

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.