An Exploration of the Contributing Factors

—How can Chinese apparel companies build global brands in the European Market?
Abstract

Nowadays having a global brand is essential in the business world and it is a goal for some Chinese apparel companies to pursue. The main purpose of this dissertation was to investigate the different views on the importance of the key factors influencing global brand building among the European customers, Chinese clothing companies and European apparel enterprises, and also to give some suggestions to Chinese apparel companies that have the intention to build strong brands in the European market.

A deductive approached was used. A new model, named Customer-Based Brand Factors Model, was based on the existing models and a successful case—Esprit. The newly created model consists of nine factors that influence the global brand construction and it applies Bernstein’s spiderweb model as a basic structure.

In order to investigate the different views on the key factors, a survey was conducted. The questionnaires were designed for three groups—European customers, Chinese apparel companies and European apparel companies. Based on analyses of data collected from the survey, an explanatory analysis was given about the different views on the factors. Hopefully, this paper will give Chinese apparel companies some insight into how to build their brands in the European market.

Keywords: Brand building, Customer, Apparel company, Factor, European market
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Kristianstad, June 2005

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XiaoDong Li (Christina)    WanLi Huang (William)    XiaoBing Zhang (Jordan)
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Chapter 1 Introduction

This opening chapter will introduce the background about the area of research firstly. Then an overall purpose and specific research questions will follow. Finally, limitations and an outline of this dissertation are presented.

1.1 Background

1.1.1 Introduction

In this background, we want to present some reasons that promote us to develop the research. There are three parts relevant. The first is about the desire of the Chinese apparel industry to build the global brand. Secondly, the integrated European market will be introduced, which is the reason for us to choose Europe as the market to exploit the global brands. Thirdly, the characteristic of Apparel branding will be mentioned. This can help the readers to know the special aspects of apparel branding.

1.1.2 The Development of Chinese Apparel Industry

Possessing a number of successful global brands is often regarded as a benchmark of economic superiority. The lack of strong Chinese brands in the global market reveals the burning question why a country with such large a population has so few successful global brands.

The apparel industry is one pillar industry in China and it is also the largest in the world. China is well-known for the manufacture of basic goods in large volumes and many foreign brands are designed elsewhere and produced in China, e.g. Nike. The Chinese apparel trade has been growing at a double-digit rate in recent years (Delong et al, 2004). In the past two decades, the growth in the textile and clothing export of China has been significant. China holds more than 21% of the global market for textile and apparel. The export increased from about $50 billion in 1999 to $95 billion in 2004. China is also the leading textile supplier of the United States and the EU, accounting for 17 percent of all its clothing imports.
individually (Faheem Uddin, cited in 10-04-05). From 2005, according the agreement of the WTO, the quotas limiting imports of textile and clothing into developed countries were cancelled, which gives more opportunities for the development of the Chinese apparel industry.

Although the Chinese textile and clothing productions increases continuously, there are still many problems. Most of the exporting products are under foreign brands while own apparel brand accounts for only a few percent. Therefore, the selling price is often very low compared to the actual selling price in the market, and that means low profitability. Nearly all the advanced raw material, and machinery have to be imported. The majority of apparel products in China are of low- to medium-quality, which makes it difficult to compete with products with high quality from other countries (Fec, cited in 10-04-05).

Meanwhile, some Chinese apparel companies already have the potential ability to build global brands, because they have a strong product quality, a very well educated and competent workforce, powerful financial sources, and endless R&D capabilities.

For example, Youngor is now one of the leading companies in the Chinese textile and apparel industry. It has more than 20,000 employees and its net assets has reached $400 million. The group turnover increased to $1.2 billion while net profit climbed to $79.5 million in 2003 and it is ranked the No. 176 of the Top 500 Chinese enterprises. Youngor brand shirts and suits have maintained the largest market share of China for nine years and four years respectively. Based on domestic market, Youngor also explores the global market. Its international business also achieved an amazing success. Its products are now sold in the United States, Japan, Europe, Australia, India and many other countries. Shown as the below graph, the exports reached $133.6 million in 2004, more than fourfold of 1997. As the textile quota has been released in January 1, it is anticipated that the figure will double in 2005 (Figure 1-1). But although the exporting sales are very large, the actual profit is astonishingly low. The profitability is no more than two percent. The mean reason for this is that most of the products are under other
The firm’s name, not Youngor. The factual selling price of their clothes in the USA market is tenfold the exporting price that they give to those foreign companies. So building their own strong brand in the global market is one of the most important goals for Youngor (youngor, cited in 10-04-05).

