A STUDY OF THE CHINESE CLOTHING MARKET, TO PREDICT THE ESTABLISHMENT OF BRAND EQUITY

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ABSTRACT

In this study, the garment industry in China is used to examine the connection between brand equity and its constituent parts (namely, brand awareness, brand loyalty, brand image, and perceived quality). The concept expands upon the work of Yoo, Donthu, and Lee (2000) to create brand equity. At order to get the required information, an intercept survey was conducted in shopping malls in Beijing and Shanghai, the two largest cities in China. As the Chinese middle class expands and the market becomes more global, Chinese consumers are starting to look and act more like their Western counterparts. Perceived quality, brand awareness, brand image, and brand loyalty were all examined, and it was discovered that the directional correlations between brand equity and each were contested. The result jibes with what was found in the aforementioned literature review. Alternatively, ANOVA was used to look at their connections in the Chinese market. Marketers may use the information to better understand the Chinese market and develop a distribution plan tailored to it. A significant correlation between distribution intensity and all measures of brand success was found using analysis of variance (ANOVA) (recognition, loyalty, perception, and perceived quality). It's possible that if Chinese consumers have a lower opinion of the product's quality, this will lead to a more favourable brand perception and an increase in customer loyalty.

Keywords: Brand, Perceived quality, Brand image, Brand awareness.

1 INTRODUCTION

Consumers' willingness to pay more for a brand-name item as opposed to a generic equivalent is referred to as the "Brand Equity" of the product. Increasing a company's product's perceived value among consumers may be accomplished in part by setting it apart from the competitors in terms of quality and reliability. Reputable brands may be helped along by advertising initiatives that aim at a wide audience. If a company's brand equity is solid, consumers will pay more for the company's products even if those products can be purchased elsewhere at a lesser price. Customers are willing to part with greater sums of money to back a dependable business. Because it does not have to spend as much as its competitors to get the product to market, the firm with brand equity may pocket the price differential as profit. Profit margins for the business have increased as a result of the company's well-known brand (Chu, 2019).

Most people believe that when it comes to building a product's reputation, the company's marketing plan is the most crucial factor. There have been a lot of research done on the issue of how various elements of a marketing mix could affect the value of a brand over time. The purpose of these studies is to get a deeper comprehension of the issue at hand. It is not feasible to say with certainty whether or not these ideas are applicable to markets located in countries other than the United States or other Western nations until they have been confirmed by empirical study. In contrast, the present study used a well-established approach for building brand equity called the Brand Equity Creation Model to look at how marketing efforts relate to brand equity for Chinese importers of clothing. This strategy was selected because to its historical success. The researchers were particularly interested in looking at how these two factors are related to one another in China. Brand equity refers to the value that comes from a product's well-known brand name. Company may evaluate these advantages by considering how the product improves your life or how much it's worth. Extensive research has shown that a company's brand equity may be affected in a variety of ways depending on the marketing strategy used and the external market conditions. Depending on the specifics, this effect might have either a favourable or bad outcome. According to Simon and Sullivan, brand equity is based on a number of factors, including advertising spending, sales force investment, market research, brand age, market penetration, market entrance strategy, and product offerings (2019). Brand equity also depends on the advertising share, the order of introduction, and the product portfolio. The proportion of total advertising expenditures as a percentage of total marketing expenditures is another metric that may be used to assess brand value. Several marketing tactics have been debated, including public relations, product warranties, slogans or jingles, logos, and product packaging. Commercial jingles and catchphrases are another tactic. In Keller's view, a company's brand equity benefits from the use of a wide range of marketing tactics, including but not limited to advertising, promotion, event marketing and sponsorship, and public relations. The text continues by stating that many promotional efforts make a difference, each with its unique character. Many marketers consider advertising to be an integral part of the marketing communications mix when it comes to building brand loyalty. This is due to the fact that advertisements are among the most obvious methods of reaching out to consumers (Paul, 2018).

2 PROBLEM STTEMENT

"Only a select few multi-national corporations have been successful in establishing their brands in the Chinese market, despite the fact that many of these businesses have invested heavily in advertising, sales forces, marketing research, the order of entry of new products to the market, and other factors that contribute to brand equity."

Most people believe that a company's marketing strategy has the greatest impact on the value of its brands. There have been several studies done throughout the years on the topic of how various elements of the marketing mix affect brand equity. Until these hypotheses are actually validated, it is difficult to know how applicable these findings are to markets outside of the United States and other Western countries. The relationship between marketing efforts and brand value for Chinese enterprises selling imported clothing is investigated using the well-known Brand Equity Creation Model.

