentation as a way to avoid messages in which they are not interested. An example is Nike featuring popular black athletes such as Michael Jordan in its advertising in order to target young black males who buy these products.

Byrne (2003) believes that a firm must have a good understanding of who it is targeting and how to appeal to them before it is able to create the right image to be appealed to its target customers. As mentioned above, sponsorship is highly recognized for its ability to achieve brand image-related objectives. However, a lot of studies also show that the effectiveness of sponsorship events mostly relies on the match between the sponsorship program and the defined target audience.

With a dramatic variety of environments, customs, economic development levels, and life styles, China is as fragmented and diverse as Europe from any marketing standpoint. Thus, Crocker and Tay (2004) note that China is too big and too complex a market for an unfocused, “boil the ocean” approach. Cui (1997) also indicates that demographic and psychographic differences among Chinese consumers, regional disparities in levels of economic development, infrastructure, consumer purchasing power, and distribution and transportation logistics are hurdles for multinational companies to develop a standard, national marketing strategy. In order to build brand equity in China, multinationals should first acquire deep target customer insights, create targeted and compelling value propositions that encompass the entire customer experience, and finally align all marketing activities to deliver the desired experiences. As economic development continues and competition among both foreign and

domestic brands grows in China, multinationals will find that marketing in China resembles marketing in the West, where firms rely on solid market research and target niche markets.

Based on the literature analyzed above, the following hypotheses about the relationship between target marketing and dimensions of brand equity in China are presented:

Hypothesis B6-1: Perceived quality of a brand is related positively to the target marketing used for the brand.

Hypothesis B6-2: Brand awareness is related positively to the target marketing used for the brand.

Hypothesis B6-3: Brand association is related positively to the target marketing used for the brand.

Figure 7 summarizes the above hypotheses.

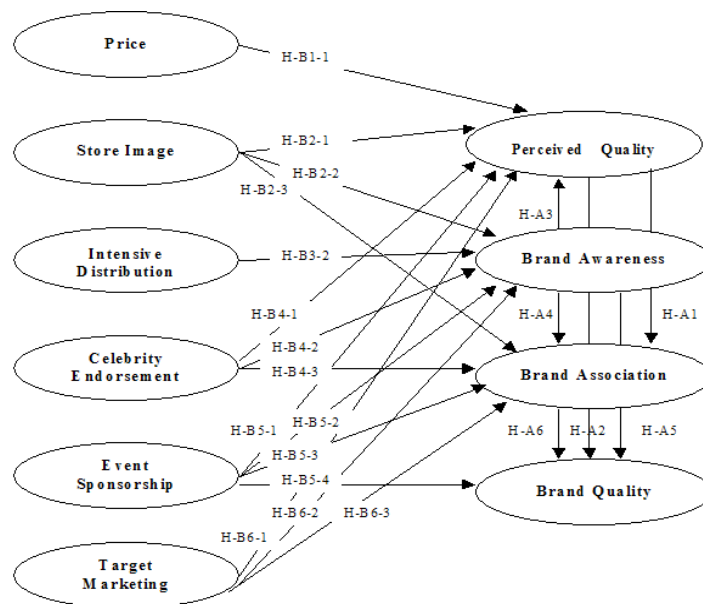


Figure 7: The Relationship Between Six Marketing Activities and the Brand Equity Dimensions

Advertising Expenditures

One of the major contributors to brand equity building is advertising (Aaker and Biel 1993). Lindsay (1990) argues that the greatest source of added value is consumer perceptions of the product or brand, which come from advertising that builds a brand image. Maxwell (1989) further suggests that advertising is vital to create a consistent flow of sales for brands, rather than relying on the artificial peaks and valleys of price promotion.

Advertising can influence brand equity in a number of ways. Across both service and product category research, Cobb-Walgren et al. (1995) found that the brand with the higher advertising budget yielded substantially higher levels of brand awareness and equity. In other words, advertising can create awareness of a brand and increase the probability that the brand is included in the consumer's evoked set. According to Rice and Bennett (1998), effective advertising might not only increase the level of brand awareness, it may also improve attitudes toward the brand and strengthen its image.

Advertising can contribute to brand association that, when stored in accessible memory, translates into "non-conscious but reliable behavioral predispositions" (Krishnan and Chakravarti, 1993). Stigler (1961) found that advertising, which provides information about objective attributes such as price and physical traits, has an influence on brand association. Farquhar (1989) further argued that advertising could make positive brand evaluations and attitudes readily accessible in memory. This is crucial to the development of brand equity because, as Herr and Fazio (1992) have noted, favorable brand attitudes guide perceptions and behaviors only if those

attitudes can be instantly evoked.

Advertising can affect the perceived quality of a brand. Studies demonstrate that heavy advertising improves perceived quality (Nelson, 1970, 1974; Light, 1990), whereas higher levels of advertising signal higher brand quality (Roberts, 1986). Similarly, Kirmani and Wright (1989) suggested that the perceived expense of a brand's advertising campaign could influence consumers' expectations of product quality. As to their research on a relationship between price and quality, Klein and Leffler (1981) found that advertising levels were also positively related to quality, because firms that produced high-quality products used company-specific capital, such as logos and advertising campaigns, to assure consumers of the firm's lasting commitment to quality. Johnson (1984) examined the relationship between advertising expenditures and brand loyalty and found that the most often suggested reason for declining loyalty was the increased emphasis on promotion expenditures relative to advertising expenditures in the brand advertising and promotion budget.

The advertising industry in China is now the second largest in Asia, after Japan, and employs more than half a million people. Since economic reforms began in 1978, advertising has expanded, with an average annual growth rate of 40 percent in the past decade (Zhou, Zhang, and Vertinsky, 2002). Advertising spending in China in 2001 reached \$11.2 billion (China Contact, 2002). As mentioned before, Tse and Wang (1990) suggested that, in general, Chinese consumers are very positive about advertising compared to consumers in the West. Similar findings were found in Ferle and Lee's study (2003): the Chinese held the most favorable attitudes toward advertising among consumers in the United States, Korea, and Taiwan. Overall reaction to a commercial is the best predictor of its advertising effectiveness (Haley,

1990), so favorable consumer attitudes predict the effectiveness of advertising in China. DeLong et al. (2004) support this point, suggesting that extensive advertising of CK and Ralph Lauren have successfully helped them establish brand image and brand recognition in China.

Advertising is a major contributor to brand equity creation. However, different advertising media clearly have different strengths and disadvantages in this process. For magazine ads, selecting a targeted audience can be easy, but the timing of reader exposure to the ads is less predictable. For TV ads, TV still has a certain prestige or glamour that can enhance the message, but audiences are more fragmented than ever as the number of channels increases. And Internet ads can potentially reach a global audience, but it is difficult to gauge the impact. Therefore, a specific decision is involved when brand managers choose the most effective communication programs.

In order to provide detailed managerial guidelines, the current study not only examined the effect of general advertising expenditures in creating brand equity, but also the different effects of three advertising media: TV, print, and Internet. Because little research has discussed consumer responses to different advertising media in China, the basis for predicting results for any of our comparative analyses was very limited. Therefore, an exploratory approach was adopted. Considering that ads generally influence brand equity in a positive way, we assumed each advertising medium had a positive relationship with dimensions of brand equity.

TV advertising. Television is generally acknowledged as the most powerful advertising medium because it allows for sight, sound, and motion and reaches a broad spectrum of consumers. TV advertising can be an effective means of vividly demonstrating product attributes, explaining consumer benefits, and portraying non-

product-related user and usage imagery, brand personality, and so on. Thus, TV ads can contribute to brand equity by enhancing awareness, strengthening associations or adding new associations, and eliciting a positive consumer response (Keller, 2002). Lodish et al. (1995) found that TV advertising worked well in increasing brand penetration and boosting sales for products advertised.

TV is a good advertising vehicle for the Chinese market (Cui and Liu, 2000). As television has penetrated the majority of households in most regions of China (including broadcast and cable TV), it is by far the most popular medium for information and entertainment among Chinese consumers. Moreover, because of their high tendency to respect authority, Chinese consumers believe that information announced by official media is most trustworthy, so TV, radios, and newspapers are all very effective media in China. According to Yan (1994), Chinese consumers like watching TV and pay close attention to TV ads to see what is available in the market. As in the West, a number of household brands in China are virtual creatures of television buildup. Barnes, Kitchen, Spickett-Jones, and Yu (2004) discovered that television represented highly influential media channels for Chinese female consumers.

Based on the research described above, the following hypotheses about the relationship between TV ads and the dimensions of brand equity in China are presented:

Hypothesis B7-1: Perceived quality of a brand is related positively to the TV advertising invested for the brand.

Hypothesis B7-2: Brand loyalty is related positively to the TV advertising invested for the brand.

Hypothesis B7-3: Brand awareness is related positively to the TV advertising invested for the brand.

Hypothesis B7-4: Brand association is related positively to the TV advertising invested for the brand.

Print advertising. Print ads can provide detailed product information because of their self-paced nature. Keller (2002) suggests that they are particularly well-suited to communicate product information, and are an effective communicator for user and usage imagery. Magazine advertising delivers a highly qualified target and can be enormously effective in increasing brand sales and expanding market share. Print advertising, especially magazine ads, is a very effective communication tool for the apparel industry. Some analyses show that many fashion brands, like Calvin Klein, Tommy Hilfiger, and Guess, employ magazine ads to create unique nonproduct associations. Generally, magazines and newspapers are the two main print advertising media.

Research from Cui and Liu (2000) shows that newspaper readership is very high in most regions of China, so such advertising can be effective there (Yan, 1994). Investigating the impact of international cosmetics advertising in China, Barnes et al. (2004) found that magazines represented highly influential media channels to Chinese female consumers. Wang, Siu, and Hui (2004) note that Chinese consumers who prefer to buy imported brand clothing read more fashion magazines, so multinational clothing retailers can reach out and attract this target segment through this medium.

Following the above discussion, the hypotheses about the relationship between print advertising and brand equity dimensions in China are:

Hypothesis B8-1: Perceived quality of a brand is related positively to the print

advertising invested for the brand.

Hypothesis B8-2: Brand loyalty is related positively to the print advertising invested for the brand.

Hypothesis B8-3: Brand awareness is related positively to the print advertising invested for the brand.

Hypothesis B8-4: Brand association is related positively to the print advertising invested for the brand.

Web advertising. Interactive, online marketing communication is the trend in the new century. It is argued that on the Internet consumers are always actively engaged with content and thus rarely focus exclusively on ad messages. However, some studies show that Internet advertising is nonetheless effective in building brand equity.

Advertisers were one of the early proponents of the Internet, embracing its dual promise of global reach and one-to-one targeting (Dreze, 2003). Schlosser, Shavitt, and Kanfer (1999) found that information provided by Web advertising was perceived as trustworthy and less irritating than general advertising because of its interactivity feature. Another advantage was that it made information about products or services immediately accessible. Dreze and Hussherr (2003) investigated the effectiveness of Internet advertising and found that it was actually effective because it led to brand recognition and brand awareness.

The Internet has become a major source for many kinds of domestic and international information in China. According to the China Internet Net Information Center, there were already more than 10,000 Web sites and 29,000 domain names registered under the dot CN by 2000, of which more than 77 percent were used as commercial domains (TDC, 2000). Internet users had exceeded 94 million as of June

30, 2004, and they generally held a positive attitude toward Web advertising (CNNIC, 2004). According to Kwan, Yeung, and Au (2003), although the potential of e-tailing is obvious, there are still many barriers to developing online apparel retailing in China. Thus, many foreign apparel retailers prefer to develop their own websites mainly for the promotion function.

The effect of Web ads in raising brand awareness and brand image is proven in the Chinese market. According to a conservative estimate, overall online advertising spending in China rose by 40 percent in 2005 over the previous year (Lin, 2006). On major Web portals, ad space is always in high demand, because many marketers see online advertising as an effective medium for achieving awareness and image-related objectives at both the corporate and brand levels (Hargrave-Silk, 2003).

Online advertising spending is escalating in China. It reached US\$120 million in 2003, and was predicted to grow dramatically to \$293 million by 2005, becoming the second-largest market in Asia, after Japan (Madden, 2000). In examining Chinese consumers' perceptions and responses to Web banner advertising, Gong and Maddox (2003) found that Web advertising is very effective in China. Web exposure improved Chinese users' brand recall, changed their attitudes toward a brand, and increased their purchase considerations.

Based on the above analysis, the following hypotheses about the relationship between Web advertising and brand equity dimensions in China are put forth:

Hypothesis B9-1: Perceived quality of a brand is related positively to the Web advertising invested for the brand.

Hypothesis B9-2: Brand loyalty is related positively to the Web advertising invested for the brand.

Hypothesis B9-3: Brand awareness is related positively to the Web advertising invested for the brand.

Hypothesis B9-4: Brand association is related positively to the Web advertising invested for the brand.

Figure 8 is the summary of the above hypotheses.

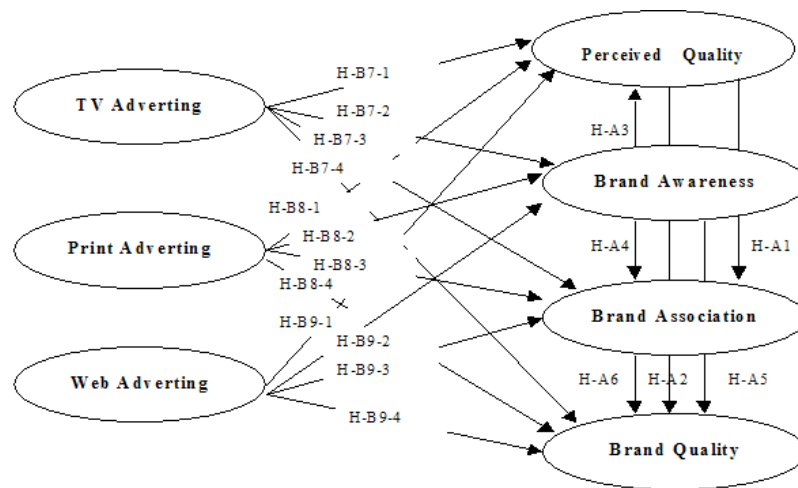


Figure 8: The Relationship Between Advertising Expenditures and Brand Equity Dimensions

Sales Promotions

Sales promotions can be defined as short-term incentives to encourage trial or use of a product or service, targeted at either trade or end consumers (Keller, 2002). Although consumer sales come in all forms, a distinction has been made between price promotion and non-price promotion. According to Campbell and Diamond (1989), the big difference is that non-price promotions are usually framed as "gains" whereas price-oriented promotions are often perceived as "reduced losses."

Chandon, Wansink, and Laurent (2000) found that consumers derived several benefits from sales promotions that could be classified into two groups: utilitarian and

hedonic (including entertainment). Price promotions mainly provided utilitarian benefits to consumers, while many non-price promotions, such as sweepstakes, contests, and free gifts, were intrinsically fun for consumers (see Table 1).

Table 1: Price Promotions

Promotions	Definition
Price-off	Offers a discount on the regular price of the purchase
Coupon	Provides a certificate entitling the bearer to a saving on the purchase
Rebates	Offers cash back from the manufacturers and retailers on the purchase

Frequency of price promotions. A large body of literature has examined the effect of price promotion on brand equity building. Price-oriented promotions have been praised for their ability to achieve short-term results, such as increasing market share, encouraging brand switching, and inducing product trial usage (Bawa and Shoemaker, 1989; Blattberg and Neslin, 1990; Leone and Srinivasan, 1996). Normally including special sales, coupons, cents-off deals, rebates, and refunds, price promotions are an effective marketing tool for generating trial and traffic (Lindsay, 1990; Grewal, 1998). However, they are not at all a way to improve the long-term health and equity of a brand.

Price discounts are likely to have a negative influence on perceptions of quality (Blattberg and Neslin, 1990), because a consumer who purchases a discounted product often "attributes" the fact that it was discounted to its being a poorer quality product (Dodson, et al., 1978). Furthermore, frequent price promotions might cause consumer confusion based on unanticipated differences between expected and observed prices, resulting in an image of unstable quality (Winer 1986). Grewal (1998) suggested that price discounting might generate traffic in a retail store. However, such discounting could again have negative effects on the brand's quality and internal

reference prices, which in turn would affect perceived value and willingness to buy.

Many marketers and academics believe that promotions communicate negative product associations (Dodson, 1978). Price reductions might lower the distinctiveness for the firm's products (Boulding, Lee, and Staelin, 1994). Lindsay (1990) found that sales promotions were great for generating trial and traffic but failed to add value. On the contrary, teaching people to buy on price diminishes the perception of the value. However, price deals may encourage customers to make a first try of the brand.

Price promotions do not seem to be related to brand loyalty, although they have been consistently found to enhance temporary brand switching (Gupta 1988). Other studies supporting this statement show that there is no relationship between promotion and subsequent repeat purchasing (Neslin and Shoemaker, 1989; Ehrenberg, Hammond, and Goodhardt, 1994).

Generally, Chinese consumers are responsive to promotion stimuli, and especially enjoy beginning-of-season and end-of-season sales promotions. In a survey conducted by Market-Expert (2004), Chinese participants thought non-price promotions such as free trial, premium, and prize draw were more favorable than price promotions for apparel products. As mentioned before, the Chinese believe that "cheap products are never good," so Yan (1994) argues that price-promotion gimmicks run against this deep Chinese cultural bias. A promotion cheapens the product while reducing the product's image in the minds of consumers. Thus, international marketers should be very careful if they want to conduct price-oriented promotions, such as coupons, in China (Gong, 1994).

Based on the literature discussed here, the hypotheses about the relationship between price promotion and brand equity dimensions in China are:

Hypothesis B10-1: Perceived quality of a brand is related negatively to the price promotions used for the brand.

Hypothesis B10-2: Brand awareness is related positively to the price promotions used for the brand.

Hypothesis B10-3: Brand association is related negatively to the price promotions used for the brand.

Frequency of non-price promotions. As stated above, another kind of sales promotion is non-price, communication-based. Lee (2002) assumes that managers use price-oriented promotions more extensively than non-price promotions, primarily because they are concerned about competition and short-term pressures rather than building long-term brand health. Commonly used non-price-oriented promotions include free samples, sweepstakes, contests, premiums, and frequent user programs (see Table 2).

Table 2: Non-price Promotions

Promotions	Definition
Extra Product	Offers an increased quantity of the product/service without an increase in normal price
Premium	Offers a free gift in addition to the main purchase
Contest	Provides a chance to win a large prize through skill (demonstrated by answering a question or writing a brand slogan)
Sweepstakes	Provides a chance to win a large prize based on chance (through a lucky draw or a scratch card)

Non-price promotions are adopted primarily for their ability to meet such longer-term objectives as enhancing brand image, strengthening brand associations, or increasing brand loyalty. They can add excitement and value to brands, and can even encourage brand loyalty (Aaker, 1991; Conlon, 1980; Jagoda, 1984). For example,

frequent user plans have the potential for encouraging brand loyalty and strengthening the bond between consumers and their brand choice (Fournier, 1998). Diller and Brielmaier (1993) also found a positive effect of a sampling promotion in several product categories on future purchasing.

Some research has shown that non-price promotions can be employed to establish brand awareness and build primary demand for the product, especially during the product introduction stage. For example, samples or trial incentives are used to draw early adopters. Lee (2002) examined a wide range of consumer nondurable brands, including cosmetics, and found that non-price promotions could be used to communicate and generate interest in a brand. Non-price promotions, such as prize draws, can enhance brand image and bring more fun for the consumer. Other non-price promotional tools (e.g., premiums and tie-ins), if used effectively, can strengthen brand association and generate enthusiasm for the brand. However, we have not found any significant relationship between non-price promotion and perceived quality in previous studies.

Influenced by their culture, Chinese people are reluctant to be pioneers, but they also feel uncomfortable at being left behind in new fashions to lose “Mian Zi¹”. Therefore, referral is a powerful way of expanding trials to the first wave of consumers. Non-price promotions such as free trials, “free gifts,” and premiums are effective for reaching “pioneers” in China. Cui (1997) argues that in an ever more open and competitive environment, free samples, giveaways, and lotteries are necessary marketing efforts for foreign marketers in promoting brand names in China.

A Chinese proverb says that wealth is up to heaven. Chinese people do have a

¹ “Mian Zi” is the idea of shame, usually expressed as “face”. It could be loosely defined as the “status” or “respect” in Chinese.

high interest in gambling (Tanzer, 1994). Since such non-price promotions as sweepstakes and prize draws can be considered a form of gambling (Huff and Alden, 1998), we may expect Chinese consumers to have favorable attitudes toward them. Premium and prize draw are two types of sales promotions used regularly in China's apparel retail industry, so they were representative of non-price promotion variables in the current study survey.

Based on this literature and analysis, then, the hypotheses about the relationship between non-price promotion and brand equity dimensions in China are:

Hypothesis B11-1: Brand loyalty is related positively to the non-price promotions used for the brand.

Hypothesis B11-2: Brand awareness is related positively to the non-price promotions used for the brand.

Hypothesis B11-3: Brand associations are positively related to the non-price promotions used for the brand.

Figure 9 is a summary of the above final hypotheses.

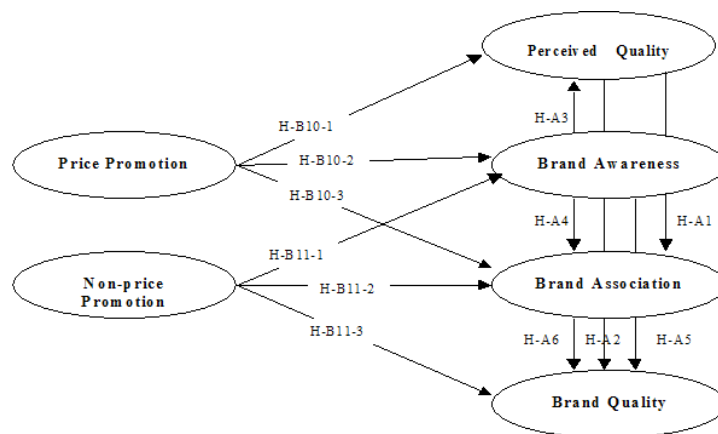


Figure 9: The Relationship Between Promotion and Brand Equity Dimensions

CHAPTER 3

RESEARCH METHODOLOGY

The primary focus of the study presented here was to examine the relationships between selected marketing activities and the building of brand equity for imported clothing brands in the Chinese market. A secondary purpose was to examine different effects of detailed marketing practices on brand equity building in the Chinese clothing market, such as the differences between price promotions and non-price promotions.

The purpose of this chapter is to detail the methodological approach of the study and, in so doing, present the findings from the pretest of the instrument developed for data collection, along with data collection procedures. The sample and product stimuli selections are then described, followed by an explanation of instrument development and statistical analysis techniques used for accessing the data and addressing the hypotheses.

Pretest

The pretest was used to assess the clarity of the questions and the reliability of the measures of the variables with respect to the questionnaire. In September 2005, a total of 50 pretest surveys were collected from a non-probability sample of Chinese graduate students from a Midwestern American university. The questionnaire was sent by email to respondents, who then returned the completed questionnaire to the

researchers by email. The researchers asked the participants to indicate if they had any difficulties understanding and answering the questions. They were also asked to provide other related suggestions that could be used to improve the questionnaire.

Based on the feedback from the pretest, adjustments to the questionnaire items were made. Cronbach's alpha was also analyzed for all constructs, and items found to be unreliable were dropped. In summary, the questionnaire was improved based on findings from the pretest in the following areas: inclusion of more foreign brands as product stimuli in the questionnaire; dropping the unreliable items; modifying the wording of some items; and adjusting the category of demographic questions in order to better reflect the target sample's situations.

Data Collection Procedures

This study employed the non-experimental survey method to gather data, which was necessary to test the hypotheses listed in the Review of the Literature section. A survey research design was considered for several reasons: (1) surveys are useful in identifying characteristics of a population from a small group of individuals; (2) standardized questions make measurement more precise by enforcing uniform definitions on the participants, thereby obtaining high reliability more easily; and (3) survey data are easily quantifiable and are responsive to structural equation modeling (SEM). SEM is a very general, chiefly linear, chiefly cross-sectional statistical modeling technique. Factor analysis, path analysis, and regression all represent special cases of SEM. Several measures employed in this study were developed by previous studies for the survey design. With the survey method, it was hoped that the findings from the sample customers could be generalized into a large target population of Chinese. Replication, validation, and extension of the previously existing measures

were also study objectives.

The research employed shopping center intercept surveys to collect consumer information. Shopping centers were selected based on a marketing investigation. The choice criterion was whether some of the selected imported clothing brands included in the study was available in the shopping center. Respondents were selected from customers who were willing to complete a questionnaire while shopping in those centers. Four shopping centers were selected in Beijing and Shanghai, two in each city. Being the largest consumer markets and commercial centers in China, Beijing and Shanghai represent mature markets for imported clothing products. Due to this more advanced stage of economic development, results found in these two cities were expected to be a good indicator of future consumption patterns in China.

Because of the lack of up-to-date telephone directories, mail and telephone surveys are not desirable in China. Thus, shopping center intercept surveys have been regarded as a valuable method for collecting data there (Rosen, 1987; Yau, Li, and Lo, 1986). Several studies have employed this method to examine the behaviors of Chinese apparel market consumers (e.g. Wang et al., 2004; DeLong et al., 2004).

University graduate students from the two cities, Beijing and Shanghai, administered the surveys. All the students went through a short-term training program before starting the formal surveys.

The Sample

Because young consumers in China are potential customers for a wide range of imported clothing brands, the target population for the current study was young shoppers between the ages of 18 and 39. DeLong et al. (2004) has shown that young people residing in major cities have very high spending power in today's China, and

most of them prefer imported brands linked to high quality and prestige. This group of consumers is willing to spend more time and money to buy clothing and thus represents one of the most important market segments for foreign apparel retailers in China (Kwan et al., 2003).