**Figure 1-1 Exporting Sales of Youngor**

(29.7, 37.6, 46.1, 72.1, 86, 94.3, 114.4, 133.6)


To sum up, the rapid development of the Chinese apparel industry is just a mass production phenomenon with low profit. Now these exporting firms face the challenges of transferring their products from “made in” to “created in” and possessing their own brands. The need for Chinese firms to understand the nature of brands and brand development is apparent, and increasingly, the development of strong global brands is becoming an important objective for the economies in China (Lim & O’Cass, 2001). Furthermore, the development of free trade and globalisation all drive Chinese apparel companies to pursue a position of owning a global brand.

**1.1.3 The Single European Market**

A market is the set of all actual and potential consumers who have sufficient
interest in access to a product. In other words, a market consists of all consumers with sufficient motivation, ability, and opportunity to buy a product (Keller, 2003, p120).

The enlargement of the European Union created a 420 million consumers market in 2004, and a demographical shift with different consumer segments open to Asian brands and supply excellent business opportunities (Fuchs, 2003).

Nowadays, the European market has become more and more integrated. Swann (1992) in his book—*the Single European Market and Beyond*—makes an analysis of several dimension of the single European market. He states that a key event for the European Union was the signing in 1986 by the twelve member states of the European Communities of the Single European Act (SEA). The achievements of the SEA illustrates that Europe just then turned into a single market. After the formation of the EU, all European countries could be considered as a single market. So this dissertation took EU as a single market to develop the research (Swann, 1992).

The European societies are mature societies. Most countries are developed countries, and a considerable part of the population is wealthy (Fuchs, 2003). If Chinese companies can build brands in European market, to some degree, they are also building global brands.

In recent years, the European consumers and their markets have much more space arising for unknown and foreign brands. Today European consumers are largely open for new brands if the products meet their real wants and needs. Multinational brands are accepted in the European market (Fuchs, 2003). So it should be possible for the Chinese apparel companies to establish global brands on EU market.

**1.1.4 The Characteristics of Apparel Branding**

Apparel is inextricably linked with social trends; it does not just mean clothing
but also accessories, cosmetics, footwear, even furnishings and architecture. Although the span of the term “apparel” is very wide, this dissertation will only focus on clothing.

The complexity of the branding task in the apparel industry is enormous. Many social scientists argue that apparel also represents social and psychological functions. Often the clothing choice acts as a kind of "social glue," denoting group membership and conformity, as well as group alienation. In such a context, the branding of clothing has been found to function as a "communicative short-hand" that acts as an immediate and public device to denote group membership and signifies the values and aspirations of the brand wearer (Evans, 1989, cited by Fernie etc, 1997).

The factors that differentiate apparel branding from the branding of other types of goods and services can be broadly classified into three areas: strong influence of environmental pressures; time constrains, role of consumers (Bohdanowicz & Clamp, 1994).

Because of the social role of apparel, the companies operate apparel branding in a more complex environment than fast-moving consumer goods. Although the single market of the EU increasingly functions as one market, such as the disparities between tax system and consumer law begin to disappear, cultural difference still prevail. Despite some items of clothing can be standardized; successful apparel branding needs to adapt its approach to different countries. Political stability also plays a major part in assessing the potential market (Bohdanowicz & Clamp, 1994).

The companies must also constantly operate within time constraints. For example, the underlying factor is that the apparel industry moves with the seasons. Bohdanowicz & Clamp point out that “the time-scale within which the industry operates is even tighter now; movement of designs from catwalk to high street had become so fast that there is a danger of them becoming outdated before they reach the intended store. In addition, technological developments mean that designs can
be faxed across continents and cheap copies of designs can be available before any particular style has time to enjoy a period of exclusivity” (Bohdanowicz & Clamp, 1994, p5).

The companies care much about consumer behavior and what kind of role the buyers play in the purchasing process (Bohdanowicz & Clamp, 1994). It is important to identify the consumers’ target because different consumers may have different brand knowledge structure. Thus they have different perceptions and preferences for the brands. Without this understanding, it may be difficult to state which brand associations should be strongly held, favorable, and unique (Keller, 2003) Demographic characteristics will affect both the type of clothing that individuals will buy as well as exerting influence over rational choices, which he or she will make. It includes five aspects: age, gender, occupation, economic circumstance and social class. So the brand positioning is very important in apparel market (Bohdanowicz & Clamp, 1994).