Brand equity refers to the value and desirability that consumers associate with a particular brand name. There has been a lot of research on the effects of different marketing strategies and market conditions on brand value. Brand equity may be defined by factors including advertising budget, sales force size, marketing research budget, advertising budget, advertising share, product launch timing, and product lineup. Public relations, warranty slogans or jingles, emblems, and packaging are some of the other advertising methods that have been suggested. Evidence suggests that a wide variety of marketing communications may contribute to the development of brand loyalty. He continues by saying that different marketing efforts have different impacts. Marketing communications mix elements often revolve on advertising when it comes to developing brand equity.

3. BACKGROUND OF THE STUDY

Marketing experts agree that long-term planning is crucial for developing a brand. Consumers do not think about every feature of a product when out shopping. Through a series of psychological manipulations, consumers may be made to believe that a certain brand is synonymous with quality at all times. Customers who have built trust in a certain brand are less inclined to question their preconceptions on each purchase. They like to stick with the same brand of apparel since it is reliable and saves them time (Husain, 2020).

Building a solid reputation for your brand is crucial for success in domestic and international marketplaces. There are two types of garment manufacturers operating in the global market: those aiming to build a name for themselves as a brand, and those that simply provide to multinational buying groups and retail chains based on their own standards. Putting a brand name on an item of apparel not only increases its marketability, but also benefits the consumer. That way, they may influence how consumers feel about the apparel and the company overall. The term "brand equity" is used to describe the premium consumers are willing to pay for a branded item of clothing as opposed to a generic equivalent. The customer may be able to get an identical article of apparel elsewhere, however without the designer’s name and at a more reasonable price. Because of this, consumers may gratify their egos by buying branded apparel. Brand recognition helps in selling products to customers that place a premium on status symbols (Amores, 2021).

Competition is fierce in today's global economy. Numerous novel products enter the market each year, only to be obsolete by subsequent releases. Fashions come into being and then rapidly go out. The influence of global and psychological trends, as well as rising levels of disposable money and media exposure, also have a role. Maintaining a presence in the market requires every manufacturer to create a recognisable "brand image" for his or her products. When it comes to the fashion industry, this is particularly true since items have a shorter lifespan and tend to go out of style more often. In terms of gaining an edge over the competition, manufacturers and retailers may benefit most when they employ well-known brands.

China's quickly growing middle class, more disposable money, and increasing popularity of sports and other types of physical activity have all contributed to the country's burgeoning sportswear market. The China Athletic Goods Industry Report 2006-2007 estimates that in 2006, sales of athletic goods in China generated between RMB 30 and 40 billion. This represents an annual growth rate of 10 percent during the preceding several years. This number is up from last year's totals. In 2010, both Nike and Adidas expect the Chinese market to eclipse their present second biggest market worldwide (Jhamb, 2020).

4. LITERATURE REVIEW

The theoretical framework was created following deep investigation into many facets of the problem. Brand equity and brand recognition, flashy spending, and conventional advertising strategies were all covered. The route model expands our understanding of the inherent linkages between these building blocks. The first stage of our organization's research approach entails the generation of hypotheses about possible relationships between the aforementioned factors and the inclination of consumers to spend money on things that call attention to themselves. Read on for extensive explanations of the many ideas and theories that have been proposed (Leung, 2008).

The phrase "brand equity" is used to describe the good and bad aspects of a business's brand, which includes the company's name and logo, and which impact the value of the products and services offered by the company. A company's reputation, also known as "brand awareness," will exhibit these qualities. Brand equity is founded on the existence of assets and liabilities associated with a brand's name and/or logo. This structure may be seen as the skeleton of a brand's worth. Changing the brand's name or symbol might potentially jeopardise or possibly result in the loss of the brand's assets or liabilities. If this occurs, the value of the brand might decline as well. However, other items of value may be renamed or rebranded as well. Different factors that contribute to a brand's strengths and weaknesses will be highlighted in different situations. a fanatic's adherence to a certain brand Two, how well one knows the name is a factor. A belief in the superiority of the item Customers have developed emotional attachments to certain brands and have high standards for those companies' products. Patents, trademarks, distribution agreements, and other monopolistic assets associated with the brand in graphical form, the idea of "brand equity." Brand equity has been proven to be built on the five categories of assets that have been shown. The graph's data suggests that customers benefit from a company's great brand equity as much as the company itself. favouring the customer in any way the quality of a company's intangible assets may increase or decrease the value that consumers assign to the company's brand.