Respondents were selected from consumers who were shopping at six selected shopping centers and were willing to take the survey. Local graduate students administered 110 survey forms at each shopping center, for a total of 660 surveys. Consumers who were visually estimated to be 18 to 39 years old were approached and asked to respond to the questions. An incentive (a small gift) was offered with each questionnaire, but participation was entirely voluntary.

The survey included questions related to the consumers' evaluation of cultural values, perceived marketing efforts, and dimensions of brand equity. All variables were assessed through the respondents' perceptual evaluations and the recall of their experiences.

Product Stimuli Selection

To examine the effect of marketing activities on creating brand equity, the study focused on imported clothing products. Specifically, three diverse clothing and footwear categories were used: men's wear, women's wear, and athletic shoes. These items were selected as product stimuli for several reasons. First, a large portion of the value of those product categories is attributable to brand equity variance, thus providing suitable conditions for such a study. Consumers often buy them for their symbolic meanings, image reinforcement, and other personality characteristics (Solomon, 1986). Second, they cover the basic categories of clothing products, which broadens the scope and generalizability of the findings. Third, the target respondents

(shoppers in the shopping centers) would be familiar with every category.

Twelve imported clothing brands (in women's and men's wear: Etam, ONLY, Esprit, CK, Vero Moda, Tommy Hilfiger, Lee, Jack Jones, Levi's, Givenchy, Boss, and Polo Ralph Lauren) and four imported sport shoe brands (Nike, Adidas, Reebok, and Puma) were chosen based on their performance in the Chinese market. China has a scattered clothing market, and it is impossible for a single foreign brand to hold a large market share. Therefore, a large number of brands (twelve) was chosen to ensure that the majority of participants could at least find one among them with which they were familiar. The familiarity of product stimuli for respondents could increase response reliability. This was also one important feedback from the pretest of this study.

These brands represent different combinations of market factors, such as price, market share, marketing strategies, brand/corporation reputation, and country of origin. All the selected brands are comparatively popular in China, so it was believed that most respondents were probably familiar with them—a belief that was supported by the pretest. According to Yoo et al. (2000), respondents who know a product well are able to provide reliable and valid responses to questions about it. Instructions in our questionnaire emphasized that “there are no right or wrong answers; only your personal opinions matter” in order to minimize possible response bias.

Instrument Development

The purpose of the instrument developed for this study was to test the 39 formulated research hypotheses. It was important that the instrument accurately measure the underlying constructs used in formulating these hypotheses. The measures used in the study were borrowed and/or adapted from previous measures.

The majority of the instruments borrowed from previous study in this study were constructed for Western consumers, so it was necessary to test the instrument prior to the data collection process to ensure its applicability in the Chinese market. As discussed in the pretest section, pretest was used to avoid possible ambiguity in the wording of the scale's items that could arise from different cultural interpretations of certain phrases during translation.

The questionnaire designed for this study was originally drafted in English, translated into Mandarin, then back-translated into English. To ensure the correct meaning of the translated version, two native Chinese-speaking graduate students from a Midwestern American University were asked to review the transcribed copies in English and Chinese. Their suggestions, along with feedback from the pretest, were incorporated into the final version of the questionnaire.

The questionnaire consisted of Likert-type statements about which respondents were asked to indicate their degree of agreement using a five-point scale (with anchors of 1 = strongly disagree and 5 = strongly agree), consistent with Yoo et al. (2000). The final version of the questionnaire was made up of four major parts: (1) evaluation of five cultural values, (2) evaluation of selected marketing efforts, (3) evaluation of four dimensions of brand equity, and (4) demographic questions.

Measurements of Cultural Values

Effectiveness in marketing means adapting to cultural values. In order to understand young Chinese consumers' attitudes and behaviors toward foreign apparel brands, their cultural value preferences were examined in this study.

Hofstede's five dimensions of national culture have long been used for analyzing consumption differences across nations: individualism versus collectivism,

long-term orientation versus short-term orientation, uncertainty avoidance, power distance, and masculinity versus femininity. These dimensions relate to country differences in motives for buying products and services, the degree of dependence on brands, adoption of new technology, and media use (Mooij and Hofstede, 2002). In accord with the results of Hofstede analysis for China, the following five cultural dimensions were included in the current study: individualism, long-term orientation, uncertainty avoidance, power distance, and femininity. Because Hofstede's original data were derived from matched populations of employees from national subsidiaries of one multinational firm, IBM, his original survey questions were developed to apply to the work situation. Some participants in this study were still high school or college students, so his original scales were not appropriate for this study. Based on the underlying meaning of each of his cultural dimensions and other previous research, this study used 24 phrases to measure cultural values.

Considering that individualism is such a comprehensive and complex value concept, eight items were identified to measure it. It was measured as giving priority to personal goals over the goals of the group. The items were mainly borrowed mainly from Schwartz (1990) (e.g. "independent thought and action," "uniqueness," and "Dare to speak and do").

Four items were identified to measure long-term orientation, which reflects the values of long-term commitment and respect for tradition. The scales, such as "thrift" and "personal steadiness and stability," were borrowed from Hofstede's value survey (VSM 94).

Uncertainty avoidance was measured in levels of tolerance for uncertainty and ambiguity within society. Four items were developed from Hofstede and Mooij's

study (2002), including “family and personal” and “risk-taking” (R)².

Power distance was measured as the level of inequalities of power and wealth allowed within the society. Scales such as “societies’ equality (R)” and “respect for authority” were adapted from Hofstede’s value survey and Hofstede and Mooij’s study (2002).

Femininity was measured as the level of differentiation and discrimination between genders. Four items to measure femininity were adapted from Hofstede and Mooij (2002), such as “equality of males and females” and “caring for others.” See Appendix B.

Measurements of Marketing Mix Elements

Yoo et al. (2000) examined consumer-perceived rather than actual marketing mix elements. They had two reasons for this choice. First, it was not feasible to control actual marketing efforts in the study. Second, perceived marketing efforts played a more direct role in consumer psychology than actual efforts, which would not change consumer behavior unless the consumers perceived them to exist. For example, the objective or actual price of a product tends to be encoded by consumer perception as “expensive” or “cheap” (Olson, 1977). Dickson and Sawyer (1990) have further suggested that consumers are not likely to know or remember actual prices, even at the point of purchase. Likewise, perceived marketing efforts have a stronger meaning and hence explain consumer behaviors more effectively than actual marketing efforts (Yoo et al., 2000).

Eleven selected marketing mix elements comprised the independent variables in

² R means reverse.

this study. Among them, price, store image, distribution intensity, and frequency of price promotions were examined by Yoo et al. (2000). Frequency of non-price promotions, celebrity endorsement, event sponsorship, target marketing, TV advertising expenditures, print advertising expenditures, and Web advertising expenditures were new independent variables in this study.

The scales of price, price promotion, store image, and distribution intensity were based on Yoo et al. (2000) without adaptation. Price was measured as it was subjectively perceived in the consumer's mind (e.g., "The price of X is high"). Price promotions were measured as the perceived relative frequency of the price deals presented for the focal brand (e.g., "Price deals for X are offered frequently"). Store image was measured as the perceived quality of the retailers at which the focal brand was available. Specific store names were not indicated in the items; instead, respondents were asked to evaluate generally the stores at which they would buy the brand (e.g., "The stores where I can buy X have a pleasant atmosphere" and "The stores where I can buy X have well-known brands"). Distribution intensity was measured by how many retail stores carried the focal brand in the consumer's perception (e.g., "More stores sell X, as compared to its competing brands").

Non-price promotions were measured as the perceived relative frequency of the non-price deals presented for the focal brand. As explained before, *premium* and *prize draw* were used to represent non-price promotion. The scale was adapted from Yoo et al.'s measure of price promotions by replacing the words "price deals" with non-price promotion terms such as "premiums" or "prize draws" (e.g., "Non-price promotions like premiums or prize draws for X are frequently offered").

TV, print, and Web advertising expenditures were measured as the consumer's

subjective perception of them in each advertising media for the focal brand. Their scales were adapted from Yoo et al.'s measure of advertising expenditures by specifying the ad medium in the scales (e.g., "The TV [or print, or Web] ad campaigns for X are seen frequently"). As with advertising expenditures, consumers could also directly observe other campaigns' expense-related production elements, such as sponsorship of a sports event or the use of celebrities in ads (Kirmani, 1989). Therefore, based on the scale of advertising expenditures in Yoo et al. (2000), we developed the scales of event sponsorship and celebrity endorsement with some minor adaptations. Event sponsorship campaigns and celebrity endorsements were measured as the consumer's subjective perception of a firm's expense on the use of celebrity or sponsorship for the focal brand (e.g., "The celebrity is frequently used in X's ads", and "The sponsorship campaigns for X are seen frequently in sports, music or other events"). (See Appendix B.)

Measurements of Dimensions of Brand Equity

As discussed previously, four dimensions of brand equity as independent variables were examined in this study: perceived quality, brand loyalty, brand awareness, and brand association. The scales of perceived quality and brand loyalty were borrowed from Yoo et al. (2000) and Pappu, Quester, and Cooksey (2005) with some adaptations. Perceived quality measured consumers' subjective judgment about a brand's overall excellence or superiority and addressed overall quality rather than individual elements of it (e.g., "Products from X would be of very good quality"). Brand loyalty items captured the consumer's overall commitment to being loyal to a specific brand (e.g. "I consider myself to be loyal to X"). The brand awareness scale,

borrowed from Yoo et al. (2000), measured the strength of the brand in a consumer's memory as reflected by the consumer's ability to identify various brand elements (e.g., "I am aware of X"). The brand association scale was based on Aaker (1996), Keller (1993), and Pappu et al. (2005). Brand association was measured by how strong, favorable, and unique the brand image was in the minds of the customer (e.g., "I like and trust the company that makes X"). (See Appendix B.)

Method of Analysis

Structural Equation Modeling (SEM), a powerful analysis tool (Cheung and Roger, 1999), was used to guide research design and the systematic analysis procedures. SEM is a multivariate statistical technique that grows out of and serves purposes similar to multiple regression, but in a more powerful way. The methodology takes a confirmatory, rather than exploratory, approach to data analysis, which has several advantages over the traditional regression method of testing directional relationship between variables.

SEM can simultaneously estimate all path coefficients and test the significance of each causal path, permitting the evaluation of the model performance as a whole (Bagozzi, 1981, 1982). It uses confirmatory factor analysis (CFA) to reduce measurement error by having multiple indicators per latent variable; it has the attractive graphical modeling interface; and it has the ability to test models with multiple dependents, to model mediating variables, to model error terms, to test coefficients across multiple between-subjects groups, and to handle difficult data (time series with auto correlated error, non-normal data, incomplete data).

A two-step model-building approach was used in the study, in which the measurement models were tested prior to testing the structural models:

1. Before testing the hypotheses, three methods—reliability analysis, validity analysis, and confirmatory factor analysis—were used to select and assess the final items to be used for hypothesis testing.
2. The structural model was employed to get the path estimates, and to test the hypotheses.

As discussed earlier, the study employed consumer surveys to gather data, and the quantitative evaluation of customers' attitudes and behaviors (on five-point scales) was used to examine the relationships of factors under the framework.

In addition, description analysis was used to analyze the demographic data of the sample, whereas the linear regression method was employed to examine the relationship of distribution intensity to three brand equity dimensions (perceived price, brand awareness, and brand association) that were not covered in the structural model of this study. Both of these methods were conducted with SPSS 13.0.

Approval to Conduct Research with Human Subjects and Obtaining Consent

Because this study involved the use of student subjects as the participants in the pretest, it was important to obtain approval for conducting research with human subjects from the University of Missouri-Columbia. A request for approval was submitted to the Institutional Review Board at the UMC with an explanation of the objectives of the study. The review board granted its approval on September 19, 2005. Moreover, before distributing a survey questionnaire to the student subjects, a consent form was distributed to them providing information about anonymity and the voluntary nature of the study. The form also provided the students with contact information if they experienced problems while participating in the study. A sample of the consent form is provided in Appendix A.

CHAPTER 4

RESULTS AND ANALYSIS

This chapter includes an analysis of the data and a presentation of the results from the study. It provides the frequency of brands response, the characteristics of the sample, presents outcomes of the statistical data analyses, and discusses the findings in detail.

The data analysis, conducted with SPSS 13.0 and AMOS 5.0 Graphics (SEM package) for confirmatory factor analysis (CFA), was divided into three stages: (1) to get to know the data and prepare for analysis; (2) to assess the measurement model and reliability/validity of measures; and (3) to analyze the structural model. Finally, the 39 proposed research hypotheses were tested according to the results from the structural equation model. Findings are described and discussed for each hypothesis.

Frequency of Brands Response and Testing for Measurement Invariance

Frequency of Brands Response

The shopping center intercept survey method was employed to collect data. Four shopping centers were selected: two in Beijing and two in Shanghai. Local Chinese graduate students were hired to administer the survey. In total, more than 660 participants, aged 18 to 39, responded to the questionnaire. A small gift was used to increase the response rate, but respondents' participation was voluntary.

All data were examined for missing and outlier contamination. Of the 660 surveys, 623 were considered valid and were used in this study, making a valid

response rate of 94 percent. 37 responses (about 6 percent) were eliminated from the study because they were not completed or showed certain systemic response patterns, or the respondents' age did not meet the age requirement of the study (18-39 years old). The incompleteness may have been caused by the participant's lack of time to finish the study, or lack of knowledge about brands used in the questionnaire.

As discussed in Chapter 3, two versions of questionnaires were used in this study: imported sports shoe brands as product stimuli in one questionnaire, and imported clothing brands as product stimuli in the other. The two versions were equally distributed (330 of each). Out of the 623 valid surveys, 319 involved imported sports shoe brands and 304 involved imported clothing brands. Table 3 and Table 4 provide frequency of brands the sample of this study chosen to respond.

Table 3: Summary of Frequency of Clothing Brands Response

Brands	Frequency	Percent (%)
Etam	70	21.9
Lee	43	13.5
Only	52	16.3
JACK JONES	28	8.8
Esprit	27	8.5
Levi's	9	2.8
CK	15	4.7
GIVENCHY	23	7.2
VERO MODE	14	4.4
Boss	4	1.3
Tommy Hilfiger	26	8.2
Polo Ralph Lauren	8	2.5
Total	319	100

Table 4: Summary of Frequency of Sports Shoes Brands Response

Brands	Frequency	Percent (%)
Nike	97	31.9
Adidas	144	47.4
Reebok	36	11.8
Puma	27	8.9
Total	304	100

Testing for Measurement Invariance

Two product categories were used as product stimuli in this study: imported sports shoes and clothing brands. Each was included in one version of the questionnaire. In order to determine if the same SEM model is applicable across groups (for respondents who responded to clothing brands and for respondents who responded to sports shoes brands), testing for measurement invariance across groups (multi-group modeling) was conducted with AMOS 5.0. The procedure was to test for measurement invariance between the unconstrained model for two groups combined, then for a model where certain parameters are constrained to be equal between the groups. It was found that the chi-square difference statistic did not reveal a significant difference between the original and the constrained-equal models, which meant that the model of this study had measurement invariance across two groups of respondents. Therefore, the data were combined from both categories (clothing brands and sports shoes brands) in this study to establish the model and test the hypotheses.

The Characteristics of the Sample

Demographic Characteristics

SPSS 13.0 was used to analyze sample characteristics. The tables that follow (Tables 5-9) summarize sample characteristics of people who were included in the study. The distribution of demographic variables indicate that the respondents tended to be young, highly educated, single, and with moderate to high income.

Gender

The study had almost equal numbers of male and female respondents. The 321 males and 302 females rendered a proportion of 51.5 and 48.5 percent, respectively.

According to the demographic statistics of the Chinese population, the gender ratio is about 54 percent male and 46 percent female (CCTV, 2006). Therefore, the sample was comparable to the distribution of gender within the general population (see Table 5).

Table 5: Summary of Sample Characteristics – Gender

Characteristics	Frequency	Percent (%)	Cumulative (%)
Male	321	51.5	51.5
Female	302	48.5	100.0
Total	623	100	-

Age

All participants in the study were older than 18 years of age. Those younger than 18 or older than 39 were eliminated from the study because of its focus on young consumers. Of the respondents, about 51 percent (n = 323) were under 25 years of age, 30 percent (n = 184) from 26 to 30, 9.5 percent (n = 59) from 31 to 35, and fewer than 10 percent (n = 57) over 35 (see Table 6). The results demonstrate that the sample was representative of this study’s intended population of younger consumers residing in major Chinese cities.

Table 6: Summary of Sample Characteristics – Age

Characteristics	Frequency	Percent (%)	Cumulative (%)
18 – 20	38	6.1	6.1
21 – 25	285	45.7	51.8
26 – 30	184	29.5	81.4
31 – 35	59	9.5	90.9
36 – 39	57	9.2	100.0
Total	623	100	-

Education

About 80 percent of the respondents had a college degree (n = 547), while over

40 percent had a post-graduate degree (n = 258) (see Table 7). Again, this means that the sample was representative of the study’s intended population of well-educated younger Chinese consumers. Because this study was conducted in two biggest cities in China, the education level of respondents should be higher than the average level of total population of Chinese.

Table 7: Summary of Sample Characteristics – Education

Characteristics	Frequency	Percent (%)	Cumulative (%)
Some High School	5	0.8	0.8
High School Graduate	71	11.4	12.2
College	289	46.4	58.6
Post-graduate	258	41.4	100.0
Total	623	100	-

Marital Status

About 72 percent of the participants were single (n = 449), a figure much higher than that of the general population because of the feature of target sample. The number of participants who were married with children was close to the number of participants who were married and childless (n = 89 and n = 81) (see Table 8).

Because the majority of respondents (85 percent) were either not married or married without children, they did not have to worry about supporting a family. Thus, they were able to use a reasonable share of dispensable income to purchase the foreign brands. This shows that the sample is representative of the study’s intended population who are free of large family expenditures.

Table 8: Summary of Sample Characteristics – Marital Status

Characteristics	Frequency	Percent (%)	Cumulative (%)
Single	449	72.1	72.1
Married with Kids	89	14.3	86.4
Married no Kids	81	13.0	99.4
Other	4	0.6	100.0
Total	623	100	-

Income

Compared with their parents, more and more young people in China prefer to live by themselves. Considering that many of the respondents were not married and lived independently, personal annual income, not family annual income, was examined in this study. About 47 percent of the respondents reported a personal annual income between US\$2,250 and \$6,000 (n = 290), and more than 10 percent of respondents had a personal annual income more than US\$12,000 (n = 63) (see Table 9).

China's National Bureau of Statistics said in a survey that households with an annual income ranging from 60,000 Yuan (US\$7,250) to 500,000 (US\$ 62,500) Yuan should be categorized as middle class, as a growing number of people enjoying higher living standards (People's Daily Online, 2005). Personal annual income, not family annual income, was examined in this study, and most families among young urban professions are double-income families. According to standards provided by China's National Bureau of Statistics, over 65 percent of the participants in this study can be categorized as middle class, and are thus representative of this study's intended population in China.

Table 9: Summary of Sample Characteristics – Personal Annual Income (in US\$)

Characteristics	Frequency	Percent (%)	Cumulative (%)
< \$2,250	104	16.7	16.7
\$2,250-3,750	130	20.9	37.6
\$3,751-6,000	160	25.7	63.2
\$6,001-9,000	102	16.4	79.6
\$9,001-12,000	64	10.3	89.9
\$12,001-18,000	33	5.3	95.2
\$18,001-22,500	12	1.9	97.1
\$22,501-30,000	9	1.4	98.6
> \$30,000	9	1.4	100.0
Total	623	100	-

In summary, this sample consisted of primarily young, well-educated, single Chinese consumers with comparatively high dispensable income who were attracted by foreign-branded apparel products and able to afford them. The target market of foreign products in China is the rapidly expanding middle class—again, young, well-educated, high-income people in the cities. Therefore, the study sample was well representative of the target consumers of foreign branded clothing in the Chinese market.

Cultural Values of the Sample

In exploring the effect of marketing activities on the creation of brand equity, this research reflects the belief that culture is the major factor influencing consumers' collectivism evaluation of marketing activities. As discussed in the literature review section, uncertainty avoidance, power distance, long-term orientation, and a balance of femininity/masculinity comprise the core concepts of China's cultural system. Therefore, this study examined the cultural concepts and values of the respondents, providing a snapshot of the current cultural situation among China's younger generation.

Twenty-four items about cultural values that were developed based on previous studies were included in the questionnaire: eight items for collectivism/individualism and four items each for uncertainty avoidance, power distance, short- or long-term orientation, and femininity/masculinity. A five-point scale was used to examine the respondents' preferences in each culture factor, and SPSS 13.0 was used to analyze these cultural factors. The findings are summarized in Table 10.

The results were consistent with Hofstede's analysis result for China in the three

cultural dimensions of uncertainty avoidance, power distance, and long-term orientation, which reflect the general Chinese values of a lower tolerance for uncertainty and ambiguity in both society and personal life (a score of 3.95 out of a total score of 5.00), the tendency to accept inequalities of power and wealth within society (3.78 out of 5.00), and an ability to overcome obstacles with time (3.98 out of 5.00) (see Table 10).

However, in terms of collectivism/individualism and femininity/masculinity, the results were very different from those of previous studies, including Hofstede's. They indicated that, compared to older generations, young people in China attach more importance to their individual rights and needs. Individualism has become a primary value in their cultural system (4.02 out of 5.00). This finding is consistent with previous studies (Cui, 1997; Tai and Tam, 1997), suggesting that consumers in China, especially those between the ages of 18 and 35, have adopted Western ideas very quickly.

Previous studies suggest that Chinese philosophers have always stressed the intertwining of the masculine (yang) and the feminine (yin) elements in life, so values correlated with both femininity (patience, courtesy, and kindness) and masculinity (patriotism, a sense of righteousness) comprise the Chinese value system. However, the results of this study suggest that young Chinese consumers are advocates of femininity (3.97 out of 5.00), indicating a low level of differentiation between genders, with females being treated equally to males in all aspects of society.

Table 10: Summary of Cultural Values

Cultural Values	Indicators	Mean	Std. Deviation
Individualism	Independent thought and action	4.02	0.49
	Control over one's life		
	An exciting life		
	Competitiveness		
	Creativity		
	Uniqueness		
	Daring to speak and do		
	Privacy		
Uncertainty Avoidance	Taking risk (R)	3.95	0.58
	Family and personal security		
	Observing social codes of behavior & ethics		
	Formality of life structure		
Power Distance	Respect for authority	3.78	0.52
	Social power & status		
	Respect for parents and older people		
	Societal equality (R)		
Long-term Orientation	Thrift	3.98	0.59
	Planning for the future		
	Perseverance		
	Personal steadiness and stability		
Femininity	Caring for others	3.97	0.60
	Equality of males and females		
	Spiritual gains		
	Modest & nurturing		

In summary, somewhat influenced by the influx of Western culture, young Chinese consumers still keep most Chinese traditional cultural values but have also borrowed some from the West into their value conception. Such change apparently is having a profound impact on their behaviors in apparel consumption.

CFA Model Analysis

CFA was executed to estimate a measurement model using maximum likelihood method with AMOS 5.0 Graphics. The CFA model consisted of 15 constructs (35 items). The normality of input data, the standardized loadings, item reliabilities, and validity for the items and scales used to measure the latent variables are provided.

Normality

According to Bagozzi and Yi (1998), one of the first things that should be done in the evaluation of structural model is assessment of the adequacy of input data and statistical assumption underlying any estimation methods used in analysis. The estimation of SEM parameters requires continuous data with normal distribution.

A common rule-of-thumb test for normality is to run descriptive statistics to get skewness and kurtosis. Skew should be within the +2 to -2 range when the data are normally distributed. Kurtosis also should be within the +2 to -2 range when the data are normally distributed (a few authors use +3 to -3).

Normality analysis for 15 variables was conducted with SPSS 13.0. As a result, except perceived quality (kurtosis greater than +2), values of skew and kurtosis of other 14 variables in this study are within +2 to -2 range (see Table 11). That means they are normally distributed.

Table 11: Skewness and Kurtosis

Constructs	Skewness	Kurtosis
Brand Price	-0.40	-0.32
Store Image	-0.26	0.25
Distribution Intensity	-0.29	0.29
Celebrity Endorsement	-0.08	-0.51
Event Sponsorship	0.60	-0.06
Target Marketing	-0.64	0.19
TV Advertising Expenditures	0.09	-0.66
Print Advertising Expenditures	0.14	-0.68
Web Advertising Expenditures	-0.29	-0.25
Nonprice Promotion	0.29	-0.07
Price Promotion	0.17	-0.41
Perceived Quality	-0.84	2.29
Brand Loyalty	-0.18	-0.07
Brand Awareness	-0.48	1.16
Brand Association	-0.27	0.43

Reliability and Validity of Measures

Reliability

Cronbach's Alpha. Barclay and his colleagues (1994) recommend that a measurement of the internal consistency of the construct Cronbach's alpha should be taken into consideration, with a minimum criterion of approximately 0.70 (Nunnally, 1978; Hair et al. 1998). Thus, Cronbach's Alpha was calculated for all factors. Some items with low individual reliability were eliminated to improve the Cronbach's Alpha of the scales.

As a result, 35 items were retained, and all fifteen variables in this study moderately met the minimum requirement (see Table 12). The constructs that produced the highest Cronbach's alpha were TV advertising expenditures (0.85) and event sponsorship (0.84). A few constructs had values lower than the recommended value: distribution intensity (0.65), non-price promotion (0.69), brand awareness (0.67), and brand association (0.68). These constructs were not dropped from the study because their values of variance extracted (another measure of reliability) met the minimum requirement, as demonstrated below, and their values of Cronbach's Alpha were very close to the acceptable value of 0.70. As a result, all constructs were accepted as being reliable for the research.