1.1.5 Summary of the Background
In this part, firstly we introduced the Chinese apparel industry. Then the European market was discussed from a marketing point of view. Then some special characteristics of apparel branding, which are different from other type of product, were listed. The background shows that it should be the time for the Chinese apparel companies to pursue the global brands. The enlargement of the European Union creates a greater consumer market. If Chinese companies can build a brand in the European market, to some degree, it also means they create a global brand. In recent years, the European consumers and their markets have much more space for unknown and foreign brands. Nowadays, European market has become more and more integrated. Besides, this dissertation focused “apparel” only on clothing. Many social scientists argue that apparel represents social and psychological functions. The factors that differentiate apparel branding from the branding of other types of goods and services can be broadly classified into three areas: strong influence of environmental pressures, time constrains and role of buyers.
1.2 Purpose
With the background mentioned above in mind, this dissertation seeks to further our understanding of the role of building a global brand in the EU market. Specifically, we set out to explore the factors that influence the global brand building. Further, we want to find similar or different views on the factors influencing global brand building among European customers, Chinese apparel companies and European apparel companies, and also try to give some suggestions for Chinese apparel companies on how to build global brands in EU market.

1.3 Problem and Research Questions
The main problem we wanted to investigate was what factors the Chinese apparel companies should pay attentions to when they plan to build strong brands in the EU market. The research questions will therefore be:

- Which factors have an influence on global brand building?
- What are the opinions of the European consumers, Chinese clothing companies and European apparel firms about those factors?
- What are the important factors for Chinese apparel companies when creating their own strong brands in the European market?

1.4 Limitations
Although we have reviewed some of the most recognised researches in the field of brand building, there is still space to study more, which is a limitation for us to do deeper investigation about this area. Further, due to the time constraint, we limited the study regarding factors that influence global brand building.

Another limitation is in our empirical methodology. The samples we chose have limitations. The sample of the European customers is limited to students of Kristianstad University in Sweden. The sample of the Chinese apparel companies is only limited in Ningbo. The sample of European apparel companies is also limited to Swedish companies selected randomly from a database. Accordingly it
is impossible for the samples to stand for the entire populations.

1.5 Outline

The outline of our dissertation is as below (Figure 1-2):

*Figure 1-2 Outline*

![Diagram of dissertation outline]

**Chapter 1 Introduction**: This chapter is an introduction of the whole dissertation. We present the guideline we have followed.

**Chapter 2 Method**: This chapter will describe the methodology used in this dissertation, which will guide the readers when following how we unfolded the research problem.

**Chapter 3 Theoretical Framework**: Some basic concepts and researches related to the global brand building are investigated in this chapter, including a case of ESPRIT.

**Chapter 4 Relevant Elements and Creating a Model**: In this chapter, we create the customer-based Brand Factors Model with the purpose to explain the factors related to global brand building.

**Chapter 5 Empirical Method**: The research strategy, samples, limitations and the response rate of the questionnaire will be discussed.

**Chapter 6 Questionnaire Results**: In this chapter, the results of the questionnaires
will be presented.

*Chapter 7 Analysis:* This chapter will analyze the survey and explain the similar and different views on the importance of the factors.

*Chapter 8 Conclusion:* In the final chapter, the dissertation is summarized. A discussion about the applicability of the model follows. Methodological criticism, suggestions for future research and recommendation are also presented.
Chapter 2 Method

This chapter will describe the methodology used in this dissertation, which will guide the readers when following how we unfolded the research problem. First, the choice of methodology is presented. Then a discussion about the data collection follows, including both secondary data and primary data. Further, the scientific approach is described. Finally, Bernstein’s spiderweb model is introduced, which will be used to set up our model.

2.1 Choice of Methodology

The research problems were decided on in January of 2005. Then the purpose and objectives of the dissertation were made clear. After clarifying the main goals, we began to conduct the theoretical review. Before we collected secondary and primary data, a customer-based brand factors model was created. Once the survey was completed, the data was analyzed. Finally, conclusions and recommendations were made basing on analysis and interpretation.