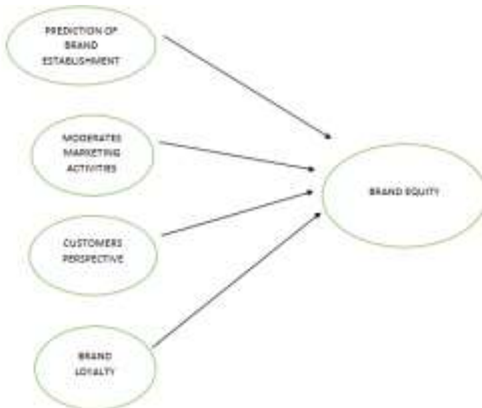
This may refer to the company's services or products. With their help, they can read, comprehend, and remember vast amounts of information about products and brands. Furthermore, there is a chance that they may disillusion clients with the result they have obtained (due to either past-use experience or familiarity with the brand and its characteristics). Customer satisfaction may be positively affected by both the customer's opinion of the product's quality and the customer's opinion of the brand, with the former perhaps playing a more significant effect. Others who are familiar with the Tiffany name may have different connotations to a piece of Tiffany jewellery than those who are not. Benefiting Instance Implicated: The Group At least six different opportunities exist for the organisation to reap benefits from its brand equity. One of these methods is to provide the business with a small but steady stream of cash flow on top of the money the company is already making from the client. To begin, it may be utilised to boost marketing efforts that attract new customers or reacquaint already-existing ones with your brand. Promotions that provide incentives for customers to try new flavours or new applications may be more effective when consumers are already acquainted with the brand and there is no need to persuade them of the product's quality. This is because less effort is required to persuade buyers of the product's superior quality (Reuters, 2015).

5. METHODOLOGY

The study's data came from interviews and other means of data collection. Rao-soft software determined a 600-person sample size; a total of 775 questionnaires were sent out; 662 were returned; and 13 were discarded as incomplete. There was a total of 649 questionnaires used for the study, 297 from women and 392 from men. The research was done in China's wholesale clothing market, garment manufacturers, retail clothing market, and shopping malls. Consumers' accessibility at the study locations was a key consideration in selecting the study sites. In order to foretell the formation of brand equity and the size of their organisation, respondents first answered control questions about the Chinese clothing market. A total of 600 people were chosen at random using Rao Soft.

The Likert scale is a type of rating system often used in surveys and questionnaires that is meant to gauge respondents' perspectives. People fill out surveys by selecting one of several predetermined options in response to a statement or question. These options could include "strongly agree," "agree," "did not answer," "disagree," or "strongly disagree." If the study uses numeric coding, such as 5 for "strongly agree," 4 for "agree," and so on, then the values for each category of response must be defined.

6. THEORETICAL FRAMEWORK



7. RESULTS

7.1 FACTOR ANALYSIS

Confirming the latent component structure of a collection of measurement items is a common utilisation Factor Analysis (FA). The scores on the observable (or measured) variables are thought to be caused by latent (or unobserved) factors. Accuracy analysis (FA) is a model-based method. Its focus is on the modelling of causal pathways between observed phenomena, unobserved causes, and measurement error.

The data's suitability for factor analysis may be tested using the Kaiser-Meyer-Olkin (KMO) Method. Each model variables and the whole model are evaluated to see whether they were adequately sampled. The statistic measures the potential shared variation among many variables. In general, the smaller the percentage, the better the data will be suitable to factor analysis.

KMO gives back numbers between 0 & 1. If the KMO value is between 0.8 and 1, then the sampling is considered to be sufficient.

If the KMO is less than 0.6, then the sampling is insufficient and corrective action is required. Some writers use a number of 0.5 for this, thus between 0.5 and 0.6, you'll have to apply your best judgement.

• KMO Near 0 indicates that the total of correlations is small relative to the size of the partial correlations. To rephrase, extensive correlations pose a serious challenge to component analysis.

Kaiser's cutoffs for acceptability are as follows:

Kaiser's cutoffs for acceptability are as follows:
A dismal 0.050 to 0.059.
• 0.60 - 0.69 below-average
Typical range for a middle grade: 0.70–0.79.
Having a quality point value between 0.80 and 0.89.
The range from 0.90 to 1.00 is really stunning.
A total of 600 questionnaires were distributed to the respondents. Out of this number 775 sets of the questionnaire were returned and 649 questionnaires were analysed using the Statistical Package for social science (SPSS version 25.0) software.