Table 12: Cronbach's Alpha of Constructs

Constructs	Number of Items	Cronbach's Alpha
Brand Price	2	0.75
Store Image	2	0.72
Distribution Intensity	2	0.65
Celebrity Endorsement	2	0.73
Event Sponsorship	3	0.84
Target Marketing	3	0.70
TV Advertising Expenditures	3	0.85
Print Advertising Expenditures	2	0.71
Web Advertising Expenditures	2	0.70
Nonprice Promotion	2	0.69
Price Promotion	2	0.76
Perceived Quality	2	0.81
Brand Loyalty	2	0.80
Brand Awareness	2	0.67
Brand Association	4	0.68

Average Variance Extracted (AVE). The other measure for checking the reliability of constructs was variance extracted. Average Variance Extracted (AVE) was proposed by Fornell and Larcker (1981) as a measure of the shared or common variance in a latent variable--the amount of variance captured by the variable in relation to the amount due to its measurement error (Dillon and Goldstein 1984). The AVE value should be greater than .50 to justify using a construct, according to Barclay, Thompson and Higgins (1995). Their AVE for X with indicators x_1, x_2, \dots, x_n is:

$$AVE = \frac{\sum[\lambda_i^2]\text{Var}(X)}{\sum[\lambda_i^2]\text{Var}(X)+\sum[\text{Var}(\epsilon_i)]}$$

Where λ_i is the loading of x_i on X, Var denotes variance, ϵ_i is the measurement error of x_i , and Σ denotes a sum (Fornell and Larcker, 1981). In this study, all latent variables demonstrated AVE values between 0.52 and 0.83, thereby meeting the minimum requirement (see Table 13).

Table 13: Average Variance Extracted of Constructs

Constructs	Average Variance Extracted
Brand Price	0.77
Store Image	0.68
Distribution Intensity	0.66
Celebrity Endorsement	0.79
Event Sponsorship	0.76
Target Marketing	0.60
TV Advertising Expenditures	0.78
Print Advertising Expenditures	0.76
Web Advertising Expenditures	0.76
Nonprice Promotion	0.76
Price Promotion	0.80
Perceived Quality	0.83
Brand Loyalty	0.81
Brand Awareness	0.68
Brand Association	0.52

Validity

Convergent validity. Although all latent variables in this study demonstrated acceptable reliability with Cronbach’s alpha, the Cronbach’s alpha might not be sufficient when unidimensionality is considered (Hair et al. 1998). Unidimensionality means “an assumption underlying the calculation of reliability and is demonstrated when the indicators of construct have acceptable fit on a single-factor (one-dimension) model” (Hair et al. 1998). In that situation, Cronbach’s alpha does not guarantee validity. Convergent validity (or composite reliability) should therefore be considered.

Convergent validity, according to Campbell and Fiske (1959), is when, in the presence of other scale items for other constructs, the scale items in a given construct move in the same direction (for reflective measures) and thus highly correlate. This differs from reliability in that tests of reliability include only the scale items for a single construct and are not compared to other constructs. The following formula from Bagozzi and Baumgartner (1994) was used to calculate the constructs’

convergent validity in this study:

$$\text{Convergent validity} = [(\sum \lambda_i)^2 \text{var}(\xi)] / [(\sum \lambda_i)^2 \text{var}(\xi) + \sum \theta_{ii}]$$

Among fifteen constructs in this study, the analysis showed that fourteen constructs (except target marketing) possessed values of convergent validity or composite reliability greater than the recommended value of 0.5 (Hair et al., 1998) (see Table 14).

Table14: Convergent Validity of Constructs

Constructs	Composite Reliability
Brand Price	0.60
Store Image	0.50
Distribution Intensity	0.51
Celebrity Endorsement	0.60
Event Sponsorship	0.70
Target Marketing	0.49
TV Advertising Expenditures	0.69
Print Advertising Expenditures	0.73
Web Advertising Expenditures	0.51
Nonprice Promotion	0.60
Price Promotion	0.65
Perceived Quality	0.82
Brand Loyalty	0.60
Brand Awareness	0.55
Brand Association	0.50

Discriminant validity. In addition to convergent validity, discriminant validity analysis also needed to be considered in this study. This refers to the principle that the indicators for different constructs should not be so highly correlated as to lead one to conclude that they measure the same thing.

The discriminant validity of the measures—the degree to which items differentiate among constructs or measure distinct concepts—is assessed by examining the correlations between the measures of potentially overlapping constructs. Items should load more strongly on their own constructs in the model, and

the average variance shared between each construct and its measures should be greater than the variance shared between the construct and other constructs (Compeau, Higgins and Huff, 1999). The method for evaluating discriminant validity proposed by Fornell and Larcker (1981) states that the squared correlations between the constructs should be less than the variance explained by each construct.

We found that most of the constructs, except for celebrity endorsement and event sponsorship, had a good level of discriminant validity (see Table 15). The pairs of constructs that did not meet these criteria are:

1. Celebrity Endorsement and TV Advertising Expenditures
2. Event Sponsorship and TV Advertising Expenditures

In Table 15, The diagonal row demonstrates variance extracted of each individual construct that could be used to compare with its correlations to the other constructs of checking discriminant validity (Fornell and Larcker, 1981).

Table 15: Discriminate Validity: A Comparison of Variance Extracted and Correlation between Constructs

Constructs	Brand Price	Store Image	Distribution Intensity	Celebrity Endorsement	Event Sponsorship	Target Marketing	TV Ads	Print Ads	Web Ads	Nonprice Promotion	Price Promotion	Perceived Quality	Brand Loyalty	Brand Awareness	Brand Association
Brand Price	0.60														
Store Image	0.21	0.50													
Distribution Intensity	0.03	0.21	0.51												
Celebrity Endorsement	0.14	0.04	0.01	0.60											
Event Sponsorship	0.13	0.08	0.01	0.58	0.70										
Target Marketing	0.12	0.00	0.01	0.00	0.00	0.49									
TV Ads	0.16	0.04	0.02	0.65	0.73	0.00	0.69								
Print Ads	0.16	0.03	0.01	-0.00	0.00	0.05	0.00	0.73							
Web Ads	0.04	0.04	0.05	0.25	0.17	0.00	0.20	0.10	0.51						
Nonprice Promotion	0.34	0.02	0.07	0.05	0.07	0.00	0.11	0.11	0.08	0.60					
Price Promotion	-0.03	-0.01	0.10	0.00	0.00	-0.01	0.02	0.02	0.00	0.01	0.65				
Perceived Quality	0.07	0.24	-0.02	0.11	0.11	0.03	0.06	0.02	0.04	-0.01	-0.05	0.82			
Brand Loyalty	0.00	0.08	0.01	0.00	0.02	0.01	0.00	0.03	0.07	0.03	0.01	0.16	0.60		
Brand Awareness	-0.01	0.02	0.11	0.02	0.00	0.04	0.00	0.00	0.03	-0.03	0.00	0.12	0.13	0.55	
Brand Association	0.01	0.19	0.02	0.06	0.04	0.13	0.04	0.06	0.15	0.00	-0.01	0.32	0.21	0.40	0.50

Structural Equation Model (SEM)

SEM is an extension of the general linear model (GLM) that enables researchers to test a set of regression equations simultaneously. SEM software can test traditional models, but it also permits the examination of more complex relationships and models, such as CFA and time series analyses.

The general form of SEM consists of two parts: the measurement model and the structural model. The measurement model specifies how the latent variables or the hypothetical constructs are measured in terms of the observed variables and describes the measurement properties. The structural equation model specifies the causal relationships among the latent variables and describes the causal effects and the amount of unexplained variance.

Model fit determines the degree to which the structural equation model fits the sample data. Model fit criteria commonly used are Chi-square (χ^2), Chi-Square χ^2/df , Goodness of Fit (GFI), Adjusted Goodness of Fit (AGFI), Norm Fit Index (NFI), Comparative Fit Index (CFI), Root Mean Square Residual (RMR), and Root Mean Square Error of Approximation (RMSEA). These criteria are based on differences between the observed and model-implied correlation or covariance matrix (Schumacker and Lomax, 1996).

Hu and Bentler (1999) suggest that GFI, NFI, CFI, and RMR values above .90 and AGFI values above .80 are generally interpreted as representing a good fit, whereas a value of RMSEA below .10 indicates a good fit. Due to large samples, a significant Chi-square (χ^2) does not indicate poor fit because the Chi-square is easily influenced by the size of the sample (unlike other criteria). In addition to the disadvantage of the Chi-square statistic, the ratio of Chi-square to its degree of

freedom, X^2/df , is further used to indicate a good fit. It is suggested that a ratio of 3:1 or less indicates an adequate fit.

Measurement Model Testing

Testing a measurement model is a primary task that should be performed before testing the relationship between latent variables. CFA is particularly useful for testing a measurement model as it allows for correlated errors of measurement (Hair et al., 1998).

A measurement model was set to have 35 items comprising 15 constructs (latent variables) in this study. AMOS 5.0 maximum likelihood method was used to examine each construct and its standardized loadings.

Standard Loading and the Squared Multiple Correlation

Bollen (1989) has suggested that standard loading and the squared multiple correlation between items and constructs should be used for measurement model testing. The analysis results for this study indicate that all 35 items were loaded highly on their corresponding construct ($p \leq 0.05$ in all cases) and the t-values of those items were greater than 2.0 (Segars and Grover, 1993). The analysis of the squared multiple correlations demonstrated that, except for a few items, most of the items met the recommended criteria of 0.40 (Taylor and Todd, 1995). This means, overall, that the items shared substantial variance with their hypothesized constructs (see Table 16).

Table 16: Parameter Estimates for the Measurement Model

Constructs	Items	Standardized Loadings	T-values	Squared Multiple Correlation
Brand Price	Brand Price-1	0.71** ³	10.23	0.50
	Brand Price-2	0.76**	- ⁴	0.58
Store Image	Store Image-1	0.65**	8.04	0.42
	Store Image-2	0.55**	-	0.40
Distribution Intensity	Distribution Intensity-2	0.67**	5.30	0.46
	Distribution Intensity-3	0.46**	-	0.30
Celebrity Endorsement	Celebrity Endorsement-1	0.72**	16.54	0.52
	Celebrity Endorsement-3	0.80**	-	0.64
Event Sponsorship	Event Sponsorship -1	0.77**	20.22	0.60
	Event Sponsorship -2	0.82**	21.88	0.68
	Event Sponsorship -3	0.80**	-	0.65
Target Marketing	Target Marketing-1	0.77**	8.54	0.60
	Target Marketing-2	0.62**	8.78	0.40
	Target Marketing-4	0.47**	-	0.23
TV Advertising Expenditures	TV Advertising-1	0.81**	20.90	0.65
	TV Advertising-2	0.87**	22.62	0.60
	TV Advertising-3	0.77**	-	0.76
Print Advertising Expenditures	Print Advertising-2	0.53**	15.47	0.35
	Print Advertising-3	0.99**	-	1.00
Web Advertising Expenditures	Web Advertising-2	0.70**	11.66	0.50
	Web Advertising-3	0.74**	-	0.54
Non-price Promotion	Non-price Promotion-1	0.75**	14.90	0.56
	Non-price Promotion-2	0.72**	-	0.52
Price Promotion	Price Promotion-2	0.79**	15.33	0.63
	Price Promotion-3	0.77**	-	0.59
Perceived Quality	Perceived Quality-1	0.78**	16.63	0.62
	Perceived Quality-2	0.85**	-	0.73
Brand Loyalty	Brand Loyalty-1	0.88**	11.28	0.78
	Brand Loyalty-2	0.70**	-	0.49
Brand Awareness	Brand Awareness-1	0.56**	8.85	0.32
	Brand Awareness-2	0.63**	-	0.40
Brand Association	Brand Association-1	0.69**	11.36	0.47
	Brand Association-2	0.58**	11.00	0.40
	Brand Association-4	0.71**	11.57	0.50
	Brand Association-5	0.57**	-	0.38

The Fit of the Measurement Model

In terms of model fit, the test of the measurement model demonstrated that it had a good fit to the data. The data shown in Table 17 suggest that, except for Chi-square (X^2) and NFI, all other criteria met the recommended values suggested by Hu

³ ** indicates significant correlation at $t > 2.0$;

⁴ - means first path was set to 1, therefore, no SE's or t-value are given.

and Bentle (1999).

A Chi-square (χ^2) value of 873.35 with a degree of freedom of 455 for the measurement model was found. The p value of χ^2 was equal to 0.00, which does not meet the criteria for a fit model ($P \geq 0.05$). However, it was accepted that χ^2 is not an appropriate criterion for a study that has a large sample size (Browne and Cudeck, 1993; Marsh, 1994), and that χ^2 becomes more sensitive as the number of indicators rises (Hair et al., 1998). This study had a large sample size (623 valid respondents) and a large number of indicators (35 items), so χ^2 was not an appropriate testing criterion for model fit for this study.

Although NFI was lower than the recommended value of 0.90, it could be considered very close (0.89). Therefore, it could be articulated that the measurement model of this study had an acceptable level of fitness. Other fitness indices met the recommended minimum values as well: Chi-square (χ^2)/df of 1.90, GFI of 0.93, AGFI of 0.90, CFI of 0.94, RMR of 0.03, and RMSEA of 0.04 (see Table 17).

Table 17: Reported Values of Model Fit for the Measurement Model

Fit Measure	Recommended Values	Values from the Model	Conclusion
Chi-square (χ^2)	$P \geq 0.05$	0.00	Not Fit
Chi-square (χ^2)/df	≤ 3.00	1.90	Fit
Goodness of Fit (GFI)	≥ 0.90	0.93	Fit
Adjusted Goodness of Fit (AGFI)	≥ 0.80	0.90	Fit
Norm Fit Index (NFI)	≥ 0.90	0.89	Moderately Fit
Comparative Fit Index (CFI)	≥ 0.90	0.94	Fit
Root Mean Square Residual (RMR)	≤ 0.09	0.03	Fit
Root Mean Square Error of Approximation (RMSEA)	≤ 0.10	0.04	Fit

Structural Model Testing

Once the measurement model had been tested for suitability, the estimation of

the structural model followed. A measurement model is used for defining the relations between observed and unobserved variables, whereas a structural model is employed to examine the relations among latent variables in a proposed model (Byrne, 1998). AMOS 5.0 Graphics was used to run the structural model and test the hypothesized relationship between constructs. Maximum likelihood estimation and correlation matrix were used to test the structural model.

The structural model of this study included all variables from the measurement model, since all of them had significant factor loadings. It specified the perceived marketing efforts as exogenous variables, and they were related to the endogenous variables—brand equity dimensions.

The constructs and their hypothesized relations were tested simultaneously. The model fit criteria used in testing the measurement model were employed to test the structural model, and goodness-of-fit statistics indicated that the structural model revealed a satisfactory fit.

A Chi-square (X^2) value of 36.94 with a degree of freedom of 11 for the measurement model was found in this study. The p value of X^2 was equal to 0.00, which does not meet the criteria for a fit model ($p \geq 0.05$). However, this could be explained by the same reasons mentioned above: large sample size and a large number of indicators in the study.

All other fitness indices met the recommend values: Chi-square (X^2)/df of 3.36, GFI of 0.99, AGFI of 0.92, NFI of 0.99, CFI of 0.99, RMR of 0.02, and RMSEA of 0.06 (see Table 18). Therefore, the structural model of this study showed an acceptable model fitness level. The next step was to test the relationships between constructs included in the structural model.

Table 18: Reported Values of Model Fit for the Structural Model

Fit Measure	Recommended Values	Values from the Model	Conclusion
Chi-square (X^2)	$P \geq 0.05$	0.00	No Fit
Chi-square (X^2)/df	≤ 3.00	3.36	Moderate Fit
Goodness of Fit (GFI)	≥ 0.90	0.99	Fit
Adjusted Goodness of Fit (AGFI)	≥ 0.80	0.92	Fit
Norm Fit Index (NFI)	≥ 0.90	0.99	Fit
Comparative Fit Index (CFI)	≥ 0.90	0.99	Fit
Root Mean Square Residual (RMR)	≤ 0.09	0.02	Fit
Root Mean Square Error of Approximation (RMSEA)	≤ 0.10	0.06	Fit

Results of Hypotheses

Of the fifteen latent variables examined, eleven exogenous variables and four endogenous variables were included in the proposed model of this study. The eleven exogenous variables were selected marketing activities and the four endogenous variables were brand equity dimensions.

The 39 hypotheses of the study were tested by structural equation model. Among them, 6 referred to the relationship among brand equity dimensions and 33 hypotheses addressed the relationship between marketing activities and brand equity dimensions.

Since the t-value was actually smaller for the one-tail test, instead of 1.96 or 2.00 from the two-tail test, for directional hypotheses, the rule of 1.65 t-value was used as the critical value (at the 0.05 significance level). All hypotheses in this study were directional ones, so a t-value of 1.65 (at the 0.05 significance level) was used as the cutoff value in examining hypotheses. According to this cutoff value, of the 39 hypotheses in this study, 26 were supported ($p < .05$), and 14 were not.

Interpretation of Structural Model Testing

According to the results from the structural model testing, about two-thirds of the hypotheses in this study were supported. As mentioned in the previous chapter, despite the apparent and increasing importance of the Chinese market, the topic of how to build brand equity with various marketing strategies in China appears to be under-researched, so this study, to some extent, is exploratory. Therefore, the fact that some of the hypotheses developed based on findings from Western consumers are not supported in this market is an expected and reasonable result.

The following section, then, interprets the results from the structural model testing and discusses the hypotheses. The hypothesized relationships, standardized coefficient, t-value, and results are shown in Table 19.

Table 19: Results of Hypothesis Testing from Structural Model

Hypotheses	From	To	Standardized Coefficient	T-value	Results
Relationships among Brand Equation Dimensions					
H-A1	Perceived Quality	Brand Association	$\beta_{31} = 0.28$	7.69***	Supported
H-A2	Perceived Quality	Brand Loyalty	$\beta_{41} = 0.18$	4.40***	Supported
H-A3	Brand Awareness	Perceived Quality	$\beta_{12} = 0.19$	5.16***	Supported
H-A4	Brand Awareness	Brand Association	$\beta_{32} = 0.30$	9.12***	Supported
H-A5	Brand Awareness	Brand Loyalty	$\beta_{42} = 0.13$	3.35***	Supported
H-A6	Brand Association	Brand Loyalty	$\beta_{43} = 0.23$	5.20***	Supported
Relationships from Marketing Activities to Brand Equation Dimensions					
H-B1-1	Brand Price	Perceived Quality	$\gamma_{11} = 0.06$	1.66	Supported
H-B2-1	Store Image	Perceived Quality	$\gamma_{12} = 0.24$	6.40***	Supported
H-B2-2	Store Image	Brand Awareness	$\gamma_{22} = 0.07$	1.69	Supported
H-B2-3	Store Image	Brand Association	$\gamma_{32} = 0.14$	4.10***	Supported
H-B3-2	Distribution Intensity	Brand Awareness	$\gamma_{23} = 0.17$	4.20***	Supported
H-B4-1	Celebrity Endorsement	Perceived Quality	$\gamma_{14} = 0.11$	2.24	Supported
H-B4-2	Celebrity Endorsement	Brand Awareness	$\gamma_{24} = 0.11$	2.02	Supported
H-B4-3	Celebrity Endorsement	Brand Association	$\gamma_{34} = -0.04$	-0.97	Unsupported
H-B5-1	Event Sponsorship	Perceived Quality	$\gamma_{15} = 0.20$	3.61***	Supported
H-B5-2	Event Sponsorship	Brand Awareness	$\gamma_{25} = -0.01$	-0.17	Unsupported
H-B5-3	Event Sponsorship	Brand Association	$\gamma_{35} = -0.01$	-0.10	Unsupported
H-B5-4	Event Sponsorship	Brand Loyalty	$\gamma_{45} = 0.10$	1.73	Supported
H-B6-1	Target Marketing	Perceived Quality	$\gamma_{16} = 0.08$	2.33	Supported
H-B6-2	Target Marketing	Brand Awareness	$\gamma_{26} = 0.10$	2.69	Supported
H-B6-3	Target Marketing	Brand Association	$\gamma_{36} = 0.19$	5.86***	Supported
H-B7-1	TV Advertising	Perceived Quality	$\gamma_{17} = -0.08$	-0.68	Unsupported
H-B7-2	TV Advertising	Brand Awareness	$\gamma_{27} = 0.03$	0.22	Unsupported
H-B7-3	TV Advertising	Brand Association	$\gamma_{37} = 0.09$	0.81	Unsupported
H-B7-4	TV Advertising	Brand Loyalty	$\gamma_{47} = -0.35$	-2.87	Unsupported
H-B8-1	Print Advertising	Perceived Quality	$\gamma_{18} = 0.05$	0.42	Unsupported
H-B8-2	Print Advertising	Brand Awareness	$\gamma_{28} = -0.08$	-0.66	Unsupported
H-B8-3	Print Advertising	Brand Association	$\gamma_{38} = -0.06$	-0.56	Unsupported
H-B8-4	Print Advertising	Brand Loyalty	$\gamma_{48} = 0.24$	2.13	Supported
H-B9-1	Web Advertising	Perceived Quality	$\gamma_{19} = 0.01$	0.18	Unsupported
H-B9-2	Web Advertising	Brand Awareness	$\gamma_{29} = 0.09$	2.07	Supported
H-B9-3	Web Advertising	Brand Association	$\gamma_{39} = 0.19$	5.52***	Supported
H-B9-4	Web Advertising	Brand Loyalty	$\gamma_{49} = 0.06$	1.46	Unsupported
H-B10-1	Price Promotion	Perceived Quality	$\gamma_{1-10} = -0.14$	-4.01	Supported
H-B10-2	Price Promotion	Brand Awareness	$\gamma_{2-10} = 0.09$	1.84	Supported
H-B10-3	Price Promotion	Brand Association	$\gamma_{3-10} = -0.07$	-1.67	Supported
H-B11-1	Non-price Promotion	Brand Awareness	$\gamma_{2-11} = -0.02$	-0.98	Unsupported
H-B11-2	Non-price Promotion	Brand Association	$\gamma_{3-11} = 0.06$	1.65	Supported
H-B11-3	Non-price Promotion	Brand Loyalty	$\gamma_{4-11} = 0.14$	3.78***	Supported

Note: *** means P values $\leq .001$.

Relationships Among Brand Equity Dimensions

Hypotheses A1 to A6 were formulated to determine whether significant relationships existed among brand equity dimensions in the Chinese clothing market. All hypotheses were supported. Thus, the results indicate that the proposed relationships among brand equity dimensions, which were based mainly on the findings from studies conducted in Western cultures, were supported in the Chinese market (see Table 20).

In testing H-A1 and H-A2, it was evident that the perceived high quality of products was likely to help build a favorable brand image ($\beta_{31} = 0.28$, $t\text{-value} = 7.69$) and strong brand loyalty ($\beta_{41} = 0.18$, $t\text{-value} = 4.40$). That is, Chinese consumers' perception of brands was based on the real value and quality provided by the products, rather than on the brand name alone. Hence, H-A1 and H-A2 were supported.

H-A3, 4, and 5 argued that brand awareness is the foundation of building brand equity, and that the other three brand equity dimensions (perceived quality, brand association, and brand loyalty) are significantly influenced by it. In this study, the three hypotheses were empirically supported in the Chinese market: brand awareness was positively related to perceived quality ($\beta_{12} = 0.21$, $t\text{-value} = 5.78$), brand association ($\beta_{32} = 0.30$, $t\text{-value} = 9.16$), and brand loyalty ($\beta_{42} = 0.13$, $t\text{-value} = 3.35$). In other words, Chinese consumers tend to associate imported clothing brand names with a positive brand image, such as high quality and high fashion, and tend to show strong loyalty to big name brands. Thus, H-A3, H-A4 and H-A5 were supported.

H-A6 hypothesized that favorable brand association can lead to strong loyalty toward the brand. The results reveal that brand association was positively related to brand loyalty ($\beta_{43} = 0.23$, $t\text{-value} = 5.20$). Thus, for imported clothing brands, Chinese

consumers' positive perception of brand image plays an important role in building strong relationships with them. Therefore, H-A6 was supported.

Table 20: Relationships Among Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-A1	Perceived Quality	Brand Association	$\beta_{31} = 0.28$	7.69***	Supported
H-A2	Perceived Quality	Brand Loyalty	$\beta_{41} = 0.18$	4.40***	Supported
H-A3	Brand Awareness	Perceived Quality	$\beta_{12} = 0.19$	5.16***	Supported
H-A4	Brand Awareness	Brand Association	$\beta_{32} = 0.30$	9.12***	Supported
H-A5	Brand Awareness	Brand Loyalty	$\beta_{42} = 0.13$	3.35***	Supported
H-A6	Brand Association	Brand Loyalty	$\beta_{43} = 0.23$	5.20***	Supported

Note: *** means P values $\leq .001$.

Figure 10 demonstrates the results of hypothesis testing about the relationships among four brand equity dimensions.

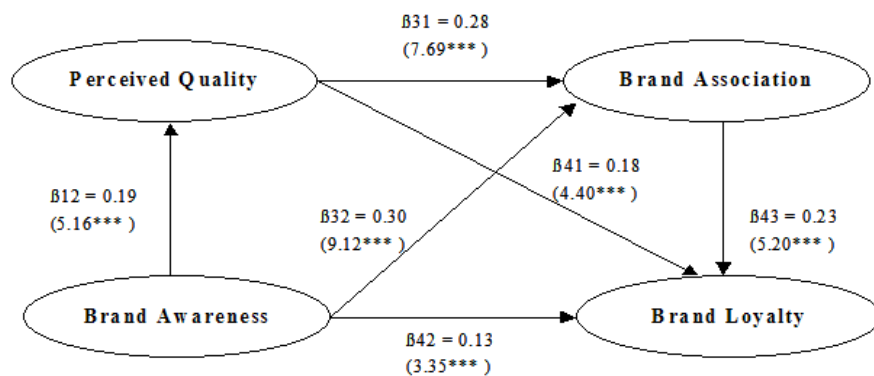


Figure 10: Results of Hypothesis Testing – Relationships among Brand Equity Dimensions

Relationships Between Marketing Activities and Brand Equity Dimensions

Test of Hypothesis B1-1

H-B1-1 posited that brand price is a significant clue consumers use to evaluate the brand quality. In this study, the path to perceived quality from brand price was positive ($\gamma_{11} = 0.07$, t-value = 1.66) (see Table 21). This result indicates that Chinese

consumers use brand price as an important clue in determining the quality of imported clothing brands. For them, expensive products mean higher quality (Kwan, Yeung, and Au, 2003). Thus, H-B1-1 was supported.

Table 21: Relationship of Brand Price and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B1-1	Brand Price	Perceived Quality	$\gamma_{11} = 0.07$	1.66	Supported

Test of Hypotheses B2-1 to B2-3

H-B2-1, B2-2, and B2-3 hypothesized that good store image is likely to increase brands' perceived quality and brand awareness and to improve brand association. The proposed relationships were supported by the results: perceived quality ($\gamma_{12} = 0.25$, t-value = 6.72), brand awareness ($\gamma_{22} = 0.07$, t-value = 1.69), and brand association ($\gamma_{23} = 0.14$, t-value = 4.10) were influenced by store image (see Table 22).

These results suggest that even though good store image of retailers in China may not necessarily influence customers' stronger loyalty toward the brands they carry, the retailers' brand equity can enhance the brand awareness and brand image based on the value the retailers provide to their customers (Srivastava & Shocker, 1991). Therefore, H-B2-1, H-B2-2, and H-B2-3 were supported.

Table 22: Relationship of Store Image and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	T-value	Results
H-B2-1	Store Image	Perceived Quality	$\gamma_{12} = 0.24$	6.40***	Supported
H-B2-2	Store Image	Brand Awareness	$\gamma_{22} = 0.07$	1.69	Supported
H-B2-3	Store Image	Brand Association	$\gamma_{32} = 0.14$	4.10***	Supported

Note: *** means P values $\leq .001$.

Test of Hypotheses B3-1 to B3-2

H-B3-2 argued that intensive distribution was likely to improve brand awareness.

The results from this study supported this proposed relationship ($\gamma_{23} = 0.17$, $t\text{-value} = 4.20$) (see Table 23). That is, channel convenience provided by international marketers in China could effectively increase their products' popularity among the Chinese consumers, since many people regarded shopping as a major leisure time activity. Hence, both H-B3-1 and H-B3-2 were supported.

Table 23: Relationship of Distribution Intensity and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B3-2	Distribution Intensity	Brand Awareness	$\gamma_{23} = 0.17$	4.20***	Supported

Note: *** means P values $\leq .001$.

Test of Hypotheses B4-1 to B4-3

H-B4-1, H-B4-2, and H-B4-3 postulated that celebrity endorsement was likely to increase a brand's perceived quality and brand awareness, and to improve brand association. Positive paths were found to perceived quality ($\gamma_{14} = 0.10$, $t\text{-value} = 2.13$) and brand awareness ($\gamma_{24} = 0.11$, $t\text{-value} = 2.02$) from celebrity endorsement (see Table 24). That is, credible celebrity endorsers serve as a sign of high quality in Chinese consumer's minds, and can be used to generate more traffic to the brand. Since respect for authority is an important part of Chinese cultural value, advertising and promotion are more effective in China when fashion opinion leaders (celebrities) are included in the commercials to recommend products/brands to the target customers. Thus, both H-B4-1 and H-B4-2 were supported.

However, a positive relationship was not found between celebrity endorsement and brand association ($\gamma_{34} = 0.04$, $t\text{-value} = 0.97$. See Table 24). That is, endorsement in China is effective for attracting consumers' attention to a brand, but not effective for strengthening brand image. As previous research suggests,

international marketers probably do not appropriately use celebrity endorsements in China, so favorable meanings could not be transferred to the brands (Till, 1998).

Hence, H-B4-3 was not supported.

Table 24: Relationship of Celebrity Endorsement and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B4-1	Celebrity Endorsement	Perceived Quality	$\gamma_{14} = 0.11$	2.24	Supported
H-B4-2	Celebrity Endorsement	Brand Awareness	$\gamma_{24} = 0.11$	2.02	Supported
H-B4-3	Celebrity Endorsement	Brand Association	$\gamma_{34} = -0.04$	-0.97	Unsupported

Test of Hypotheses B5-1 to B5-4

H-B5-1, 2, 3, and 4 hypothesized that event sponsorship was positively related to perceived quality, brand awareness, brand association, and brand loyalty. The paths to perceived quality ($\gamma_{15} = 0.20$, t-value = 3.56) and brand loyalty ($\gamma_{45} = 0.10$, t-value = 1.73) were both positive (see Table 25). That is, event sponsorship was an effective device for strengthening perceived quality and building linkage with young consumers in China. Hence, both H-B5-1 and H-B5-4 were supported.

However, the paths to both brand awareness ($\gamma_{25} = 0.01$, t-value = 0.17) and brand association ($\gamma_{35} = 0.01$, t-value = 0.10) from event sponsorship were found to be weaker and insignificant (see Table 25). That is, event sponsorship in China is not effective at promoting a sponsor's brand and communicating brand personality to the audience.

Even though commercial sponsorship is regarded as a highly cost-effective medium for achieving awareness and image-related objectives at both the corporate and brand levels, a particular sponsorship has its own personality and perception in

the public mind (Meenaghan, 1990). Fan and Pfitzenmaier (2002) further suggest that Chinese consumers have different perceptions of event-based promotions than do Westerners. For young Chinese consumers, the sponsorship event offered by international sponsors in China might not be a good match with the sponsor's brand, so the objective of enhancing brand awareness and reinforcing brand image could not be achieved here. Thus, H-B5-2 and H-B5-3 were not supported.

Table 25: Relationship of Event Sponsorship and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B5-1	Event Sponsorship	Perceived Quality	$\gamma_{15} = 0.20$	3.61***	Supported
H-B5-2	Event Sponsorship	Brand Awareness	$\gamma_{25} = -0.01$	-0.17	Unsupported
H-B5-3	Event Sponsorship	Brand Association	$\gamma_{35} = -0.01$	-0.10	Unsupported
H-B5-4	Event Sponsorship	Brand Loyalty	$\gamma_{45} = 0.10$	1.73	Supported

Note: *** means P values $\leq .001$.

Test of Hypotheses B6-1 to B6-3

H-B6-1, H-B6-2, and H-B6-3 argued that target marketing strategy was likely to strengthen perceived quality, brand awareness, and brand association. The data in this study strongly support these projected relationships. The paths to perceived quality ($\gamma_{16} = 0.09$, t -value = 2.54), brand awareness ($\gamma_{26} = 0.12$, t -value = 2.69), and brand association ($\gamma_{36} = 0.19$, t -value = 5.86) from target marketing are positive (see Table 26). That is, marketing efforts concentrating on the needs of target consumers in China are more effective in improving a brand's perceived quality, awareness, and association. These results support the statement that a specialized marketing strategy for each niche market is critical in building brand equity in Chinese clothing market (Crocker and Tay, 2004). Therefore, H-B6-1, H-B6-2, and H-B6-3 were supported.

Table 26: Relationship of Target Marketing and Brand Equity Dimensions

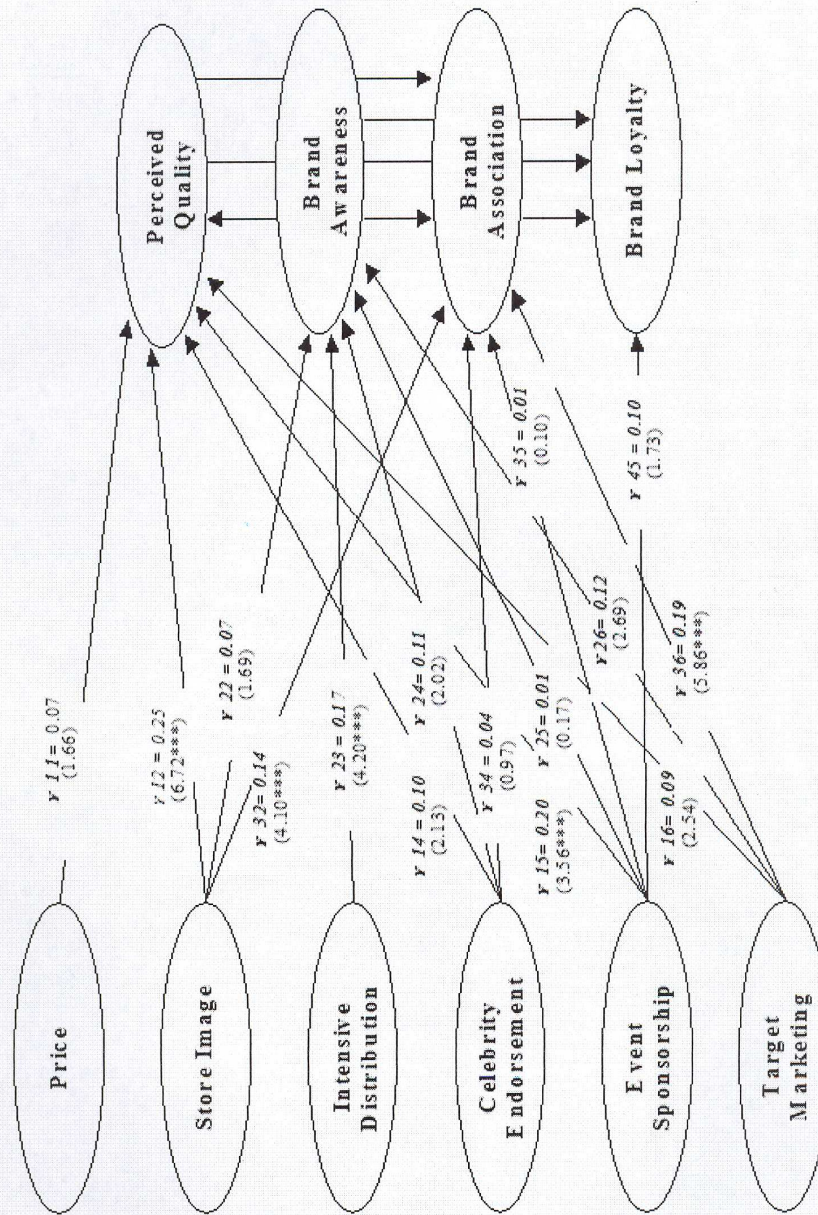
Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B6-1	Target Marketing	Perceived Quality	$\gamma_{16} = 0.08$	2.33	Supported
H-B6-2	Target Marketing	Brand Awareness	$\gamma_{26} = 0.10$	2.69	Supported
H-B6-3	Target Marketing	Brand Association	$\gamma_{36} = 0.19$	5.86***	Supported

Note: *** means P values $\leq .001$.

Since fifteen variables were included in the structural model (eleven exogenous variables are selected marketing activities and four endogenous variables are brand equity dimensions), it is not workable to include all selected marketing activities in one figure, summarizing the results of hypotheses. Therefore, as in the literature review chapter, three figures are used to demonstrate the testing results of hypotheses.

Figure 11 demonstrates the results of hypothesis testing about the relationships of six marketing activities (price, store image, distribution intensity, celebrity endorsement, event sponsorship, and targeting marketing) and brand equity dimensions.

Figure 11: Results of Hypothesis Testing – Relationship of Six Marketing Activities and Brand Equity Dimensions



Test of Hypotheses B7-1 to B7-4

H-B7-1, 2, 3 and 4 postulate that TV advertising expenditures is positively related to perceived quality, brand awareness, brand association, and brand loyalty. However, results reveal that its relationship to perceived quality ($\gamma_{17} = 0.05$, $t\text{-value} = 0.40$), brand awareness ($\gamma_{27} = 0.03$, $t\text{-value} = 0.22$), and brand association ($\gamma_{47} = 0.09$, $t\text{-value} = 0.81$) are not significant (see Table 27). That is, although television is by far the most popular medium in China, it is losing its effectiveness in promoting brand name and brand image in this market.

Multinational companies are starting to see a shift in TV viewing habits in China, at least with younger audiences. Studies show that communication through traditional mass media such as TV and the press are becoming less effective there, especially for Chinese youth, because they are slightly older media and deliver to an unsegmented audience. Savage (2004) also indicates that Chinese people's patience with TV advertising is running thin. According to a recent survey of city residents in China, about 78 percent of people think today's ads are boring. Therefore, it is commonly seen that TV viewers in China normally either change the channel or find something else to do when a commercial break comes on. Hence, H-B7-1, H-7-2, H-7-3 were not supported.

Contrary to the proposed hypothesis, the data reveal a surprising reverse relationship between TV advertising expenditures and brand loyalty ($\gamma_{47} = -0.35$, $t\text{-value} = -2.87$) in the Chinese market. That is, the more TV advertising expenditures invested in the brand, the less loyal Chinese consumers would feel toward the brand ($\gamma_{47} = -0.35$, $t\text{-value} = -2.87$) (see Table 27).

Liu's study (2002) on advertising in China suggests that new generations believe

advertising tends to confuse their choices and make them a nation of conformists. A majority of respondents in that study also agreed that much of advertising in China was exaggeration and did not present a true picture of the products. Therefore, too many TV ads might reduce interest and trust in the brand or product, especially among younger consumers. Instead, they tend to choose not to buy it at all or not purchase it again. Thus, H-B7-4 was not supported and refuted.

Table 27: Relationship of TV Advertising Expenditures and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B7-1	TV Advertising	Perceived Quality	$\gamma_{17} = -0.08$	-0.68	Unsupported
H-B7-2	TV Advertising	Brand Awareness	$\gamma_{27} = 0.03$	0.22	Unsupported
H-B7-3	TV Advertising	Brand Association	$\gamma_{37} = 0.09$	0.81	Unsupported
H-B7-4	TV Advertising	Brand Loyalty	$\gamma_{47} = -0.35$	-2.87	Unsupported

Test of Hypotheses B8-1 to B8-4

H-B8-1, 2, 3, and 4 posited that print advertising is likely to improve perceived quality, brand awareness, brand association, and brand loyalty. Its hypothesized relationship to brand loyalty was supported by the data of this study ($\gamma_{48} = 0.24$, t-value = 2.13). That is, print advertising could contribute to brand loyalty by delivering to a highly qualified target market in China. Therefore, H-8-4 was supported.

However, the paths from print advertising expenditures to perceived quality ($\gamma_{18} = 0.02$, t-value = 0.20), brand awareness ($\gamma_{28} = 0.08$, t-value = 0.67), and brand association ($\gamma_{38} = 0.06$, t-value = 0.56) were not positive (see Table 28). That is, print advertising could not create awareness and influence Chinese consumers' expectations of product quality and brand image.

As mentioned in the TV advertising section, TV and press have become less effective in China, especially for Chinese youth, because of the slightly older media

and delivery to an unsegmented audience. Although print media are still the second most popular ad vehicles in China, accounting for 31.3 percent of all advertising expenditures (Liu, 2002), and consumers who prefer to buy imported brand clothing in China do read more fashion magazines (Wang et al., 2004), research shows that many magazine viewers in China believe brand advertising in magazines lacks variety and creation, so brand information carried in print ads cannot really seep into the consumer's mind. Thus, H-B8-1, 2, and 3 were not supported.

Table 28: Relationship of Print Advertising Expenditures and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B8-1	Print Advertising	Perceived Quality	$\gamma_{18} = 0.05$	0.42	Unsupported
H-B8-2	Print Advertising	Brand Awareness	$\gamma_{28} = -0.08$	-0.66	Unsupported
H-B8-3	Print Advertising	Brand Association	$\gamma_{38} = -0.06$	-0.56	Unsupported
H-B8-4	Print Advertising	Brand Loyalty	$\gamma_{48} = 0.24$	2.13	Supported

Test of Hypotheses B9-1 to B9-4

H-B9-1, 2, 3, and 4 hypothesized that Web advertising expenditures could positively influence perceived quality, brand awareness, brand association, and brand loyalty (see Table 29). The proposed relationships to brand awareness ($\gamma_{29} = 0.09$, t-value = 2.07) and brand association ($\gamma_{39} = 0.19$, t-value = 5.52) are supported by the data of this study. That is, Web advertising expenditures have become an effective communication tool for enhancing users' brand recall and brand perception in the Chinese clothing market. Since younger Chinese audiences are increasingly spending less time watching TV and more time surfing the Web, playing online games, and using cell phones (Fong, 2006), the Internet has become a new spot for international

marketers to reach them. Thus, H-9-2 and H-9-3 were supported.

However, the positive relationship of Web advertising expenditures to perceived quality ($\gamma_{19} = 0.02$, $t\text{-value} = 0.60$) and brand loyalty ($\gamma_{49} = 0.06$, $t\text{-value} = 1.46$) were not supported. That is, Web advertising cannot significantly change Chinese users' attitude toward brand price and increase their purchase consideration. Because of its potential, Web advertising is growing fast. However, in comparison with international markets, creative ads developed for China sites pale because of a lack of many of the elements that make for a good consumer experience (Ying, 2006). Lin (2006) also suggests that advertisers in China should stop treating online media as a cheaper ad space to deliver promotional message. These are some of reasons why Web advertising in China currently still cannot effectively improve the perception of brand quality and build strong brand link with the users. Thus, H-9-1 and H-9-4 were not supported.

Table 29: Relationship of Web Advertising Expenditures and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B9-1	Web Advertising	Perceived Quality	$\gamma_{19} = 0.01$	0.18	Unsupported
H-B9-2	Web Advertising	Brand Awareness	$\gamma_{29} = 0.09$	2.07	Supported
H-B9-3	Web Advertising	Brand Association	$\gamma_{39} = 0.19$	5.52** *	Supported
H-B9-4	Web Advertising	Brand Loyalty	$\gamma_{49} = 0.06$	1.46	Unsupported

Note: *** means P values $\leq .001$.

Figure 12 demonstrates the results of hypothesis testing about the relationships of advertising expenditures (TV, print and Web) and brand equity dimensions.

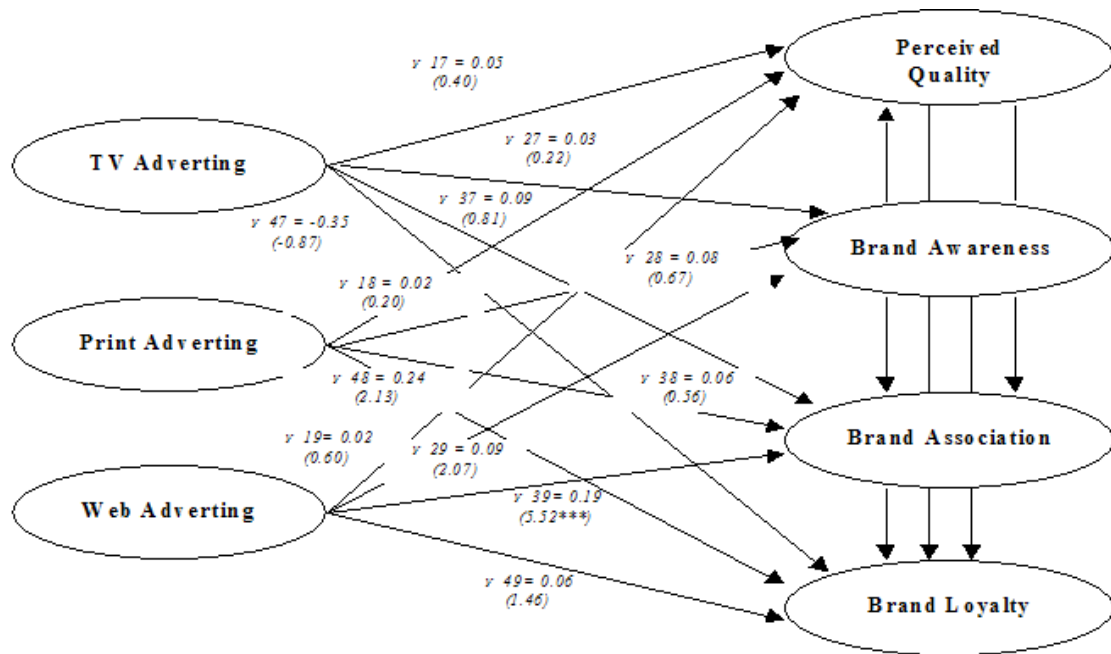


Figure 12: Results of Hypotheses Testing – Relationship of Advertising Expenditure and Brand Equity Dimensions

Test of Hypotheses B10-1 to B10-3

H-B10-1 and H-B10-3 posited that price promotion negatively affects perceived quality and brand association, whereas H-B10-2 hypothesized that price promotion is likely to increase brand awareness (see Table 30). The paths from price promotion to perceived quality ($\gamma_{1-11} = -0.12$, $t\text{-value} = -3.25$) and brand association ($\gamma_{3-11} = -0.07$, $t\text{-value} = -1.67$) were negative. That is, frequent price promotion activities could cheapen both brand quality and brand image in Chinese consumers' minds, because the consumers believe that "cheap products are never good" and there must be a reason behind a nice deal. Thus, both H-B10-1 and H-B10-3 were supported.

The data also support the positive effect price promotion has on brand awareness ($\gamma_{2-11} = 0.09$, $t\text{-value} = 1.84$). That is, price-based promotion is likely to encourage the trial/adoption of a brand or product in China. Chinese consumers are responsive to promotion stimuli and especially enjoy the beginning-of-season and end-of-season sales promotions, so price-based promotions can be employed as an opportunity to introduce the brand or product to them. Therefore, H-B10-2 was supported.

Table 30: Relationship of Price Promotion and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B10-1	Price Promotion	Perceived Quality	$\gamma_{1-10} = -0.14$	-4.01	Supported
H-B10-2	Price Promotion	Brand Awareness	$\gamma_{2-10} = 0.09$	1.84	Supported
H-B10-3	Price Promotion	Brand Association	$\gamma_{3-10} = -0.07$	-1.67	Supported

Test of Hypotheses B11-1 to B11-3

H-B11-1, 2, and 3 argued that non-price promotion is likely to strengthen brand awareness, brand association, and brand loyalty (see Table 31). A path from non-price

promotion to brand awareness was not positive ($\gamma_{2-10} = 0.02$, $t\text{-value} = 0.98$), indicating it is not effective in generating interest in a brand in the Chinese clothing market. Hence, H-B11-1 was not supported.

Results reveal that non-price promotion can significantly enhance brand association ($\gamma_{3-10} = 0.06$, $t\text{-value} = 1.65$) and brand loyalty ($\gamma_{4-10} = 0.14$, $t\text{-value} = 3.78$). That is, non-price promotion used by international marketers in China could add a favorable brand association to brands and encourage consumers' brand loyalty. Therefore, H-B11-2 and H-B11-3 were supported.

Table 31: Relationship of Non-price Promotion and Brand Equity Dimensions

Hypotheses	From	To	Standardized Coefficient	t-value	Results
H-B11-1	Non-price Promotion	Brand Awareness	$\gamma_{2-11} = -0.02$	-0.98	Unsupported
H-B11-2	Non-price Promotion	Brand Association	$\gamma_{3-11} = 0.06$	1.65	Supported
H-B11-3	Non-price Promotion	Brand Loyalty	$\gamma_{4-11} = 0.14$	3.78***	Supported

Note: *** means P values $\leq .001$.

Figure 13 demonstrates the results of hypothesis testing on the relationships of promotion (price and non-price) to brand equity dimensions.

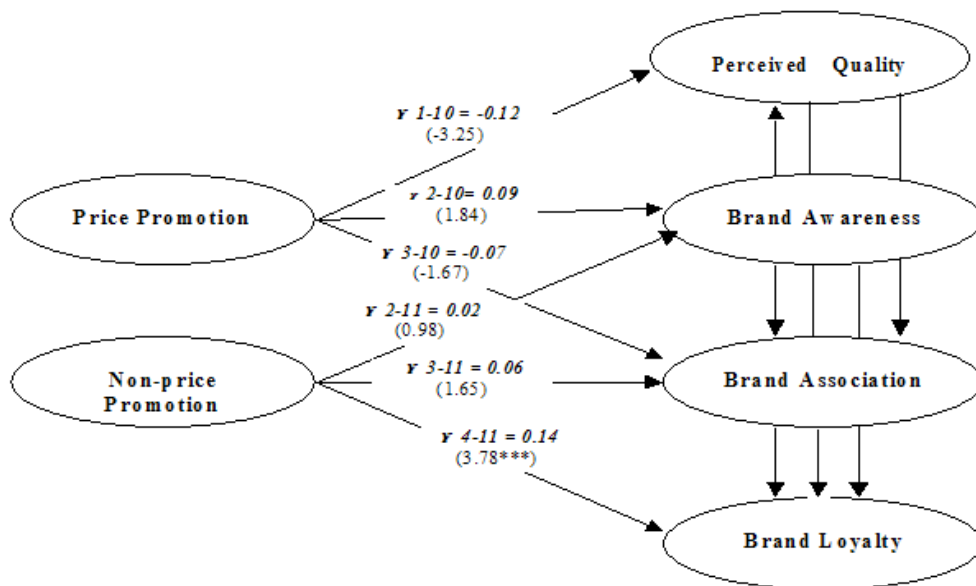


Figure 13: Results of Hypothesis Testing – Relationship of Promotion and Brand Equity Dimensions

In sum, this chapter has presented the analyses of measurement reliability and validity, an analysis of the measurement and structural models, the results of hypothesis testing, and a discussion on the research hypotheses outcomes. Overall, it has been shown that the data in this study achieved acceptable levels of measurement reliability and validity, while the measurement model showed a good fit. In addition, the structural model demonstrated that 26 out of 39 proposed hypotheses in this study were supported with a good fit level. The following chapter provided a conclusion and directions for future research.