Table 1. KMO and Bartlett's Test

KMO and Bartlett's Test[a]		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.958
Bartlett's Test of Sphericity	**Approx. Chi-Square**	4950.175
	df	190
	Sig.	.000
a. Based on correlations		

Specifically, Kaiser argued that the KMO (Kaiser-Meyer-Olkin) measure of sample adequacy coefficient value should be more than 0.5 in order to do factor analysis. The KMO for this study's data set is.958. The significance level for Bartlett's test of sphericity was also calculated to be 0.00.

7.2 TEST FOR HYPOTHESIS

PREDICTION OF BRAND ESTABLISHMENT

Understanding the company's strategy, the target market and their wants and requirements, the industry and its rivals, and the brand's positioning and message are all essential to the branding process. Company may then concurrently create a logo and slogan, as well as develop a marketing and branding plan, after core brand identity has been defined.

The above questions were used to test the hypothesis formulated between the independent variable prediction of brand establishment and the dependent variable brand equity.
. "H1: There is a significant relationship between prediction of brand establishment and brand equity.".

Table 2. Prediction of Brand Establishment test

Descriptives								
Sum								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	45%	20.29	.488	.184	19.83	20.74	20	21
1.20	14%	22.00	.000	.000	22.00	22.00	22	22
1.40	6%	23.00	.	.	.	.	23	23
1.60	19%	27.33	2.082	1.202	22.16	32.50	25	29
1.80	32%	33.60	4.722	2.112	27.74	39.46	27	38
2.00	26%	41.25	1.708	.854	38.53	43.97	39	43
2.20	6%	47.00	.	.	.	.	47	47
2.60	14%	49.50	3.536	2.500	17.73	81.27	47	52
3.20	14%	62.00	9.899	7.000	-26.94	150.94	55	69
3.40	6%	67.00	.	.	.	.	67	67
3.60	32%	71.80	6.943	3.105	63.18	80.42	60	78
3.80	14%	70.50	12.021	8.500	-37.50	178.50	62	79
4.00	84%	76.23	5.974	1.657	72.62	79.84	64	82
4.20	26%	82.25	1.893	.946	79.24	85.26	81	85
4.40	19%	83.00	.000	.000	83.00	83.00	83	83

For dependent variable (Brand equity), the descriptive output gives the sample size, mean, standard deviation, minimum, maximum, standard error, and confidence interval for each level of the (quasi) independent variable. In this study, respondents who responded for prediction of brand establishment, and their mean was 73.97, with a standard deviation of 27.687.

Table 3. H1 ANOVA test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	74506.320	242	4382.725	259.935	.000
Within Groups	1382.590	406	16.861		
Total	75888.910	648			

In this study, the result is significant. The value of F is 259.935, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the "H1: There is a significant relationship between prediction of brand establishment and brand equity" is accepted and the null hypothesis is rejected.

8. CONCLUSION

The purpose of this research was to provide a thorough examination of the ways in which different kinds of marketing work to expand a company's brand recognition in the Chinese market. Its theories are grounded on the results of prior research. Were mostly conducted in the West.Yoo, Donthu, and Lee (2000) were the first to investigate how various marketing strategies impacted brand equity. The research reported in this article serves as the basis for the Brand Equity Creation Process Model. Using their Brand Equity Creation Model for the first time, Yoo, Donthu, and Lee conducted research in the United States in the year 2000. In 2002, Yoo and Donthu conducted a similar study among a representative sample of the Korean population. Consistent with the results of Yoo et al. (2000) and Yoo and Donthu (2007), this research discovered that several forms of marketing activity link with different aspects of brand equity (2001). As the Chinese middle class expands and the market becomes more global, Chinese consumers are starting to look and act more like their Western counterparts. Perceived quality, brand awareness, brand image, and brand loyalty were all examined, and it was discovered that the directional correlations between brand equity and each were contested. The result jibes with what was found in the aforementioned literature review. Alternatively, ANOVA was used to look at their connections in the Chinese market. Marketers may use the information to better understand the Chinese market and develop a distribution plan tailored to it (Lee, 2020).

LIMITATIONS

The major goal of this research was, once again, to learn how different marketing strategies affect the development of brand awareness in China's burgeoning apparel market. Though researcher successfully used a structural model to look into these connections and draw important management implications from our results, our study is not without its flaws. Eventually, researchers may want to learn how to get around these problems. Prioritizing geographical distinctions among Chinese customers is crucial. Consumers in urban areas are found to be different from those in rural ones on a variety of dimensions. China's two major urban areas, Beijing and Shanghai, were the main foci of this research. Chinese government and economic activities are concentrated on Beijing and Shanghai. It's likely that further study is needed before these results can be extrapolated to other regional marketplaces in China, particularly those in inland cities.

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