CHAPTER 5

CONCLUSION AND DIRECTION OF FUTURE RESEARCH

To explore the relationships between selected marketing efforts and the creation of brand equity in the Chinese clothing market, the study reported here investigated the relational linkages between eleven marketing activities and four brand equity dimensions using a structural model. Important implications for the brand equity creation process in the Chinese market were found.

Marketing strategy is considered the most important source of establishing brand equity. A large number of studies have explored how various marketing mix elements affect brand equity. However, most of those studies were conducted in the United States or other Western countries. Because cultural differences might mediate the effect of marketing efforts on brand equity creation, those findings may not be generalizable to markets without empirical testing.

To multinational companies, China is undoubtedly a large and important market of 1.3 billion consumers. Joining the WTO has made China ever more interconnected to the global economic system, and more open to imported brands or products. Despite the apparent and increasing importance of the Chinese market, however, the topic of how to build brand equity with various marketing strategies in China appears to be under-researched.

With such little systematic research having been conducted to explore how to build

brand equity in China, no study had focused specifically on the apparel market. So this research used the Brand Equity Creation Model to examine the effects of marketing efforts on creating brand equity in China, using foreign branded clothing products in particular. The objectives were to find answers for such important questions as how to build brand equity by appropriate marketing strategy in China, and whether the marketing activities designed to build brand equity need to be modified to accommodate different attitudes or behaviors in the Chinese market.

The Brand Equity Creation Process Model built by Yoo et al. (2000) was modified and expanded in this study. Previous studies suggest that marketing activities have significant effects on the dimensions of brand equity, and dimensions of brand equity created and strengthened overall brand equity. Because brand equity is rooted in the four dimensions of perceived quality, brand awareness, brand association, and brand loyalty, brand management should capitalize on the current strengths of those dimensions. A brand-leveraging strategy that ignores the roots of brand equity may jeopardize the brand and its extensions (Aaker, 1997). Therefore, the relationships between those selected marketing efforts and the four brand equity dimensions were the primary focus of this study.

The Brand Equity Structural Model in this study consisted of 15 latent variables to test 39 hypotheses: eleven marketing activities and the four brand equity dimensions of perceived quality, brand awareness, brand association, and brand loyalty. Specific items were developed for each variable. The questionnaire was created in English, translated into Chinese, and then back-translated into English by a bilingual English-Chinese

speaker. All items were measured on 5-point Likert-type scales (1 = strongly disagree, 5 = strongly agree). Sixteen imported clothing-related brands from three categories were chosen as product stimuli: women's wear, men's wear, and sports shoes. All these selected brands are comparatively popular in China and represent different combinations of market factors such as price, market share, marketing strategies, brand/corporation reputation, and country of origin.

Because young generations in China are potential consumers for a wide range of imported clothing brands, the target population for the study was young consumers between the ages of 18 to 39. A non-experimental survey method, shopping center intercept surveys, was employed to collect data. Four shopping centers were selected in Beijing and Shanghai, two in each city. Respondents were selected from customers who agreed to participate in the survey while shopping in these selected centers. Local graduate students were hired to administer the survey. In total, more than 660 respondents responded to the questionnaire. Of the 660, 623 surveys were considered valid and were used in this study.

Structural Equation Modeling (SEM) was used to guide research design and the systematic analysis procedure. Prior to testing the hypotheses, the reliability and validity of constructs were assessed. The structural model produced by AMOS 5.0 Graphics was employed to obtain the path estimates and test the hypotheses. This final chapter summarizes the study by providing comparisons with previous studies, analyzing the findings, and discussing the implications, limitations, and directions for future research.

Comparisons with Previous Research

This is the first study known to provide a complete view of the relationships between specific marketing activities and the creation of brand equity in the Chinese market. Its hypotheses were developed based on the findings of previous studies, which were conducted mainly in Western countries. The Brand Equity Creation Process Model employed was borrowed from Yoo, Donthu, and Lee (2000), which was the first study to explore how selected marketing actions increase or decrease brand equity. With their Brand Equity Creation Model, Yoo, Donthu, and Lee first conducted their study with an American sample in 2000. Yoo and Donthu then repeated the research with a Korean sample in 2002. For a better understanding of the similarities and differences in attitudes and opinions toward marketing activities between Chinese, American, and Korean consumers, we compare the results of this study with the results of both Yoo et al. and Yoo and Donthu in the following section.

In general, this study obtained findings about the relationships between marketing activities and brand equity dimensions that were consistent with the studies of Yoo et al (2000). and Yoo and Donthu (2002). With improved living standards and a globalized market, younger Chinese consumers have become more and more homogeneous with consumers from more developed countries. However, we did find a few differences:

- A negative relationship between distribution intensity and perceived quality was found in this study, while a positive relationship was supported in Yoo et al.'s study with an American sample and Yoo and Donthu's study with a Korean sample.
- In the Chinese market, advertising is not as effective as in the US market for

changing brand equity dimensions.

The reason for the first difference might be that certain types of distribution fit certain types of products. A study by Yoo, Donthu, and Lee (2000) showed that selective distribution was more acceptable for high-luxury goods than intensive distribution. To enhance the image and retailer support for luxury products, firms should distribute them exclusively or selectively rather than intensively. Chinese consumers generally regard imported clothing brands as luxuries. Therefore, intensive distribution of those products in this market is more likely to decrease their perceived quality level.

A positive relationship between distribution intensity and perceived quality was also supported in the Korean market (Yoo and Donthu, 2002). Generally, Asian individuals are relatively collectivistic in their social values compared to people in Western countries (Hofstede, 1984). However, among Asian countries, substantial cross-national differences exist in socioeconomic conditions, social values, and consumer behavior. Specifically, Korean socioeconomic conditions are far more advanced than in China, with Korea possessing a higher per capita GNP. As a result of improved income and standard of living, as well as earlier liberalization policies for traveling abroad and opening domestic markets for foreign imports into Korea, a growing number of Koreans have had the opportunity to travel abroad and experience foreign consumption. Given this, along with the Korean consumer's higher disposable income, Korean apparel marketers are increasingly importing or licensing foreign luxury brands into the country much more extensively than China (Forsythe and Kim, 1999). Thus, luxury levels of foreign imported products are lower for Korea consumers than for Chinese, meaning that

intensive distribution of foreign branded apparel does not negatively affect Korean consumers' perception of quality.

Three specific advertising media (TV, print, and Web) were examined in this study, whereas all advertising spending was used in the studies of both Yoo et al. and Yoo and Donthu. Because attitudes toward specific advertising are potentially influenced by attitudes toward advertising in general (Gong and Maddox, 2003), the results from the three studies can still be compared. They imply that different effects of advertising on brand equity exist among the three markets, with advertising having little effect in both the Chinese and Korean markets but a strong effect in the US market, and with Chinese consumers sharing similar attitudes toward advertising as Korean consumers.

Yoo and Donthu provided cultural explanations about the different impacts of advertising on brand equity between the US and Korean samples. Because Korea and China have homogenous cultures, their explanations can also be used to interpret the differences between the Chinese and US samples.

No one culture is purely individualistic or collectivistic, so individuals living in both types of cultures tend to possess values of both (Niles, 1998). The findings of this study suggest that, compared to their parents, younger Chinese attach more importance to their individual rights and needs. This is the individual-level culture. For the country-level culture, China is still a collectivist society as a whole.

Yoo and Donthu believe that people in an individualistic society, such as the United States, independently evaluate advertising messages, independently make product purchase decisions, and independently implement the decisions, not relying too much on

in-group members' opinions. In contrast, people in collectivist societies such as Korea and China interdependently interpret advertising messages and make implicit or explicit joint product purchase decisions, conforming to in-group members' dominant opinions and behaviors and thereby diluting the impact of advertising. Therefore, advertising is a strong determinant of customer behavior in an individualistic society but a weak one in a collectivistic society, like China.

Additional Findings

Direct Relationship of Marketing Activity to Overall Brand Equity

Previous studies (Leuthesser, 1988; Farquhar, 1989; and Nomen, 1996) have suggested that brand equity is a strategic aspect of marketing management and can be created, maintained, and intensified by strengthening one of its dimensions. Likewise, any marketing action has a potential direct effect on overall brand equity, since brand equity represents the accumulated impact of investment in the brand.

Yoo et al. (2000) further suggest that the relationship of each marketing activity to brand equity is mediated by brand equity dimensions. Because every dimension contributes positively to brand equity, a marketing element that has a positive effect is expected to lead to an increase in brand equity.

Therefore, in addition to the hypothesized relationships between the eleven selected marketing activities and four brand equity dimensions, it is worth investigating the direct relationships of those selected marketing activities to overall brand equity. The effect of a marketing activity on brand equity was computed on the basis of the following model (see Figure 14).

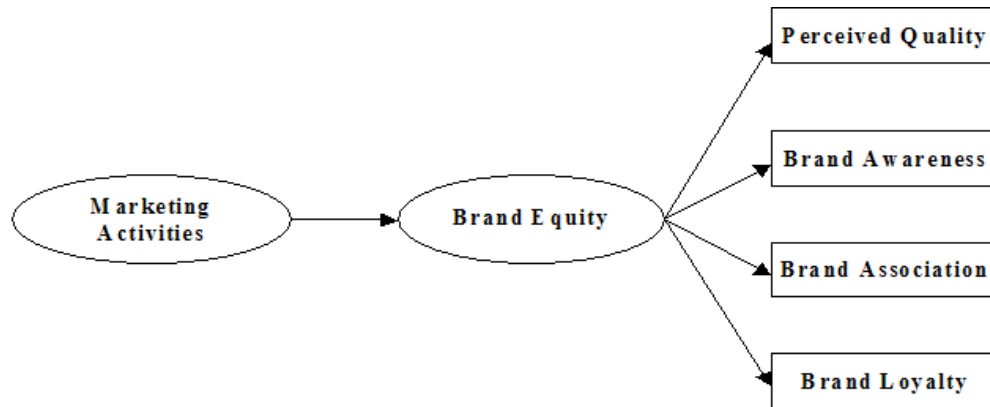


Figure 14: Effect of Marketing Activities on Overall Brand Equity

The estimation of the structural model was conducted with AMOS 5.0 Graphics. The model specified the perceived marketing efforts as independent variables, which related to the dependent variable – overall brand equity that consists of four dimensions: perceived quality, brand loyalty, brand awareness, and brand association. Goodness-of-fit statistics indicated that the structural model reached acceptable values: Chi-square to DF Ratio (X^2/df) = 5.20; GFI = 0.96; AGFI = 0.88; NFI = 0.95; CFI = 0.96; RMR = 0.06; RMSEA = 0.08.

The relationships of marketing mix elements to brand equity were examined by the results from the estimates of the structural model (see Figure 14). The data indicated that store image (0.33, t-value = 6.36), event sponsorship (0.12, t-value = 1.96), Web advertising expenditures (0.24, t-value = 4.89) and non-price promotion (0.27, t-value = 5.83) had positive relationships with overall brand equity. This means that, by affecting each brand equity dimension, those marketing strategies have a strong combined effect on the creation of brand equity in the Chinese clothing market. Other marketing mix

variables are not significantly related to overall brand equity.

*Relationship of Distribution Intensity to
Perceived Quality, Brand Association, and Brand Loyalty*

As in the literature review, this study found that the directional relationships of distribution intensity to perceived quality, brand association, and brand loyalty were debatable, so they were not included in the structural model. However, based on the collected data of the study, their relationships in the Chinese market were still explored with regression analysis. The results could provide international marketers with useful information to support their distribution strategy decisions in the Chinese market.

From our linear regression analysis, we found that distribution intensity was positively related to brand association (0.09, t-value = 2.31) and brand loyalty (0.08, t-value = 2.08). However, a negative relation was found between distribution intensity and perceived brand quality (-0.08, t-value = 2.07). That is, intensive distribution of a brand may result in lower the perception of quality in Chinese consumers' minds but still lead to a stronger brand image, which contributes to enhanced brand loyalty in the Chinese market.

Summary of Findings

From a research model consisting of fifteen variables with 39 hypothesized relationships, results show that 26 of the proposed hypotheses were supported by the data, which empirically confirms the causal relationships of the selected marketing efforts to the brand equity dimensions and the causal relationships among brand equity dimensions in the Chinese market. A summary of those findings of this study is presented below.

1. Each marketing strategy has a very different effect on the creation of brand equity in the Chinese market.
2. Young Chinese consumers possess values of both individualism and collectivism, which together affect their attitudes toward marketing strategies and their related brand consumption behaviors.
3. Store image, event sponsorship, Web advertising expenditures, and non-price promotion have a strong combined effect on brand equity in China.
4. Among three advertising media, Web advertising demonstrates the strongest effect on the creation of brand equity in the Chinese market.
5. The word is true in the Chinese market: non-price promotions are usually framed as "gains," whereas price promotions are often perceived as "reduced losses."
6. In the Chinese market, advertising is not as effective for improving brand equity as in the US market.
7. Brand awareness is the foundation of brand equity creation, which strengthens the other three brand equity dimensions in the Chinese market (Hypotheses A3, A4, and A5).
8. High-level perceptions of quality can strengthen brand image and brand loyalty in the Chinese market (Hypotheses A1 and A2).
9. Favorable brand association leads to stronger brand loyalty from Chinese consumers (Hypothesis A6).
10. For foreign branded apparel products, Chinese consumers believe that higher price means higher quality (Hypothesis B1-1).

11. A retailer's good store image in China is a plus to the perceived quality, brand awareness, and brand image of the products it carries (Hypotheses B2-1, B2-1, and B2-3).
12. The intensity of distribution channels might increase the awareness of, image of, and loyalty toward foreign apparel brands, but it might also decrease perceived quality in Chinese consumers' minds (Hypotheses B3-2).
13. A celebrity endorser is a sign of high quality and an effective way to generate more traffic, but is not effective at strengthening brand image in China (Hypotheses B4-1, B4-2, and B4-3).
14. Frequent event sponsorships lead to a more positive perception of brand quality and a stronger loyalty to the sponsor's brand, but not effective enough to build brand popularity among Chinese audiences (Hypotheses B5-1, B5-2, B5-3 and B5-4).
15. Target consumer-focused marketing in the Chinese market is likely to enhance brand quality perception, brand awareness, and brand association (Hypotheses B6-1, B6-2, and B6-3).
16. Communications with Chinese youth about a brand through traditional mass media such as TV and press have become less effective (Hypotheses B7-1, B7-2, B7-3, B7-4, B8-1, B8-2, B8-3, and B8-4).
17. Too much advertising may not always be good for a brand, since it may reduce the loyalty Chinese younger consumers have toward it (Hypothesis B8-4).
18. The Internet has become the most desirable advertising channel for raising brand

- popularity among Chinese youths (Hypotheses B9-1, B9-2, B9-3, and B9-4).
19. Frequent price promotions might serve as short-term incentives to encourage trial or use of a product or brand in the Chinese market, but the negative effects would be decreased quality level and brand image (Hypotheses B10-1, B10-2, and B10-3).
 20. Non-price promotions have the potential for adding excitement/value to brands and strengthening the bond between Chinese consumers and their brand choice (Hypotheses B11-1, B11-2, and B11-3).

Discussion and Implications

Since China's entry into the WTO, market access restrictions and regulations in foreign investment in the apparel-retailing sector have gradually been removed, with the expectation that opportunities in the apparel retailing market would grow while competition would intensify. Meanwhile, as Chinese incomes increase, foreign branded clothing products are becoming affordable and attractive to more consumers.

This study makes a first contribution toward a comprehensive understanding of the market and the relationship between marketing activities and brand equity in order to devise suitable strategies to compete in the market. First, a look at China may shed light on the creation of brand equity in the greater China area (Mainland China, Taiwan, and Hong Kong SAR) and other developing countries that share similar cultures. Moreover, it may help international marketers who want to build a strong brand image in China, as well as aid in the global exploration and understanding of the relationship between

marketing mix and brand equity.

This research allows us to conclude that different marketing activities have different effects on the creation of brand equity in the Chinese clothing market. Results also reveal that some efforts can generally benefit brand image, whereas others may hurt it. A knowledge of Chinese consumers' perception of certain marketing strategies and behavioral reactions is valuable to marketers' understanding of this significant market. The implications seem to be both managerial and theoretical, and are discussed in this section. The study also offers insights into distinct demographic characteristics among potential target buyers of foreign branded clothing in China.

Generally, the results demonstrate that different marketing strategies have different levels of impact and work in different ways on creating brand equity. A single marketing effort or a few efforts alone may not be able to build strong equity in China. Therefore, using a package of marketing efforts for foreign clothing brands is probably more effective in gaining a foothold in the Chinese market, especially when most of the foreign brands are still in the introduction stage.

Cultural values serve as important factors in determining Chinese consumers' attitudes toward marketing strategies and their related brand consumption behaviors. Understanding those values and their profound effects is necessary for international marketers who want to win the brand game in the Chinese clothing market. The characteristics of the sample in this study suggest that with China's economic market reforms, its consumers, especially young people, are becoming more self-expressive, optimistic, and forward-looking. For foreign apparel brands, the core target in the

Chinese market is young people, so it is important for firms to position those brands as trendsetters. The aim is not just to make a key brand; it should be making a brand with aspiration brand values.

Managerial Implications

Price

Brand price and perceived quality were found to be positively related in the Chinese market. However, research also suggests that although Chinese consumers prefer imported, high-quality products, they do not blindly buy them. Rather, they look for quality at a good price (*The CBR*, 1996). So it is widely believed that the major challenge for foreign products in the Chinese market stems from improved local product quality (Cui, 1997). With moderate or even matching quality and far lower prices, local brands are becoming strong competitors for imported products in China.

Further, despite all the efforts they make on advertising and promotions, international marketers find that brand loyalty is still low in China because consumers are cost-conscious and easily swayed by price changes (Fong, 2006). Therefore, the growing competition in Chinese apparel market along with more pragmatic Chinese consumers poses a challenge to high-priced foreign apparel brands. How well an international marketer keeps a profitable balance between lowering prices and strengthening brand image makes the difference between failure and success in China.

Distribution Intensity

Intensive distribution significantly increases brand awareness, image, and loyalty,

but has a negative impact on the perception of quality in the Chinese market. Young Chinese consumers use brand popularity as a quality clue in buying foreign clothing brands. The relationship between distribution intensity and perceived quality has been a disputable issue. As we discussed in the second chapter, some researchers believe a positive relationship exists between market share (popularity) and product quality, because buyers use market share as a signal for brand quality and a brand's widespread acceptance as an indicator for superior quality. In contrast, some researchers insist that the higher the quality manufacturers give their brands, the more likely they are to use selective distribution of their products, because they believe the retailer's image or reputation can influence the image of brands within the store (Frazier and Lassar, 1996; Lusch and Dunne, 1990). The latter argument has been supported by this study.

However, these data show that a wide variety of possible distribution channels of foreign branded apparel products could improve brand or product awareness among young Chinese consumers, further strengthening the brand image. The results of this study have also found that Chinese consumers are more brand loyal when brands tend to be more widely distributed. This is consistent with the findings of Farley (1964) and Raj (1985). Thus, a brand with broader distribution in China is likely to have higher repeat rates.

Therefore, for foreign branded apparel, desirable distribution patterns in the Chinese market are not straightforward. International marketers need to find the appropriate distribution level and adopt different channels for penetrating the market. Even though improving channel convenience may provide Chinese consumers with

convenience, proximity, and easy access to the brand and thus lead to greater habitual behavior among them (Tam and Tai, 1998, and Lin and Chang, 2003), imported clothing brand firms need to be careful when they decide the intensity of distribution.

For international marketers or managers, expanding the distribution of the brand in the Chinese market may mean a sales gain in both the short and long terms, but it may also hurt the quality image of the brand in the long run.

Store Image

A retailer's image has a tremendous effect on Chinese consumers' brand perception. Therefore, multinational apparel companies should distribute products in China through vendors that have a good image and reputation. Retail reputation is an important sign of product quality in Chinese consumers' minds. Moreover, word of mouth and the store's promotional activity enhance brand associations (Yoo et al., 2000). Thus, international marketers should select retailers with a good image in order to build strong brand equity in China.

Celebrity Endorsements

Rather than being able to build equity and differentiation on its own, a multinational apparel company normally looks to social icons and borrows equity for its brand in the Chinese market. Celebrities appeal to younger Chinese consumers, who often take celebrity sponsorship as an important signal of high quality. However, the glory of celebrity is not always successfully transferred into brand personality. Because favorable meanings can be transferred to brands only when the celebrity endorsements are used appropriately (Till, 1998), multinational companies should focus on how to make the

meanings carried by the celebrity endorsers infuse the brand in the Chinese market. They should ensure that the features of celebrity endorsers are compatible with the brand's image, and that the celebrities are not just the spokespersons of the brand—they should be the “brand evangelists” through what they wear and say in public campaigns with conviction and passion.

Event Sponsorship

Overall, event sponsorship is an effective way to develop, shape, and manage brand image in the Chinese market. It can be used to achieve both a superior quality image and strong brand loyalty. A wise international marketer will invest more in sponsorship related events (sports, music, etc.) in China in order to build strong brand equity.

Each commercial sponsorship event has its own personality and perceptions in the public mind. To improve effectiveness in enhancing brand awareness and reinforcing brand image, international marketers should consider where their commercial sponsorship programs could really reach and reflect the lifestyle of the defined target audience(s) in China.

Target Marketing

The Chinese market is too big and too complex for an unfocused, “boil the ocean” approach, so it is neither possible nor feasible to implement a nationwide marketing strategy (Shen et al., 2002). Moreover, the sophistication of the Chinese should not be underestimated. Kwan, Yeung, and Au (2003) suggest that as the Chinese market grows, consumers are becoming more sophisticated and personalized, tending to choose clothing products that reflect their personalities. Therefore, understanding the target consumers

and tailoring marketing plan according to their preferences is the key to building brand equity in this market.

The results of this study demonstrate that customized marketing strategies for the target market are very effective in building brand equity in China's apparel market. Given the huge market potential but highly diverse consumer demand for imported clothing, it is imperative for multinational marketers to differentiate market segments, identify the area with the most potential, then localize their choice of distribution channel, advertising spending, and promotion activities. They should also ensure that their marketing teams take care of local marketing strategies with agility and strong local insight.

Advertising Spending

Study results reveal that in the Chinese market, advertising is not as effective at improving brand equity as in Western markets (such as the United States). Yoo and Donthu (2002) found similar results in the Korean market. People in a collectivist society like China tend to depend on in-group members' dominant opinions and behaviors to interpret advertising messages and make product purchase decisions, weakening the impact of advertising. Therefore, advertising can have a strong effect on customer behavior in an individualistic society, but a weak one in a collectivistic society.

Traditional advertising media such as TV, print, and outdoor advertising particularly become less effective in reaching Chinese youth, so multinational companies need to try to revive these media if they still want to stick with them in the Chinese market. Meanwhile, multinational advertisers need to tap into the trend, adjusting marketing strategy to target those consumers with a variety of online and cellphone ads and

promotions.

Because China is generally considered to be a country with a collectivistic culture, many advertisers in China place more emphasis on collectivist benefits, believing it is more appealing to Chinese consumers. However, the results of this study indicate that the current young generation in China actually values individualism values more than collectivism values. Therefore, international marketers should adjust the content emphasis in advertising according to the target consumers' cultural preferences. Studies also suggest that Chinese consumers like emotional more than informative advertising, because they find that emotional ads are appealing, amusing, and creative, while informative ads are boring and unattractive (Chan, 1996). Hence, successful advertising in China should balance sentiment and function-related information (Cui, 1997a). In addition, multinational firms should consider advertising a product in the Chinese market only when they are sure they can deliver the product to the consumers, such as on neighborhood store shelves (Cui, 1997b).

The findings of this study further demonstrate that too much brand advertising may lead to weaker brand loyalty in China. Therefore, multinational advertisers really need to pay more and closer attention to the content, frequency, place, and timing of advertising in order to enhance its effect on brand equity.

Generally speaking, advertising is not as effective at improving brand equity in the Chinese market as in Western markets, but international marketers should not ignore the huge potential of online advertising in China. The results of this study show that the Internet has become the most desirable advertising channel in increasing brand popularity

among Chinese youths, and Web advertising is an effective way to make consumers familiar with the brand.

Younger Chinese consumers are now spending less time watching TV or reading newspapers and more time surfing the Web, playing online games, and using their cell phones. However, studies suggest that although creative ads are the major attraction for enticing Chinese to an advertiser's website, advertising is not always trusted by urban Chinese. Therefore, international marketers should not only acknowledge the importance of the Internet as the new medium, they should also pay attention to the quality of the company's website to live up to consumers' expectations and trust in the brand once they log on.

Price-Promotion

Because Chinese consumers are normally cost-conscious and easily swayed by price changes, price promotions, such as price deals, coupons, refunds, and rebates, might increase market share and generate traffic to a brand or a product. However, frequent use of such promotions increases consumers' price sensitivity and causes them to infer low product quality, as they think primarily about deals and not about the utility provided by the brand. This study also found that frequent price promotions may damage the strength of brand associations in Chinese consumers' minds. Thus, price-based promotions erode brand equity and must be used with great caution by international marketers. Relying on sales promotions, which can be inconsistent with high quality and image, can reduce brand equity in the long run, despite short-term financial success (Yoo et al., 2000). Uniform pricing without price promotions may be more desirable for foreign branded

clothing products because it leads to consistency between the expected and the actual prices and implies high product quality.

Non-price Promotions

Compared to price-based promotion, non-price promotion is more desirable for achieving long-term results in building brand equity in China. It may not be able to generate short-term financial success like sales promotions, but it is effective in strengthening brand association and increasing brand loyalty, leading to strong brand equity.

Non-price promotions, such as extra products, premiums, and contests, are regarded as unconventional ways of doing marketing, centering on consumers and making brands as active and engaging as possible. International marketers can use diversified non-price promotion programs to increase the dynamic interactions between Chinese customers and the brands, thus building strong brand equity.

Theoretical Implications

Regarding theoretical implications, the eleven commonly used marketing efforts examined in the Brand Equity Creation Model were price, store image, distribution intensity, celebrity endorsement, event sponsorship, TV, print, and Web advertising expenditures, frequency of price promotions, and frequency of non-price promotions. This expanded study enhances the explanatory power of the brand equity phenomenon at least in the Chinese market. In addition, all the hypotheses of this study were developed according to the findings from previous studies. The majority of relationships between

marketing activities and dimensions of brand equity were supported in the Chinese market in this study, thus enhancing the generalizability of related findings from previous studies (including Yoo et al. 2000). Those findings can be further applied to markets that have similar socioeconomic and cultural values to China.

Previous studies have suggested that significant intercorrelations exist among the dimensions of brand equity. This study also empirically supported the existence of significant causal relationships among four brand equity dimensions: perceived high product quality as positively related to brand association and brand loyalty; brand awareness as positively related to other three brand equity dimensions (perceived quality, brand association, and brand loyalty); and brand association as positively related to brand loyalty.

This study has examined the effect of specific marketing strategies on brand equity creation, including three advertising media and two types of promotions. The findings suggest that different results may be obtained among detailed marketing practices, although they belong to the same general marketing strategy. The results of this study demonstrate that Web advertising is a more effective marketing tool in building brand equity than TV advertising and print advertising, and non-price promotion is more desirable in creating long-term benefits for a brand than price-based promotion activities. These findings provide more insightful implications for both researchers and marketers.

Brand awareness and brand association should be treated as two independent dimensions rather than one dimension when examining the relationship of marketing efforts to brand equity dimensions. Even though the two have a close relationship (brand

awareness normally results in high brand association), we find that not all selected marketing practices always have the same relationships to them. For example, non-price promotion activities can be used to increase brand association, but not brand awareness; celebrity endorsement is effective in improving brand awareness, but not brand association.

Limitations and Directions of Future Research

Once again, the purpose of this study has been to examine the relationships of marketing activities on creating brand equity in the Chinese clothing market. Although we have successfully explored those relationships with a structural model and provided important managerial implications, this study has several limitations. Overcoming them can be a direction for future research.

First, significant regional differences exist among Chinese consumers. Urban consumers differ from rural ones on a wide range of consumer attitudes and behaviors (Li and Gallup, 1995). This study focused only on the two biggest cities in China: Beijing and Shanghai. Further studies may need to be conducted if these results are expanded into other regional markets of China, especially inland cities.

Second, as suggested by Yoo et al. (2000), this study examines only the effect of individual marketing decision variables and does not investigate the interactions among them. Since marketing strategies are interactive by nature, celebrity endorsement could interact with advertising, promotion could interact with distribution, target marketing could interact with commercial event sponsorship, price could interact with price promotion, and so on. It is the mix of strategies that both scholars and managers need to

understand in the context of developing and improving brand equity. Fan and Pfitzenmaier (2002) suggest that if event marketing is used in coordination with other elements in the integrated marketing communications, it is particularly effective in forging direct contact with opinion leaders, gathering marketing intelligence, and encouraging product trials. Therefore, future research should explore the interaction effect of marketing mix on brand equity (Yoo et al., 2000).

Third, this study uses perceptual, not actual, measures of marketing efforts. It would be meaningful from a managerial perspective to use hard marketing data from secondary sources, such as scanner data and published survey reports from the firms that are marketing the focal brands. Perceived marketing efforts could be illusive reflections of brand equity, distinct from actual marketing efforts (Yoo et al., 2000). To investigate more rigorously the causal impact of each marketing effort and the brand equity formation process, we call on future research to examine the effect of actual marketing variables on brand equity.

Finally, many differences exist between the current study and those of Yoo et al. and Yoo and Donthu: the structural model (expanded and modified in this study); the sample (a consumer sample rather than student samples); marketing activities (types and number); brand equity dimensions (four used in this study, three used in theirs); and different variable measurements. Therefore, we just made a general comparison of the results from these three studies. In order to obtain more accurate knowledge of the different attitudes toward marketing activities employed in the creation of brand equity between Chinese consumers and those of other countries, researchers may need to choose the same model

and a similar research design to perform this type of comparison study in the future.

In addition, consumer values in the Chinese market seem to be changing quickly because of the sweeping influence of globalization in every aspect of consumer life in developing countries. Therefore, consumers' attitudes toward particular marketing efforts may also change accordingly. For example, traditional advertising media like TV and print are losing their charm among Chinese youth. The luxury levels of imported apparel brands may also decrease in the future with higher income and living standards in China. Thus, continuous updating of studies for understanding changing consumer attitudes in this market is a must.

REFERENCES

- Aaker, D. A. (1991). *Managing Brand Equity*. New York: Free Press.
- Aaker, D. A. (1996). *Measuring Brand Equity across Products and Markets*. New York: Free Press.
- Aaker, D. A., & Biel, A. L. (Eds). (1993). *Brand Equity and Advertising: Advertising's Role in Building Strong Brands*. Lawrence Erlbaum Associates, Hillsdale, NJ.
- Adler, S. J., & Freedman, A. M. (1990). Smoked out: tobacco suit exposes ways Cigarette firms keep the profits fat. *Wall Street Journal*, 1.
- Agarwal, M. K., & Rao, V. (1996). An empirical comparison of consumer based measures of brand equity. *Marketing Letters*, 7(3), 237-247.
- Agres, S. J., & Dubitsky, T. M. (1996). Changing needs for brands. *Journal of Advertising Research*, 36(1), 21-30.
- Ahmed, S. A., & Astous, A. (2004). Perceptions of countries as producers of consumer goods: A T-shirt study in China. *Journal of Fashion Marketing and Management*, 8(2), 187-200.
- Alashban, A.A., Hayes A. L., Zinkhan, M. G. and Balazs L. A. (2002). *Journal of International Marketing*, 10(3), 22-48.
- Ariga, M., Yasue, M., & Wen, G. X. (1997). China's Generation III: Viable target segment implications for marketing communications. *Marketing and Research Today*, 25(1), 17-24.
- Asian Advertising and Marketing. April 1997.
- Asian Development Bank (2001). People's Republic of China economic performance. Retrieved from: <http://www.adb.org/countries/Highlights/PRC.asp> on August 20, 2005.
- Atkin, C & Martin B. (1983). Effectiveness of Celebrity Endorsers. *Journal of Advertising Research*, 23 (February/March), 57-61.

- Ayala, J., Lai, R., Mok, B., Wei, F., & Zhang, H. (1996). Winning China's consumer market in the 21st century. *The McKinsey Quarterly*, 178-180.
- Bagozzi, R. P. (1981). Evaluating structural equation models with unobservable variables and measurement error: a comment. *Journal of Marketing Research*, 18(3), 375-381.
- Bagozzi, R. P. (1982). A field investigation of causal relations among cognitions, affect, intentions, and behavior. *Journal of Marketing Research*, 19(4), 562-583.
- Bagozzi, R. P. and H. Baumgartner (1994). The Evaluation of Structural Equation Models and Hypothesis Testing, in R. P. Bagozzi (Ed.), *Basic Principles of Marketing Research*(pp. 386-422). England: Blackwell, MA.
- Baker, J., Grewal, D., & Parasuraman, A. (1994). The influence of store environment on quality inferences and store image. *Academy of Marketing Science*, 22(4), 328-339.
- Barclay, D. W., Thompson, R. and Higgins, C. (1995). The partial least squares (PLS) approach to causal modeling: personal computer adoption and use an illustration. *Technology Studies*, 2(2), 285-309.
- Barnes, B. R, Kitchen, P. J, Spickett-Jones, J. G., & Yu, Q. (2004). Investigating the impact of international cosmetics advertising in China. *International Journal of Advertising*, 23 (3), 361-386.
- Barwise, P. (1993). Brand equity: snark or boojum? *International Journal of Research in Marketing*, 10(1), 93-104.
- Bawa, K. & Shoemaker, R.W. (1989). Analyzing incremental sales from a direct mail coupon promotion. *Journal of Marketing*, 53(3), 66-76.
- Blattberg, R. C. & Neslin, S. A. (1990). *Sales Promotion: Concepts, Methods and Strategies*. Prentice-Hall, Englewood Cliffs, NJ.
- Blattberg, R. C. & Winniewski, K, J. (1989). Price-induced patterns of competition. *Marketing Science*, 8 (4), 291-309.
- Bloxham, M. (1998), Brand affinity & television programme sponsorship. *International Journal of Advertising*, 17(1), 89 – 98.
- Bollen, K. A. (1989). *Structural equations with latent variables*. New York: John Wiley & sons.
- Bonoma, T. V., & Kosnik, T. J. (1990). *Marketing Management, Text and Cases*. Homewood, IL.

- Boulding, W., & Kirmani, A. (1993). A consumer-side experimental examination of signaling theory: Do consumers perceive warranties as signals of quality? *Journal of Consumer Research*, 20 (1), 111-123.
- Boulding, W., Lee, E., & Staelin, R. (1994). Mastering the mix: Do advertising, promotion, and sales force activities lead to differentiation? *Journal of Marketing Research*, 31(2), 159-173.
- Bow, J. & Ford, M. (1993). Indonesia & China: the retail of two cities. *Asian Business*, 29(10), 12-14.
- Bow, J. (1999). In huge China market, early arrivals Zegna and Hugo Boss make gains. *Daily News Record*, January 4, 24-25.
- Bradley, S. (1996). Marketers are always looking for good pitchers. *Brandweek*, 37(9), 36-7.
- Brand Paper: Enter the Dragon. (October 2004). *Brand Strategy*. London.
- Brian D. T. (1998). Using celebrity endorsers effectively: lessons from associative learning. *The Journal of Product and Brand Management*, 7(5), 400-409.
- Brewer, G. (1997). An American in Shanghai. *Sales and Marketing Management*, 149 (2), 38-46.
- Briley, D. A., Morris, M. W., & Simonson, I. (2000). Reasons as carriers of culture: Dynamic versus dispositional models of cultural influence on decision making. *Journal of Consumer Research*, 27(2), 157-178.
- Browne, M. W. & Cudeck, R. (1993). Alternative ways of assessing model fit. In: Bollen, K. A. & Long, J. S. (Eds.) *Testing Structural Equation Models*. pp. 136- 162. Beverly Hills, CA: Sage.
- Buzzell, R.D., & Wiersema, F.D. (1981). Successful share building strategies. *Harvard Business Review*, 59(1), 135-144.
- Byrne, B. (1998). *Structural equation modeling with LISREL, PRELIS, and SIMPLIS*.
- Hillsdale, NJ: Lawrence Erlbaum. Mainly covers LISREL 8, but also PRELIS 2, and SIMPLIS. Some emphasis on but not limited to psychology.
- Byrne, K. (2003). Creating Brand Equity. *Chartered Accountants Journal of New Zealand*, 82(10), 61- 65.

- Campbell, D.T. and Fiske, D.W. (1959). Convergent and discriminant validation by the multitrait-multimethod matrix. *Psychological Bulletin*, 56(2), 81-105.
- Campbell, L. & Diamond, W. D. (1989). Effects of framing on the perception of sales promotions. In Rotzoll, K.B. (Ed.), *Proceedings of the 1989 Conference of the American Academy of Advertising* (pp. RC51-RC56).
- Chandon, P., Wansink, B., & Laurent, G. (2000). A benefit congruency framework of sales promotion effectiveness. *Journal of Marketing*, 64(4), 65-81.
- China: Appeal for reviving national garment industry (Apr 1, 1996). China Business Information Network.
- China Contact (2002). *Advertising in China: A Market Analysis*. Access Asia Ltd, Beijing.
- Chinese Brands Raise Cool Quotient (April 2004). *Wall Street Journal*.
- Cliffe, S. (2004). SponsorshipSmart Arts & Good Sports. *Marketing Magazine*, May, 18.
- CNNIC. (2004). Statistical report of the development of China Internet. Retrieved March 13, 2005, from <http://www.cnnic.net.cn/en/index/00/index.htm>.
- Cobb-Walgren, C. J., Beal, C., & Donthu, N. (1995). Brand equity, Brand preferences, and purchase intent. *Journal of Advertising*, 24 (3), 25-40.
- Compeau, D. R., Higgins, C. A. and Huff, S. (1999). Social Cognitive Theory and Individual Reactions to Computing Technology – A Longitudinal-Study. *MIS Quarterly*, 23(2), 145- 158.
- Conlon, T.J. (1980). Sweepstakes rank as tops. *Advertising Age*, 51(43).
- Corkindale, D. R. & Lowe, A.C.T. (1998). Differences in Cultural Values and their Effects on Marketing Stimuli. *European Journal of Marketing*, 32 (9/10), 843-867.
- Cornwell, T. B. (1995). Sponsorship-linked marketing development. *Sport Marketing Quarterly*, 4 (4), 13-24.
- Cornwell, T. B., Roy, D. P., & Steinard, E. A. (2001). Exploring managers' perceptions of the impact of sponsorship on brand equity. *Journal of Advertising*, 30 (2), 41-51.
- Crocker, G. & Tay, Y. (2004). What it takes to create a successful brand. *The China Business Review*, 31(4), 10 – 15.

- Crimmins, J., & Horn, M. (1996). Sponsorship: From management ego trip to marketing success. *Journal of Advertising Research*, 36(4), 11-21.
- Cui, G. (1997). The name game. *The China Business Review*, 24(6), 40-42.
- Cui, G. (1997). The different faces of the Chinese consumer. *The China Business Review*, 24(4), 34-38.
- Cui, G., & Liu, Q. (2000). Regional market segments of China: Opportunities and barriers in a big emerging market. *Journal of Consumer Marketing*, 17(1), 55-72.
- Dawar, N. & Parker, P. (1994). Marketing Universals: Consumers' Use of Brand Name, Price, Physical Appearance, and Retailer Reputation as Signals of Product Quality. *Journal of Marketing*, 58(2), 81-95.
- Dean, D. H. (1999). Brand endorsement, popularity, and event sponsorship as advertising cues affecting consumer pre-purchase attitudes. *Journal of Advertising*, 28(3), 1-13.
- Delong, M., Bao, M., Wu, J., Chao, H., & Li, M. (2004). Perception of USA branded apparel in Shanghai. *Journal of Fashion Marketing and Management*, 8 (2), 141 – 153.
- Dickson, P. R. and Sawyer, A. G. (1990). The price knowledge and search of Supermarket shoppers. *Journal of Marketing*, 54(3), 43-53.
- Dillon, W. R. & Goldstein, M.(1984). *Multivariate Analysis: Methods and Applications*, New York: Wiley.
- Diller, H. & Brielmaier, A. (1993). Die Wirksamkeit von Verkaufsförderungsaktionen – Ein Marktexperiment. Working Paper, Universitaet Erlangen-Nuernberg.
- Dodds, W. B., Monroe, K. B., & Grewal, D. (1991). Effects of price, brand, and store information on buyers' product evaluation. *Journal of Marketing Research*, 28(3), 307-319.
- Dodson, J. A., Tybout, A. M., & Sternthal, B. (1978). Impact of deals and deal retraction on brand switching. *Journal of Marketing Research*, 15(1), 72-81.
- Dreze, X., & Hussherr, F. X. (2003). Internet advertising: Is anybody watching? *Journal of Interactive Marketing*, 17(4), 8- 23.
- Ehrenberg, ASC., Hammond, K., & Goodhardt, G. J. (1994). The after-effects of price-related consumer promotions. *Journal of Advertising Research*, 34(4), 11-21.

- Erdem, T. & Swait, J. (1998). Brand equity as a signaling phenomenon. *Journal of Consumer Psychology*, 7(2), 131-157.
- Fan, X. (1995). The Chinese cultural system: Implications for cross-cultural management. *Advanced Management Journal*, 60(1), 14-21.
- Fan, Y., & Pfitzenmaier, N. (2002). Event sponsorship in China. *Corporate Communications*, 7(2), 110-116.
- Fan, Y. (2000). A classification of Chinese culture. *Cross Cultural Management: An International Journal*, 7(2), 3-10.
- Farley, J. U. (1964). Why does "Brand Loyalty" vary over products? *Journal of Marketing Research*, 1(4), 9-14.
- Farquhar, P. H. (1989). Managing Brand Equity. *Marketing Research*, 1(9), 24-33.
- Farquhar, P. H., Han, J. Y. & Ijiri, Y. (1991). Recognizing and Measuring Brand Assets. Marketing Science Institute Working Paper Series. Report No. 91-119, Cambridge, MA.
- Ferle, C. L. & Lee, W. N. (2003). Attitudes toward advertising: A comparative study of consumers in China, Taiwan, South Korea and the United States. *Journal of International Consumer Marketing*, 15(2), 5-23.
- Ferris, P., Oliver, J., & Kluyver, C. (1989). The Relationship between distribution and market share. *Marketing Science*, 8 (2), 107-127.
- Fong, M. (2006). Many people, so hard to reach. *Wall Street Journal*. July. R.6
- Fornell, C. (1992). A national customer satisfaction barometer: the Swedish experience. *Journal of Marketing*, 56(1), 6 - 21.
- Fornell, C., & Larcker, D. (1981). Structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Forsythe, S. M. & Bailey, A.W. (1996). Shopping enjoyment, perceived time poverty, and time spent shopping. *Clothing and Textiles Research Journal*, 14 (3), 185-191.
- Forsythe, S. & Kim, J., & Petee, T. (1999). Product cue usage among consumers in two Asian markets. *Asian Pacific Journal of Management*, 16(2), 275-292.

- Fournier, S. (1998). Consumers and their brands: developing relationship theory in consumer research. *Journal of Consumer Research*, 24(4), 343-373.
- Frazier, G. L., & Lassar, W. M. (1996). Determinants of distribution intensity. *Journal of Marketing*, 60(4), 39 – 51.
- Friedman, H. H. & Friedman, L. (1979). Endorser Effectiveness by Product Type. *Journal of Advertising Research*, 19 (5), 63-71.
- Friedman, H. H., Termini S., & Washington R. (1976). *Journal of Advertising*. 5(3), 22-24.
- Freiden, J. B. (1984). Advertising Spokesperson Effects: An Examination of Endorser Type and Gender on Two Audiences. *Journal of Advertising Research*, 24 (October/November), 33-41.
- Gong, W. (2003). Chinese consumer behavior: A cultural framework and implications. *Journal of American Academy of Business, Cambridge*, 3(1/2), 373 - 380.
- Gong, W., & Maddox, L. M. (2003). Measuring web advertising effectiveness in China. *Journal of Advertising Research*, 43(1), 34-49.
- Graeff, T.R. (1997). Consumption situations and the effects of brand image on consumers' brand evaluations. *Psychology & Marketing*, 14(1), 49-69.
- Green, R. T., et al, (1983). Societal Development and Family Purchasing Roles: A Cross-National Study. *Journal of Consumer Research*, 9 (4), 436-442.
- Grewal, D. T., Krishnan, J. B., & Borin, N. (1998). The effect of store name, brand name and price discounts on consumers' evaluations and purchase intentions. *Journal of Retailing*, 74(3), 331-352.
- Grunert, S.C., & Scherhorn, G. (1990). Consumer Values in West Germany Underlying Dimensions and Cross-Cultural Comparison with North America. *Journal of Business Research*, 20 (2), 97-107.
- Gupta, S. (1988). Impact of sales promotions on when, what, and how much to buy. *Journal of Marketing Research*, 25(4), 342-355.
- Hair, J.F., Jr., Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate Data Analysis*. (5th ed.). Upper Saddle River, NJ: Prentice Hall.
- Haley, R.I. (1990). The ARP copy research report: a top-line report. In *Advertising Research Foundation, 36th Annual Conference* in New York.

- Hamilton, A. J. (1987). Dress as a Cultural Sub-system: A Unifying Metatheory for Clothing and Textiles. *Clothing and Textiles Research Journal*, 6(1), 53-59.
- Hampton, G. M., & van Gent, A. P. (1984). International marketing: 50 suggested research projects for the 1980s. *European Research*, 12(3), 134-142.
- Hargrave-Silk, A. (2003). China portals sell out on advertising space. *Media*, Jul 25, 4.
- Hchu, & Yang, K.S. (1972). Symposium on the Character of the Chinese, Institution of Ethnology. *Academic Sinica (in Chinese)*. Taipei.
- Herr, P. M. & Fazio, R. H. (1992). The Attitude-to-Behavior Process: Implications for Consumer Behavior. In Mitchell, A. A. (Ed.), *Advertising Exposure, Memory, and Choice*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- HKTDC (1994). *China's Consumer Market*, (in Chinese). Hong Kong Trade Development Council, Hong Kong.
- HKTDC (2002). *Apparel consumption report in five big cities of mainland China*, (in Chinese). Hong Kong Trade Development Council, Hong Kong. Retrieved March 15, 2005, from [http:// www.ucbnet.com/tongjifenxi/fuzhuang.htm](http://www.ucbnet.com/tongjifenxi/fuzhuang.htm).
- Hofstede, G. (1984). Cultural Dimensions in Management and Planning. *Asia Pacific Journal of Management*, 1(2), 81-99
- Hofstede, G. (1984). *Culture's Consequences: International Differences in Work related values*. Newbury Park CA.
- Hofstede, G. (1997). *Culture and Organizations: Software of the Mind*. New York: McGraw Hill.
- Hofstede, G. (2001). *Culture's Consequences (2nd ed.)*. Thousand Oaks, CA: Sage.
- Huff, L. C. & Alden, D. L. (1998). An investigation of consumer response to sales promotions in developing markets: A three-country analysis. *Journal of Advertising Research*, 38 (3), 47-56.
- Hu, L. & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling*, 6, 1-55.
- ITIM Culture and Management Consultants, (2005). Retrieved April 29, 2005 from: http://www.geert-hofstede.com/hofstede_china.shtml.

- Jagoda, D. (1984). Sweepstakes: it's not what you give but what you get. *Marketing Communications*, 9(4), 27-31.
- Jain, S. C. (1989). Standardization Of international marketing strategy: some research hypotheses. *Journal of Marketing*, 53(1), 70-79.
- Javalgi, R.G., Traylor, M.B., Gross, A. C. & Lampman, E. (1994). Awareness of Sponsorship and Corporate Image: An Empirical Investigation. *Journal of Advertising*, 23 (4), 47-58.
- Johar, V. & Pham, M.T. (1999). Relatedness, Prominence, and Constructive Sponsor Identification. *Journal of Marketing Research*, 36 (3), 299-312.
- Johnson, T. (1984). The Myth of Declining Brand Loyalty. *Journal of Advertising Research*, 24 (1), 9-17.
- Just-style.com (2003). China: Retail sales grow 9 percent in 2002. Retrieved from <http://www.just-style.com> on August 20, 2005.
- Kaikati, J. G. (1987). Celebrity advertising: a review and synthesis. *International Journal of Advertising*, 6(2), 93-105.
- Kalra, A. and Goodstein, R. (1998). The Impact of Advertising Positioning Strategies on Consumer Price Sensitivity. *Journal of Marketing Research*, 35 (May), 210-224.
- Kamins, M. A. (1990). Differences in "cultural values" and their effects on responses to marketing stimuli. *Journal of Advertising*, 19(1), 4-13.
- Kamakura, W. A. & Russell, G. J. (1993). Measuring brand value with scanner data. *International Journal of Research in Marketing*, 10(1), 9-21.
- Kaynak, E., Kucukemiroglu, O., & Ozturk, S.A. (1998). Sales promotion practices of consumer goods companies in an advanced developing country. *International Journal of Advertising*, 17(2), 213-231.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1-22.
- Keller, K. L. (2002). *Strategic Brand Management: Building, Measuring, and Management Brand Equity* (Second Edition). Pearson Education Ltd.
- Kim, J.O., Forsythe, S., Gu, Q., & Moon, S.J. Cross-cultural consumer values, needs and purchase behavior. *The Journal of Consumer Marketing*, 19(6), 481-502.

- Kindle, T. (1985). Chinese Consumer Behavior: Historical Perspective Plus an Update on Communication Hypotheses. In Sheth, J. & Tan, C.T. (Eds.), *Historical Perspectives of Consumer Behaviour*, National University of Singapore and Association for Consumer Behaviour (pp. 186-90), Singapore.
- King, A. C., & McDaniel, S. W. (1989). China's consumer market: How are U.S. products perceived? *The Journal of Consumer Marketing*, 6(4), 51-59.
- King, A.Y.C., & Bond, M.H. (1985). The Confucian paradigm of man: A sociological view. In W. Tseng & D.Y.H. Wu (Eds.), *Chinese culture and mental health* (pp. 29-46). Orlando, FL: Academic Press.
- Kirmani, A., & Wright, P. (1989). Money talks: perceived advertising expenditures and expected product quality. *Journal of Consumer Research*, 16(3), 344-353.
- Klein, B. & Leffler, K. (1981). The role of market forces in assuring contractual performance. *Journal of Political Economy*, 89(4), 615-641.
- Kluckhohn, F. R. and Strodtbeck, F. L. (1961). *Variation in Value Orientations*. Evanston, III: Row-Peterson.
- Kotler, P. (1991), *Marketing Management: Analysis, Planning Implementation and Control* 7th ed. Prentice-Hall.
- Krishnan, H. S. & Chakravarti, D. (1993). Varieties of Brand Memory Induced by Advertising: Determinants, Measures, and Relationships. In Aaker, D. A. & Biel, A. L. (Eds.), *Brand Equity and Advertising*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Kroeber, A. L. and Parsons, T. (1958). The Concept of Culture and Social System. *American Sociological Review*, 23, 582-583.
- Kwan, C. Y., Yeung, K. W., & Au, K. F. (2003). A statistical investigation of the changing apparel retailing environment in China. *Journal of Fashion Marketing and Management*, 7(1), 87 – 100.
- Lane, V. & Jacobson, R. (1995). Stock market reactions to brand extension announcements: the effects of brand attitude and familiarity. *Journal of Marketing*, 59(1), 63-77.
- Leach, M. P., & Liu, A. H. (1998). The use of culturally relevant stimuli in international advertising. *Psychology & Marketing*, 15(6), 523-546.

- Lee, C. W. (2002). Sales promotions as strategic communication: The case of Singapore. *The Journal of Product and Brand Management*, 11(2/3), 103-114.
- Lee, E. (2002). Dress to be seen. *Journal for Asia on Textile & Apparel*, 13(1), 78 –79.
- Legge, J. (1960). *The Chinese Classics*, 1. Hong Kong: Hong Kong University Press.
- Leone, R.P. & Srinivasan, S.S. (1996). Coupon face value: its impact on coupon redemptions, brand sales, and brand profitability. *Journal of Retailing*, 72(3), 273-89.
- Levitt, T. (1983). The Globalization of Markets. *Harvard Business Review*, 61 (May-June), 2-11.
- Levy, Michael and Barton A. Weitz (1992). *Retailing Management*. Homewood, IL: Richard D. Irwin.
- Lusch, Robert F. and Patrick Dunne (1990). *Retail Management*. Cincinnati, OH: Southwestern Publishing Company.
- Li, D., & Gallup, A.M. (1995). In search of the Chinese consumer. *The China Business Review*, 22(5), 19-22.
- Light, L. (1990, February 22-23). How Advertising and Promotion Help to Build Brand Assets. Speech before the Second Annual Advertising Research Foundation Advertising and Promotion Workshop.
- Lindsay, M. (1990). Establish brand equity through advertising. *Marketing News*, 24(2), 16.
- Lin, J. (2006). Explosive growth of online adspend puts pressure on clients. *Media*, Feb 10, 14.
- Lin, M. Y., & Chang, L. H. (2003). Determinants of habitual behaviour for national and leading brands in China. *The Journal of Product and Brand Management*, 12(2), 94 – 107.
- Liu, W. (2002). Advertising in China: Product branding and beyond. *Corporate Communications*, 7(2), 117- 125.
- Lodish, L.M., et al. (1995). A summary of fifty-five in-market experimental estimates of the long-term effect of TV advertising. *Marketing Science*, 14(3), G133 - 140.

- Lounsbury, P. & Martin, D. (1996). China retains its FDI allure. *The China Business Review*, 23(2), 5.
- Lu, L., & Alon, I. (2004). Analysis of the Changing Trends in Attitudes and Values of the Chinese: The Case of Shanghai's Young & Educated. *Journal of International and Area Studies*, 11(2), 67 –88.
- Madden, N. (2000). Dot-com shakeout rattles China amid wait-and-see online ad stance. *Advertising Age*, 71(38), 54-56.
- Marsh, W. (1994). Confirmatory Factor Analysis Models of Factorial Invariance: A Multifaceted Approach. *Structural Equation Modeling*, 1 (1), 5-34.
- Maxwell, H. (1989). Serious Betting on Strong Brands. *Journal of Advertising Research*, 29, RC11-13.
- McCarthy, E. Jerome and William Perreault (1984). *Basic Marketing Strategy*. IL: Richard D. Irwin.
- McCort, D. J. & Malhotra, N. K. (1993). Culture and consumer behavior: Toward an understanding of cross-cultural consumer behavior in international marketing. *Journal of International Consumer Marketing*, 6(2), 91-127.
- McCracken, G. (1989). Who is the celebrity endorser? Cultural foundations of the endorsement process. *Journal of Consumer Research*, 16(3), 10-21.
- McCracken, G. (1990). Culture and Consumer Behaviour: An Anthropological Perspective Market Research Society. *Journal of the Market Research Society*, 32(1), 3-11.
- McEnally, R. and Chernatony, L. (1999). The Evolving Nature of Branding: Consumer and Managerial Considerations. *Academy of Marketing Science Review* [Online] 1999 (2) Available: <http://www.amsreview.org/articles/mcenally02-1999.pdf>
- McQueen, Josh (1991, February 5-6). Leveraging the Power of Emotion in Building Brand Equity. Third Annual Advertising and Promotion Workshop.
- Meenaghan, T. (1991). The Role of Sponsorship in the Marketing Communications Mix. *International Journal of Advertising*, 10(1), 35 – 47.
- Mela, C., Gupta, S., & Lehmann, D. (1997). The long-term impact of promotion and advertising on consumer brand choice. *Journal of Marketing Research*, 34(2), 248 – 261.

- Melewar, T. C., Meadows, M., Zheng, W., & Rickards, R. (2004). The influence of culture on brand building in the Chinese market: A brief insight. *Journal of Brand Management*, 11(6), 449-461.
- Miciak, A. R. & Shanklin, W. L. (1994). Choosing celebrity endorsers. *Marketing Management*, 3(3), 51-59.
- Milgrom, P. & Roberts, J. (1986). Price and Advertising Signals of Product Quality. *Journal of Political Economy*, 94(4), 796-821.
- Morton, J. (1994). Predicating brand preference. *Marketing Management*, 2(4), 32-44.
- Mooij, D. M., Hofstede, G. (2002). Convergence and divergence in consumer behavior: implications for international retailing. *Journal of Retailing*, 78 (1), 61- 69.
- Mrugank, V. T., & Lavack, A. M. (2003). Effect of perceived brand origin associations on consumer perceptions of quality / executive summary. *The Journal of Product and Brand Management*, 12 (6), 394-407.
- Muhlbacher, H., Dahringer, L. & Leihs, H. (1999). *International Marketing: A Global Perspective*. Thompson Business Press, London, UK.
- Nelson, P. (1974). Advertising as Information. *Journal of Political Economy*, 82(4), 729-754.
- Neslin, S.A., & Shoemaker, R.W. (1989). An alternative explanation for lower repeat rates after pro. *Journal of Marketing Research*, 26(2), 205-213.
- Nicholls, J.A.F., Roslow, S., & Laskey, H.A. (1994). Sports Event Sponsorship for Brand Promotion. *Journal of Applied Business Research*, 10 (4), 35-40.
- Niles, F. S. (1998). Individualism-collectivism revisited. *Cross - Cultural Research*, 32(4), 315 – 341.
- Nunnally, J. C. (1978). *Psychometric Theory*. New York: McGraw-Hill.
- Oliver, R.L. (1997). *Satisfaction: A behavioral Perspective on the Consumer*. New York, McGraw Hill.
- Olson, J.C. (1977). Price as an Informational Cue: Effects on Product Evaluations. In Woodside, A., Sheth, J.N., & Bennett, P.D. (Eds), *Consumer and Industrial Buying Behavior* (P. 267-286). New York: Elsevier.

- Pappu, R., Quester, G. P., & Cooksey, W.R (2005). *The Journal of Product and Brand Management*, 14(2/3), 143-154.
- Park, C. S. & Srinivasan, V. (1994). A survey-based method for measuring and understanding brand equity and its extendibility. *Journal of Marketing Research*, 31, 271-288.
- Pollay, R.W., Tse, D. K., & Wang, Z.Y. (1990). Advertising, propaganda, and value change in economic development: the new cultural revolution in china and attitudes toward advertising. *Journal of Business Research*, 20(2), 83-95.
- Porter, S. S. & Claycomb, C. (1997). The influence of brand recognition on retail store image. *Journal of Product and Brand Management*, 6 (6), 373-385.
- Quester, P. G. (1997). Awareness as a measure of sponsorship effectiveness: the adelaide formula one grand prix and evidence of incidental ambush effects. *Journal of Marketing Communications*, 3 (1), 1-20.
- Raj, S. P. (1985). Striking a balance between brand "popularity" and brand loyalty. *Journal of Marketing*, 49 (1), 53-59.
- Rangaswamy, A., Burke, R., & Oliva, T. A. (1993). Brand equity and the extendibility of brand names. *International Journal of Research in Marketing*, 10 (1), 61-75.
- Rao, A. R. & Monroe, K. B. (1989). The effect of price, brand name, and store name on buyers' perceptions of product quality: an integrated review. *Journal of Marketing Research*, 26(3), 351-357.
- Rice, B. & Bennett, R. (1998). The relationship between brand usage and advertising tracking measurements: International findings. *Journal of Advertising Research*, 38(3), 58-66.
- Rodman, H. (1972). Marital power and theory of resources in cultural context. *Journal of Comparative Family Studies*, 2(1), 50-69.
- Rosen, S. (1987). Survey research in the People's Republic of China: some methodological problems. *Canadian and International Education*, 16(1), 190-197.
- Samovar, L.A., & Porter, R.E. 1994: *Intercultural Communication: a reader*, 7th ed. USA: Wadsworth Publishing Company.
- Savage, M. (2004). China turning on, but tuning out. *Media*, May 7, 19.

- Schlosser, A. E., Shavitt, S., & Kanfer, A. (1999). Survey of Internet users' attitudes toward Internet advertising. *Journal of Interactive Marketing*, 13(3), 34-54.
- Schmitt, B. H. & Pan, Y. (1994). Managing corporate and brand identities in the Asia-Pacific region. *California Management Review*, 36(4), 32-58.
- Schmitt, B. H., Pan, Y., & Tavassoli, N. T. (1994). Language and consumer memory: The impact of linguistic difference. *Journal of Consumer Research*, 21(3), 419-431.
- Schoell, W.F., & Gultinan, J.P. (1990). *Marketing contemporary Concepts and Practices*. Boston: Allyn and Bacon.
- Schumacker, R. & Lomax, R. (1996). *A Beginner's Guide to Structural Equation Modeling*. NJ: Lawrence Erlbaum.
- Schwartz, S. H. (1990). Individualism-collectivism: Critique and proposed refinements. *Journal of Cross-Cultural Psychology*, 21(2), 139-157.
- Segars, A. H., & Grover, V. (1993). Re-examining perceived ease of use and usefulness: A confirmatory factor analysis. *MIS Quarterly*, 17, 517-525.
- Selnes, F. (1993). An examination of the effect of product performance on brand reputation, satisfaction and loyalty. *The Journal of Product and Brand Management*, 2(4), 45 – 60.
- Shocker, A. D. & Weitz, B. (1988). A Perspective on Brand Equity Principles and Issues. In Leuthesser, L. (Ed), *Defining, Measuring, and Managing Brand Equity* (pp. 88-104). MA: Marketing Science Institute.
- Simon, C.J., & Sullivan, M.W. (1993). The Measurement and Determinants of Brand Equity A Financial Approach. *Marketing Science*. Linthicum, 12(1), 28-52.
- Singh, N., Zhao, H., & Hu, S. (2003). Cultural adaptation on the web: A study of American companies domestic and Chinese Web sites. *Journal of Global Information Management*, 11(3), 63-80.
- Siu, W., & Chu, P. (1994). Female entrepreneurs in Hong Kong: Problems and solutions. *International Journal of Management*, 11(2), 728-736.
- Slinker, B. H. (1984). Would you buy a burger from this man?, a car?, some stocks? *Madison Avenue*, 26(4), 52-53.
- Smith, D.C. (1992). Brand extensions and advertising efficiency: what can and cannot be expected. *Journal of Advertising Research*, 32(6), 11-20.

- Smith, S. (1996). Darkhorse to show. *Brandweek*, 37(28), 17-18.
- Solomon, M. R. (1986). Dress for Effect. *Psychology Today*, 20(4), 20-28.
- Spielman, H.M. (1981). The celebrity sell: Making it work. *Marketing Times*, 28(6), 13-14.
- Srivastava, R.K. & Shocker, A.D. (1991). Brand Equity: A Perspective on its Meaning and Measurement. Working Paper No. 91-124, Cambridge, MA: Marketing Science Institute.
- Star, S. H. (1989). Marketing and its discontents. *Harvard Business Review*, 89, 148-54.
- Stern, L.W., El-Ansary, A.I., & Coughlan, A.T. (1996). *Marketing channels*. New Jersey: Prentice Hall.
- Stigler, G. (1961). The economics of information. *Journal of Political Economy*, 69, 213-225.
- Stipp, H. & Schiavone, N. P. (1996). Modeling the impact of Olympic sponsorship on corporate image. *Journal of Advertising Research*, 36(4), 22-28.
- Swanson, M. (1995). China put on a new face. *China Business Review*, 22(5), 34-37.
- Suerdem, A. (1994). Social de(re)construction of mass culture: Making (non)sense of consumer behavior. *International Journal of Research in Marketing*, 11(4), 423-443.
- Szymanski, D. M., Bharadwaj, S. G., & Varadarajan, P. R. (1993). An analysis of the market share-profitability relationship. *Journal of Marketing*, 57(3), 1- 18.
- Tai, S.H.C. & Tam, J.L.M. (1997). A lifestyle analysis of female consumers in Greater China. *Psychology & Marketing*, 14(3), 287 – 307.
- Tam, J. L. M. & Tai, S. H. C. (1998). The psychographic segmentation of the female market in Greater China. *International Marketing Review*, 15(1), 61-77.
- Tam, K., & Siu, W. (1995). Advertising and economic development in China: Implications for international marketers. *Journal of International Marketing and Marketing Research*, 20(3), 129-137.
- Tansuhaj, P., Gentry, J. W., John, J., Manzer, L. L., & Cho, B. J. (1991). A cross-national examination of innovation resistance. *International Marketing Review*, 8(3), 7-20.

- Tanzer, A. (1994). Numbers fever. *Forbes*, 153(11), 58- 59.
- Taylor, S., & Todd, P. A. (1995). Understanding Information Technology Usage: A Test of Competing Models. *Information Systems Research*, 6(2), 144-176.
- TDC (2000, January). Tracking Online Retailing in China, Research Department. Hong Kong Trade Development Council, Kong Hong (pp. 1-14).
- Wang, C. L., Siu, N. Y. M., & Hui, A. S. Y. (2004). Consumer decision-making styles on domestic and imported brand clothing. *European Journal of Marketing*, 38(1), 239-252.
- White, L. A. (1969). *The Science of Culture*. New York: Farrar, Straus and Giroux.
- Winer, R. S. (1986). A reference price model of brand choice for frequently purchased products. *Journal of Consumer Research*, 13, 250-256.
- Yan, R. (1994). To reach China's consumers, adapt to Guo Qing. *Harvard Business Review*, 72(5), 66-73.
- Yau, O.H.M. (1994). *Consumer Behaviour in China: Customer Satisfaction and Cultural Values*. London: Routledge.
- Yau, O.H.M. (1988). Chinese cultural values: their dimensions and marketing implications. *European Journal of Marketing*, 22(5), 44-57.
- Yau, O.H.M., Li, Y. J. & Lo, T. H. (1986). Marketing and marketing research in China. *Journal of international Marketing and Marketing Research*, 18(1), 3-18.
- Ying, K. (2006). Brands can get more push with the pull of rich media options. *Media*, Mar 10, 14.
- Yoo, B., Donthu, N., and Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Academy of Marketing Science*, 28(2), 195-212.
- Yoo, B., Donthu, N. (2001). Developing and validating a multidimensional consumer-based brand equity scale. *Journal of Business Research*, 52(1), 1-14.
- Yoo, B. & Donthu, N. (2002). Testing cross-cultural invariance of the brand equity creation process. *Journal of Product and Brand Management*, 11(6), 380-398.
- Zhang, Z. Y. (April, 1999). Book review on China: The Consumer Revolution (by C. Li, 1998). *Asian Economic Bulletin*, 120-122.

Zhou, D., Zhang, W., & Vertinsky, I. (2002). Advertising trends in urban China. *Journal of Advertising Research*, 42(3), 73-81.

Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *Journal of Marketing*, 52, 2-22.

Zimmer, M. R. & Golden, L. L. (1988). Impressions of retail stores: a content analysis of consumer. *Journal of Retailing*, 64(3), 265 – 293.

APPENDIX A

APPROVAL OF INSTITUTIONAL REVIEW BOARD (IRB) FOR THE USE
OF HUMAN PARTICIPANTS IN RESEARCH
& RAL PRESENTATION USED WHILE CONDUCTING SURVEY

Campus Institutional Review Board
University of Missouri-Columbia

483 McReynolds Hall
Columbia, MO 65211-1150
PHONE: (573) 882-9585 FAX: (573) 884-0663

Project Number:	1053757
Project Title:	The Creation of Brand Equity in Chinese Clothing Market
Approval Date:	09-19-2005
Expiration Date:	09-19-2006
Investigator(s):	Hawley, Jana Marie Tong, Xiao
Level Granted:	Exempt

CAMPUS INSTITUTIONAL REVIEW BOARD APPROVAL FORM
UNIVERSITY OF MISSOURI-COLUMBIA

This is to certify that your research proposal involving human subject participants has been reviewed by the Campus IRB. This approval is based upon the assurance that you will protect the rights and welfare of the research participants, employ approved methods of securing informed consent from these individuals, and not involve undue risk to the human subjects in light of potential benefits that can be derived from participation.

Approval of this research is contingent upon your agreement to:

- (1) Adhere to all UMC Policies and Procedures Relating to Human Subjects, as written in accordance with the Code of Federal Regulations (45 CFR 46).
- (2) Maintain copies of all pertinent information related to the study, included but not limited to, video and audio tapes, instruments, copies of written informed consent agreements, and any other supportive documents for a period of **three (3) years** from the date of completion of your research.
- (3) Report potentially serious events to the Campus IRB (573-882-9585) by the most expeditious means and complete the eIRB "Campus Adverse Event Report". This may be accessed through the following website: <http://irb.missouri.edu/eirb/>.
- (4) IRB approval is contingent upon the investigator implementing the research activities as proposed. Campus IRB policies require an investigator to report any deviations from an approved project directly to the Campus IRB by the most expeditious means. All human subject research deviations must have prior IRB approval, except to protect the welfare and safety of human subject participants. If an investigator must deviate from the

previously approved research activities, the principal investigator or team members must:

- a. Immediately contact the Campus IRB at 882-9585.
- b. Assure that the research project has provisions in place for the adequate protection of the rights and welfare of human subjects, and are in compliance with federal laws, University of Missouri-Columbia's FWA, and Campus IRB policies/procedures.
- c. Complete the "Campus IRB Deviation Report". This may be accessed through the following website: <http://irb.missouri.edu/eirb/>.

(5) Submit an Amendment form to the Campus IRB for any proposed changes from the previously approved project. Changes may not be initiated without prior IRB review and approval except where necessary to eliminate apparent and immediate dangers to the subjects. The investigator must complete the Amendment form for any changes at <http://irb.missouri.edu/eirb/>.

(6) Federal regulations and Campus IRB policies require continuing review of research projects involving human subjects. Campus IRB approval will expire one (1) year from the date of approval unless otherwise indicated. Before the one (1) year expiration date, you must submit Campus IRB Continuing Review Report to the Campus IRB. Any unexpected events are to be reported at that time. The Campus IRB reserves the right to inspect your records to ensure compliance with federal regulations at any point during your project period and three (3) years from the date of completion of your research.

The University of Missouri at Columbia

ORAL PRESENTATION

Research Purpose:

The questionnaire is a part of the dissertation of Xiao Tong at the University of Missouri-Columbia, USA. The primary goal of this project is to examine Chinese customers' attitudes toward imported clothing brands and their marketing strategies.

Procedures:

You can participate this survey only if you are at least 18 years old. If you agree to be in this study, you will be asked to fill out a survey, which will take approximately twenty minutes to complete.

You may ask questions you may have about the survey or study at any time.

Benefits and Risks of Participating in the Study:

The benefits of participating in the study are contributing to an understanding of Chinese consumers' attitudes and behavior as related to imported clothing brands and their marketing strategies, and to understand the differences between Chinese consumers and consumers in Western countries. There are not personal benefits gained by participation in the study.

There are no psychological, or sociological risks involved in participating in this study.

Confidentiality:

Full confidentiality of your participation will be maintained. The survey does not ask to disclose your name or to identify yourself in any way. Data provided by your participation will not be reported individually nor attributed to you personally.

Voluntary Nature of the Study:

Your participation in this survey is voluntary. You may withdraw from the study without penalty at any time. Your consent or refusal to participate this survey will not affect your individual's relationship with the University of Missouri.

Questions regarding your rights as a participant in this project can be answered by calling Campus Institutional Review Board at (573) 882-9585 (USA). Questions regarding the research itself will be answered by Xiao Tong by calling (573) 771-4252. Any new information that develops during the project will be provided to you if the information might affect your willingness to continue participation in the project.

Signature of Person Obtaining Consent on Behalf of UMC

Date

APPENDIX B

SURVEY QUESTIONNAIRE

ENGLISH VERSION A

VERSION A: SURVEY ABOUT IMPORTED CLOTHING BRANDS

Please read carefully and answer the following questions. Be sincere in your response. There are no right and wrong answers. It is only your opinion that we are interested in. Your response is very important and we will greatly appreciate it.

1. The following are some values people seek. To indicate how important each value is to you, please circle one answer. You may think it is “very important”, “important”, “neutral”, “unimportant”, or “very unimportant” with each value.

	Very Unimportant	Unimportant	Neutral	Important	Very Important
Independent thought and action	1	2	3	4	5
Control over one's life	1	2	3	4	5
An exciting life	1	2	3	4	5
Competitiveness	1	2	3	4	5
Creativity	1	2	3	4	5
Uniqueness	1	2	3	4	5
Dare to speak and do	1	2	3	4	5
Privacy	1	2	3	4	5
Take risk	1	2	3	4	5
Family and personal security	1	2	3	4	5
Observe social codes of behavior and ethics	1	2	3	4	5
Formality of structure life	1	2	3	4	5
	Very Unimportant	Unimportant	Neutral	Important	Very Important
Respect authority	1	2	3	4	5
Social power & Status	1	2	3	4	5
Respect parents and older people	1	2	3	4	5
Societies equality	1	2	3	4	5
Thrift	1	2	3	4	5
Planning for the future	1	2	3	4	5
Perseverance	1	2	3	4	5
Personal steadiness and stability	1	2	3	4	5
Caring for others	1	2	3	4	5
The equality of males and females	1	2	3	4	5
Spiritual gains	1	2	3	4	5
Modest & nurturing	1	2	3	4	5

2. From the following four brands, please choose one sports shoes brand you are MOST familiar with, please circle one answer.

Nike	1
Adidas	2
Reebok	3
Puma	4

3. To indicate how much you agree or disagree with each statement, please circle one answer. You may “strong disagree”, “agree”, “uncertain”, “agree”, or “strong agree” with each statement.

NOTE: In the following questions, the “X” represents the brand you chose in the question 2. (For example, if you choose “Nike” as your most familiar brand in question 2, the “X” in the following questions represents “Nike”.)

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
The price of X is high.	1	2	3	4	5
The price of X is low.	1	2	3	4	5
X is expensive.	1	2	3	4	5
The stores where I can buy X carry products of high quality.	1	2	3	4	5
The stores where I can buy X have good overall service.	1	2	3	4	5
The stores where I can buy X have well-known brands.	1	2	3	4	5
The number of the stores that sell X is larger than that of its competing brands.	1	2	3	4	5
Compared to its competing brands, I can find X in more stores.	1	2	3	4	5
X is distributed through as many stores as possible.	1	2	3	4	5
Price deals for X are not frequently offered.	1	2	3	4	5
Too many times price deals for X are presented.	1	2	3	4	5
Price deals for X are emphasized more than seems reasonable.	1	2	3	4	5
Non-price promotions like premium or prize draw for X are frequently offered.	1	2	3	4	5
Many times non-price promotions like premium or prize draw for X are presented.	1	2	3	4	5
Non-price promotions like premium or prize draw for X are emphasized.	1	2	3	4	5
X often uses a celebrity as the spokesman.	1	2	3	4	5
The celebrity is frequently used in X’s ads.	1	2	3	4	5
X doesn’t use celebrity in its ads.	1	2	3	4	5
X is intensively advertised in the Web site.	1	2	3	4	5

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
The web advertisements for X seem very expensive, compared to competing brands.	1	2	3	4	5
The web advertisements for X are seen frequently.	1	2	3	4	5
The event sponsorship for X is seen frequently in sports, music or other events.	1	2	3	4	5
The event sponsorship for X is intensively used.	1	2	3	4	5
The event sponsorship for X seems more frequent, compared to competing brands.	1	2	3	4	5
X is intensively advertised on TV.	1	2	3	4	5
The TV advertisements for X seem very expensive, compared to competing brands.	1	2	3	4	5
The TV advertisements for X are seen frequently.	1	2	3	4	5
X is intensively advertised in print publication.	1	2	3	4	5
The print advertisements for X seem very expensive, compared to competing brands.	1	2	3	4	5
The print advertisements for X are seen frequently.	1	2	3	4	5
The maker of X specially targets a market segment.	1	2	3	4	5
Consumers of X are a distinctive group.	1	2	3	4	5
X is intended for everyone in the market.	1	2	3	4	5
Not everyone can buy X.	1	2	3	4	5
X is different from its competitors.	1	2	3	4	5
X is basically the same as the other brands.	1	2	3	4	5
Compared to its competitive brands, X is different in many aspects.	1	2	3	4	5

4. To indicate how much you agree or disagree with each statement, please circle one answer. You may “strong disagree”, “agree”, “uncertain”, “agree”, or “strong agree” with each statement.

NOTE: In the following questions, the “X” represents the brand you chose in the question 2. (For example, if you choose “Nike” as your most familiar brand in question 2, the “X” in the following questions represents “Nike”.)

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Products from X would be of very good quality.	1	2	3	4	5
I trust the quality of products from X.	1	2	3	4	5
Products from X offer excellent features.	1	2	3	4	5
I consider myself to be loyal to X.	1	2	3	4	5
When buying shoes X would be my first choice.	1	2	3	4	5
I will keep on buying X as long as it provides me satisfied products.	1	2	3	4	5

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
I am still willing to buy X even if its price is a little higher than its competitors.	1	2	3	4	5
I would love to recommend X to my friends.	1	2	3	4	5
Some characteristics of X come to my mind quickly.	1	2	3	4	5
I can recognize X quickly among other competing brands.	1	2	3	4	5
I have difficulty in imagining X in my mind.	1	2	3	4	5
I am familiar with X brand.	1	2	3	4	5
X has very unique brand image, compared to competing brands.	1	2	3	4	5
I like and trust the company, which makes X.	1	2	3	4	5
I respect and admire people who wear X.	1	2	3	4	5
I like the brand image of X.	1	2	3	4	5
X is a unique brand.	1	2	3	4	5

5. THE FOLLOWING QUESTIONS ARE FOR BACKGROUND PORPOSE ONLY. Response will be kept confidential.

Note: For the following questions, please circle one answer that describes your current situation.

1) What is your gender?

Male []
 Female []

2) What is your age?

18 – 20 years old [] 31 – 35 years old []
 21 – 25 years old [] 36 – 40 years old []
 26 – 30 years old [] More than 40 years old []

3) Which category best describes your education level?

Some High School [] College Graduate []
 High School Graduate [] Post Graduate []
 Some College []

4) Which category best describes your marital status?

Single [] Married and have kid []
 Married no kid [] Other []

5) What was your personal income in 2004?

Less than 8,000 Yuan	[]	40,000 - 59,999 Yuan	[]
8,000 - 14,999 Yuan	[]	60,000 - 79,999 Yuan	[]
15,000 - 21,999 Yuan	[]	80,000 - 119,999 Yuan	[]
22,000 – 27,999 Yuan	[]	120,000 Yuan or more	[]
28,000 - 39,999 Yuan	[]	I don't know	[]

ENGLISH VERSION B

VERSION B: SURVEY ABOUT IMPORTED SPORTS SHOES BRANDS

Please read carefully and answer the following questions. Be sincere in your response. There are no right and wrong answers. It is only your opinion that we are interested in. Your response is very important and we will greatly appreciate it.

- The following are some values people seek. To indicate how important each value is to you, please circle one answer. You may think it is “very important”, “important”, “neutral”, “unimportant”, or “very unimportant” with each value.

	Very Unimportant	Unimportant	Neutral	Important	Very Important
Independent thought and action	1	2	3	4	5
Control over one's life	1	2	3	4	5
An exciting life	1	2	3	4	5
Competitiveness	1	2	3	4	5
Creativity	1	2	3	4	5
Uniqueness	1	2	3	4	5
Dare to speak and do	1	2	3	4	5
Privacy	1	2	3	4	5
Take risk	1	2	3	4	5
Family and personal security	1	2	3	4	5
Observe social codes of behavior and ethics	1	2	3	4	5
Formality of structure life	1	2	3	4	5
	Very Unimportant	Unimportant	Neutral	Important	Very Important
Respect authority	1	2	3	4	5
Social power & Status	1	2	3	4	5
Respect parents and older people	1	2	3	4	5
Societies equality	1	2	3	4	5
Thrift	1	2	3	4	5
Planning for the future	1	2	3	4	5
Perseverance	1	2	3	4	5
Personal steadiness and stability	1	2	3	4	5
Caring for others	1	2	3	4	5
The equality of males and females	1	2	3	4	5
Spiritual gains	1	2	3	4	5
Modest & nurturing	1	2	3	4	5

2. From the following four brands, please choose one clothing brand you are MOST familiar with, please circle one answer.

Etam	1	CK	7
Lee	2	GIVENCHY	8
Only	3	VERO MODE	9
JACK JONES	4	Boss	10
Esprit	5	Tommy Hilfiger	11
Levi's	6	Polo Ralph Lauren	12

3. To indicate how much you agree or disagree with each statement, please circle one answer. You may “strong disagree”, “agree”, “uncertain”, “agree”, or “strong agree” with each statement.

NOTE: In the following questions, the “Y” represents the brand you chose in the question 2. (For example, if you choose “Only” as your most familiar brand in question 2, the “Y” in the following questions represents “Only”.)

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
The price of Y is high.	1	2	3	4	5
The price of Y is low.	1	2	3	4	5
Y is expensive.	1	2	3	4	5
The stores where I can buy Y carry products of high quality.	1	2	3	4	5
The stores where I can buy Y have good overall service.	1	2	3	4	5
The stores where I can buy Y have well-known brands.	1	2	3	4	5
The number of the stores that sell Y is larger than that of its competing brands.	1	2	3	4	5
Compared to its competing brands, I can find Y in more stores.	1	2	3	4	5
Y is distributed through as many stores as possible.	1	2	3	4	5
Price deals for Y are not frequently offered.	1	2	3	4	5
Too many times price deals for Y are presented.	1	2	3	4	5
Price deals for Y are emphasized more than seems reasonable.	1	2	3	4	5
Non-price promotions like premium or prize draw for Y are frequently offered.	1	2	3	4	5
Many times non-price promotions like premium or prize draw for Y are presented.	1	2	3	4	5
Non-price promotions like premium or prize draw for Y are emphasized.	1	2	3	4	5
Y often uses a celebrity as the spokesman.	1	2	3	4	5
The celebrity is frequently used in Y's ads.	1	2	3	4	5
Y doesn't use celebrity in its ads.	1	2	3	4	5
Y is intensively advertised in the Web site.	1	2	3	4	5

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
The web advertisements for Y seem very expensive, compared to competing brands.	1	2	3	4	5
The web advertisements for Y are seen frequently.	1	2	3	4	5
The event sponsorship for Y is seen frequently in sports, music or other events.	1	2	3	4	5
The event sponsorship for Y is intensively used.	1	2	3	4	5
The event sponsorship for Y seems more frequent, compared to competing brands.	1	2	3	4	5
Y is intensively advertised on TV.	1	2	3	4	5
The TV advertisements for Y seem very expensive, compared to competing brands.	1	2	3	4	5
The TV advertisements for Y are seen frequently.	1	2	3	4	5
Y is intensively advertised in print publication.	1	2	3	4	5
The print advertisements for Y seem very expensive, compared to competing brands.	1	2	3	4	5
The print advertisements for X are seen frequently.	1	2	3	4	5
The maker of Y specially targets a market segment.	1	2	3	4	5
Consumers of Y are a distinctive group.	1	2	3	4	5
Y is intended for everyone in the market.	1	2	3	4	5
Not everyone can buy Y.	1	2	3	4	5
Y is different from its competitors.	1	2	3	4	5
Y is basically the same as the other brands.	1	2	3	4	5
Compared to its competitive brands, Y is different in many aspects.	1	2	3	4	5

4. To indicate how much you agree or disagree with each statement, please circle one answer. You may “strong disagree”, “agree”, “uncertain”, “agree”, or “strong agree” with each statement.

NOTE: In the following questions, the “Y” represents the brand you chose in the question 2. (For example, if you choose “Only” as your most familiar brand in question 2, the “Y” in the following questions represents “Only”.)

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Products from Y would be of very good quality.	1	2	3	4	5
I trust the quality of products from Y.	1	2	3	4	5
Products from Y offer excellent features.	1	2	3	4	5
I consider myself to be loyal to Y.	1	2	3	4	5
When buying clothing Y would be my first choice.	1	2	3	4	5
I will keep on buying Y as long as it provides me satisfied products.	1	2	3	4	5
I am still willing to buy Y even if its price is a little higher than its competitors.	1	2	3	4	5
I would love to recommend Y to my friends.	1	2	3	4	5
Some characteristics of Y come to my mind quickly.	1	2	3	4	5

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
I can recognize Y quickly among other competing brands.	1	2	3	4	5
I have difficulty in imagining Y in my mind.	1	2	3	4	5
I am familiar with Y brand.	1	2	3	4	5
Y has very unique brand image, compared to competing brands.	1	2	3	4	5
I like and trust the company, which makes Y.	1	2	3	4	5
I respect and admire people who wear Y.	1	2	3	4	5
I like the brand image of Y.	1	2	3	4	5
Y is a unique brand.	1	2	3	4	5

5. THE FOLLOWING QUESTIONS ARE FOR BACKGROUND PORPOSE ONLY. Response will be kept confidential.

Note: For the following questions, please circle one answer that describes your current situation.

1) What is your gender?

Male

Female

2) What is your age?

18 – 20 years old 31 – 35 years old

21 – 25 years old 36 – 40 years old

26 – 30 years old More than 40 years old

3) Which category best describes your education level?

Some High School College Graduate

High School Graduate Post Graduate

Some College

4) Which category best describes your marital status?

Single Married and have kid

Married no kid Other

5) What was your personal income in 2004?

Less than 8,000 Yuan	[]	40,000 - 59,999 Yuan	[]
8,000 - 14,999 Yuan	[]	60,000 - 79,999 Yuan	[]
15,000 - 21,999 Yuan	[]	80,000 - 119,999 Yuan	[]
22,000 – 27,999 Yuan	[]	120,000 Yuan or more	[]
28,000 - 39,999 Yuan	[]	I don't know	[]

CHINESE VERSION A

调查问卷 A: 进口运动鞋品牌

这是一项有关中国消费者如何看待进口服装品牌及其市场营销策略的市场调研。此次匿名调查结果仅为学术研究所用。下面的每一个问题都没有正确或错误的答案，请你根据自己的真实情况，观察和感受来回答，感谢您的参与！

第一部分：以下是一组人们所追求的价值观，请你指出它们在你生活中的重要程度（请用“√”标志你所选择的答案）。

	非常不重要	不重要	一般	重要	非常重要
有竞争力、有成就	1	2	3	4	5
自己作主自己的事情	1	2	3	4	5
自我独立	1	2	3	4	5
有自己的隐私	1	2	3	4	5
多变化的生活	1	2	3	4	5
敢于创新	1	2	3	4	5
有自己的个性	1	2	3	4	5
敢做敢为	1	2	3	4	5
节俭	1	2	3	4	5
为将来做打算	1	2	3	4	5
坚持不懈	1	2	3	4	5
保持个人和家庭的稳定	1	2	3	4	5
	非常不重要	不重要	一般	重要	非常重要
冒险	1	2	3	4	5
维护家庭和个人的安全	1	2	3	4	5
遵循社会道德和行为规范	1	2	3	4	5
遵循社会礼节	1	2	3	4	5
尊重权威和专家	1	2	3	4	5
有社会地位和权力	1	2	3	4	5
尊敬父母和老人	1	2	3	4	5
人人平等	1	2	3	4	5
关心和帮助他人	1	2	3	4	5
男女平等	1	2	3	4	5
精神上的富有	1	2	3	4	5
谦虚、有涵养	1	2	3	4	5

第二部分：在下面 4 个运动鞋品牌中，你最熟悉的一个品牌是：

耐克	1
阿迪达斯	2
锐步	3
彪马	4

第三部分：在这个部分，我们想了解你对进口运动鞋品牌的市场营销策略的感受和看法，请你指出你对下面这些说法的同意程度（请用“√”标志你所选择的答案）。

注意：下面所有问题中的“X”指你第二部分中所选定的品牌。比如你选定“耐克”是你最熟悉的品牌，那么下面所有问题中的“X”就指“耐克”。

	非常同意	同意	不确定	不同意	非常不同意
我认为 X 的价格较高	1	2	3	4	5
卖 X 的购物中心的服务质量都很好	1	2	3	4	5
和类似的品牌相比，我认为 X 品牌的鞋较贵	1	2	3	4	5
卖 X 的购物中心的商品质量都很不错	1	2	3	4	5
我认为 X 的价格较低	1	2	3	4	5
卖 X 的购物中心一般都卖一些名牌产品	1	2	3	4	5
X 品牌的鞋在专卖店有卖，在大的购物中心也有卖	1	2	3	4	5
我发现 X 一般不打折	1	2	3	4	5
和类似的品牌相比，我发现卖 X 的购物中心比较多	1	2	3	4	5
X 经常提供打折促销	1	2	3	4	5
在一些较大的购物中心，我都能买到 X	1	2	3	4	5
不是节假日和换季，X 也经常提供打折	1	2	3	4	5
X 经常提供一些如返卷，购物抽奖等之类的促销活动	1	2	3	4	5
X 经常用明星或名人作为品牌代言人	1	2	3	4	5
X 的非打折性促销活动很多(如送礼品，购物抽奖等)	1	2	3	4	5
和类似的品牌相比，X 在网上的广告更加常见	1	2	3	4	5
X 注重于非打折性促销活动	1	2	3	4	5
X 一般不请名人做广告	1	2	3	4	5
X 经常赞助一些如体育比赛、音乐演出之类的活动	1	2	3	4	5
X 经常用电视广告作宣传	1	2	3	4	5
和类似名牌相比，X 的赞助活动更常见	1	2	3	4	5
我经常可以在电视上看到 X 的广告	1	2	3	4	5
X 经常是一些大型活动的赞助商	1	2	3	4	5
和类似品牌相比，X 的电视广告更常见	1	2	3	4	5
X 经常在报纸上做广告	1	2	3	4	5
X 的鞋是为特定的人群所设计的	1	2	3	4	5
X 公司经常用时装杂志广告作品牌宣传	1	2	3	4	5
X 有它针对的顾客群	1	2	3	4	5

	非常同意	同意	不确定	不同意	非常不同意
我经常在时装杂志上看到 X 的广告	1	2	3	4	5
X 经常用互联网做广告宣传	1	2	3	4	5
X 在很多方面与它的竞争品牌不一样	1	2	3	4	5
不论年龄和性别, X 似乎适合于每个人	1	2	3	4	5
X 和它的竞争品牌没有什么大的差别	1	2	3	4	5
我经常可以在一些网站上看到 X 的广告	1	2	3	4	5
与它的竞争品牌相比, X 有着不同的风格	1	2	3	4	5
X 的风格只适合于一部分人群	1	2	3	4	5
我发现 X 经常请明星或名人做广告	1	2	3	4	5

第四部分：在这个部分，我们想了解你对进口运动鞋品牌的感受和看法，请你指出你对下面这些说法的同意程度（请用“√”标志你所选择的答案）。

注意：下面所有问题中的“X”指你第二部分中所选定的品牌。比如你选定“耐克”是你最熟悉的品牌，那么下面所有问题中的“X”就指“耐克”。

	非常同意	同意	不确定	不同意	非常不同意
我认为 X 的产品质量很好	1	2	3	4	5
X 的鞋很舒服, 也很耐穿	1	2	3	4	5
我是 X 的忠实顾客	1	2	3	4	5
我很信赖 X 的质量	1	2	3	4	5
在购买运动鞋时, X 一直是我的第一选择	1	2	3	4	5
我很愿意将 X 推荐给我的朋友	1	2	3	4	5
如果 X 能一直提供给我满意的产品, 我会持续购买 X	1	2	3	4	5
X 是我比较熟悉的品牌	1	2	3	4	5
就算 X 比类似品牌要贵一些, 我仍然愿意选择购买 X	1	2	3	4	5
去商场购物时, 我一眼就能认出 X 来	1	2	3	4	5
我喜欢并信任 X 公司	1	2	3	4	5
和类似品牌相比, 我认为 X 有它很独特的特征	1	2	3	4	5
我不仅知道 X 这个牌子, 而且还能说出它的一些特征来	1	2	3	4	5
我对穿 X 鞋的人感到很亲切和敬重	1	2	3	4	5
我仅仅知道 X, 对它的具体特征不是很了解	1	2	3	4	5
X 是一个很独特的品牌	1	2	3	4	5
我很喜欢 X 的品牌形象	1	2	3	4	5

第五部分: 请选择一个数字最能描述你目前的状况 (请用 “√” 标志你所选择的答案)。

注意: 下列信息只为研究所用, 我们不会透露你的个人信息。

1) 你的性别是:

男	[]
女	[]

2) 你的年龄是:

18-20岁	[]	31 - 35岁	[]
21-25岁	[]	36 - 40岁	[]
26-30岁	[]	大于40岁	[]

3) 你的教育程度是:

小学/初中毕业	[]	大专/大学毕业	[]
高中毕业	[]	本科以上学历	[]
大专/大学	[]		

4) 你的婚姻状况是:

单身	[]	已婚有小孩	[]
已婚无小孩	[]	其他	[]

5) 你目前的月收入是:

1500元及以下	[]	8001-12000元	[]
1500-2500元	[]	12000-15000元	[]
2501-4000元	[]	15000-20000元	[]
4001-6000元	[]	20000元以上	[]
6001-8000元	[]	不予告诉	[]

CHINESE VERSION B

调查问卷 B: 进口服装品牌

这是一项有关中国消费者如何看待进口服装品牌及其市场营销策略的市场调研。此次匿名调查结果仅为学术研究所用。下面的每一个问题都没有正确或错误的答案，请你根据自己的真实情况，观察和感受来回答，感谢您的参与！

第一部分：以下是一组人们所追求的价值观，请你指出它们在你生活中的重要程度（请用“√”标志你所选择的答案）。

	非常不重要	不重要	一般	重要	非常重要
有竞争力、有成就	1	2	3	4	5
自己作主自己的事情	1	2	3	4	5
自我独立	1	2	3	4	5
有自己的隐私	1	2	3	4	5
多变化的生活	1	2	3	4	5
敢于创新	1	2	3	4	5
有自己的个性	1	2	3	4	5
敢做敢为	1	2	3	4	5
节俭	1	2	3	4	5
为将来做打算	1	2	3	4	5
坚持不懈	1	2	3	4	5
保持个人和家庭的稳定	1	2	3	4	5
	非常不重要	不重要	一般	重要	非常重要
冒险	1	2	3	4	5
维护家庭和个人的安全	1	2	3	4	5
遵循社会道德和行为规范	1	2	3	4	5
遵循社会礼节	1	2	3	4	5
尊重权威和专家	1	2	3	4	5
有社会地位和权力	1	2	3	4	5
尊敬父母和老人	1	2	3	4	5
人人平等	1	2	3	4	5
关心和帮助他人	1	2	3	4	5
男女平等	1	2	3	4	5
精神上的富有	1	2	3	4	5
谦虚、有涵养	1	2	3	4	5

第二部分：在下面 12 服装品牌中，你最熟悉的一个品牌是：

艾格 (Etam)	1	卡尔文·克莱恩 (CK)	7
Lee 牛仔服装	2	纪梵希 (GIVENCHY)	8
Only	3	VERO MODE	9
JACK JONES	4	鲍士 (Boss)	10
爱使普利 (Esprit)	5	Tommy Hilfiger	11
Levi' s 牛仔服装	6	拉尔夫·劳伦 (Polo Ralph Lauren)	12

第三部分：在这个部分，我们想了解你对进口服装品牌的市场营销策略的感受和看法，请你指出你对下面这些说法的同意程度（请用“√”标志你所选择的答案）。

注意：下面所有问题中的“X”指你在第二部分中所选定的品牌。比如你选定“爱使普利”是你最熟悉的品牌，那么下面所有问题中的“X”就指“爱使普利”。

	非常同意	同意	不确定	不同意	非常不同意
我认为 X 的价格较高	1	2	3	4	5
卖 X 的购物中心的服务质量都很好	1	2	3	4	5
和类似的品牌相比，我认为 X 品牌的服装较贵	1	2	3	4	5
卖 X 的购物中心的商品质量都很不错	1	2	3	4	5
我认为 X 的价格较低	1	2	3	4	5
卖 X 的购物中心一般都卖一些名牌产品	1	2	3	4	5
X 品牌的鞋在专卖店有卖，在大的购物中心也有卖	1	2	3	4	5
我发现 X 一般不打折	1	2	3	4	5
和类似的品牌相比，我发现卖 X 的购物中心比较多	1	2	3	4	5
X 经常提供打折促销	1	2	3	4	5
在一些较大的购物中心，我都能买到 X	1	2	3	4	5
不是节假日和换季，X 也经常提供打折	1	2	3	4	5
X 经常提供一些如返卷，购物抽奖等之类的促销活动	1	2	3	4	5
X 经常用明星或名人作为品牌代言人	1	2	3	4	5
X 的非打折性促销活动很多(如送礼品，购物抽奖等)	1	2	3	4	5
和类似的品牌相比，X 在网上的广告更加常见	1	2	3	4	5
X 注重于非打折性促销活动	1	2	3	4	5
X 一般不请名人做广告	1	2	3	4	5
X 经常赞助一些如体育比赛、音乐演出之类的活动	1	2	3	4	5
X 经常用电视广告作宣传	1	2	3	4	5
和类似名牌相比，X 的赞助活动更常见	1	2	3	4	5
我经常可以在电视上看到 X 的广告	1	2	3	4	5
X 经常是一些大型活动的赞助商	1	2	3	4	5
和类似品牌相比，X 的电视广告更常见	1	2	3	4	5
X 经常在报纸上做广告	1	2	3	4	5
X 的服装是为特定的人群所设计的	1	2	3	4	5
X 公司经常用时装杂志广告作品牌宣传	1	2	3	4	5
X 有它针对的顾客群	1	2	3	4	5
我经常在时装杂志上看到 X 的广告	1	2	3	4	5

	非常同意	同意	不确定	不同意	非常不同意
X 经常用互联网做广告宣传	1	2	3	4	5
X 在很多方面与它的竞争品牌不一样	1	2	3	4	5
不论年龄和性别, X 似乎适合于每个人	1	2	3	4	5
X 和它的竞争品牌没有什么大的差别	1	2	3	4	5
我经常可以在一些网站上看到 X 的广告	1	2	3	4	5
与它的竞争品牌相比, X 有着不同的风格	1	2	3	4	5
X 的风格只适合于一部分人群	1	2	3	4	5
我发现 X 经常请明星或名人做广告	1	2	3	4	5

第四部分：在这个部分，我们想了解你对进口服装品牌的感受和看法，请你指出你对下面这些说法的同意程度（请用“√”标志你所选择的答案）。

注意：下面所有问题中的“X”指你在问题 1 中所选定的品牌。比如在问题 1 中，你选定“爱使普利”是你最熟悉的品牌，那么下面所有问题中的“X”就指“爱使普利”。

	非常同意	同意	不确定	不同意	非常不同意
我认为 X 的产品质量很好	1	2	3	4	5
X 服装的做工和面料质量都很不错	1	2	3	4	5
我是 X 的忠实顾客	1	2	3	4	5
我很信赖 X 的质量	1	2	3	4	5
在购买服装时, X 一直是我的第一选择	1	2	3	4	5
我很愿意将 X 推荐给我的朋友	1	2	3	4	5
如果 X 能一直提供给我满意的产品, 我会持续购买 X	1	2	3	4	5
X 是我比较熟悉的品牌	1	2	3	4	5
就算 X 比类似品牌要贵一些, 我仍然愿意选择购买 X	1	2	3	4	5
去商场购物时, 我一眼就能认出 X 来	1	2	3	4	5
我喜欢并信任 X 公司	1	2	3	4	5
和类似品牌相比, 我认为 X 有它很独特的特征	1	2	3	4	5
我不仅知道 X 这个牌子, 而且还能说出它的一些特征来	1	2	3	4	5
我对穿 X 服装的人感到很亲切和敬重	1	2	3	4	5
我仅仅知道 X, 对它的具体特征不是很了解	1	2	3	4	5
X 是一个很独特的品牌	1	2	3	4	5
我很喜欢 X 的品牌形象	1	2	3	4	5

第五部分: 请选择一个数字最能描述你目前的状况 (请用“√”标志你所选择的答案)。

注意: 下列信息只为研究所用, 我们不会透露你的个人信息。

1) 你的性别是:

男	[]
女	[]

2) 你的年龄是:

18-20岁	[]	31-35岁	[]
21-25岁	[]	36-40岁	[]
26-30岁	[]	大于40岁	[]

3) 你的教育程度是:

小学/初中毕业	[]	大专/大学毕业	[]
高中毕业	[]	本科以上学历	[]
大专/大学	[]		

4) 你的婚姻状况是:

单身	[]	已婚有小孩	[]
已婚无小孩	[]	其他	[]

5) 你目前的月收入是:

1500元及以下	[]	8001-12000元	[]
1500-2500元	[]	12000-15000元	[]
2501-4000元	[]	15000-20000元	[]
4001-6000元	[]	20000元以上	[]
6001-8000元	[]	不予告诉	[]

VITA

Xiao Tong was born in a small town of Sichuan province, China, the youngest child of Yutong Tong and Shaofen Li. After completing her work at Tong Jiang High School, Sichuan, China, in 1994, she entered Beijing Institute of Clothing Technology in Beijing China, where she received the degree of Bachelor of Science in International Trade in July 1998 and the degree of Master of Art in Culture of Apparel and Accessories in March 2001. In August 2002 she entered the Graduate school of the University of Missouri – Columbia to pursue her doctoral degree in Textile and Apparel Management. She has worked as a freelance writer, instructor and research assistant. Now she works as a market analyst with a global company, which has integrated fibers and polymers businesses.

The dissertation was typed by the author.