As described in the introduction, the purpose of this dissertation is to investigate different views on the key factors influencing global brand building among European customers, Chinese apparel companies and European apparel companies, and to try to give some insights to the Chinese apparel companies who have the intention of building global brands in European market. A deductive approach was adapted and, therefore, we started our dissertation by a literature review and on this foundation we developed our model.

To create the new model, with roots in consumer marketing, existing models and case which have been complemented by different factors, were analyzed. The factors used in our model are based on what previous researchers have found to be of importance for brand building.

After the Customer-Based Brand Factors Model was created, the questionnaires
were conducted with respondents from European customers, Chinese clothing companies and European apparel firms in order to investigate the different views on the key factors, and to give some valid suggestions.

Figure 2-1 is the research process “onion” for the choice of data collecting methods. This “onion” contains five layers, which start from the outer layer and move to the inner layer. In this chapter the research philosophy, research approach, research strategy, scientific approach and also the data collection methods is presented. The next section is illustrated based on the “onion”.

Figure 2-1 The Research Process “Onion”

(Source: Saunders, Lewis& Thornhill, 2003, p83, modified)

2.2 Research Philosophy

According to the research process “onion”(Figure 2-1), the first layer raises the question of the research philosophy. There are three dominating views about the research process in the literature, namely positivism, interpretivism and realism (Saunders, Lewis& Thornhill, 2003). Due to the fact that our dissertation is based on the principles of positivism, only positivism will be explained.
2.2.1 Positivism

The research philosophy of this work is based on the principle of positivism. The concept of positivism aims to develop knowledge the authors discussed in an objective way and interpreted data in a value-free manner. Researchers who adopt a positivistic approach strive to be independent, which means that they do not want to affect or be affected by the subject of the research (Saunders, Lewis & Thornhill, 2003, p83). Therefore, when we conducted our research we tried to be as neutral as possible and tried to exert little subjective opinions in this research.

2.3 Scientific Approach

There are two main research methods to understand different procedure to link existing theory to the empirical research, namely the inductive and the deductive method. The inductive method starts the research from reality, and develops a theory based on the data collected. The deductive method means using existing theories to test and interpret these data (Saunders, Lewis & Thornhill, 2003). Our dissertation is of the deductive approach because we used already existing theories in our research.

2.4 Research Strategy

According to Saunders, Lewis & Thornhill, there are different research strategies: experiment, survey, case study, grounded theory, ethnography and action research (Saunders, Lewis & Thornhill, 2003). Which strategy to be used in the research will depend on the different conditions. The objective of this dissertation was to find different views on the importance of the crucial factors important for apparel companies building a global brand in the European market. We only used survey as our research strategy.

The survey is used often for generating answer to the questions like “what” and “how” (Saunders, Lewis & Thornhill, 2003). Because our intention was to find what the key factors are and their relative importance in the views of different respondent groups, the survey was the research strategy chosen in this dissertation.
2.5 Data Collection Methods

There are two different types of data collection: secondary data collection and primary data collection. Secondary data is the kind of data that already exists and has already been collected. Primary data is the kind of data that is collected for the first time (Saunders, Lewis & Thornhill, 2003). We used both two data collection methods in this dissertation. The validity and reliability of the data collection will be introduced in chapter 5, in which the empirical methodology is discussed.

2.5.1 Secondary Data

Secondary data includes three parts: documentary, multiple sources and survey (Saunders, Lewis & Thornhill, 2003). Our dissertation is built upon documentary secondary data. Documentary secondary data is often used combined with the primary data collection method. Documentary secondary data contains written documents such as books, journal and magazine articles and newspaper. Documentary secondary data also includes non-written documents such as tape and video recordings, and pictures (Saunders, Lewis & Thornhill, 2003).

The Kristianstad University Library was the primary resource to collect data on the topic. The books borrowed from the library were very useful. The relevant articles and journals from the Internet were also useful resources to be studied.

Due to our limited knowledge of brand at the beginning, we tried to conduct an extensive literature review to learn more about the subject. Since globalization and brand building are rather recently developed and contemporary topics, we only chose to present the well-known and supported research when selecting the researches to be used in our dissertation, instead of introducing the whole range of different theories. We critically reviewed the literature before starting the writing process and chose only the most recognized researchers, such as Aaker(1996), Keller(2003), Melin(1996), Goodyear(1996) and Gelder(2004).

When we studied previous researches in the field of global brand building we
primary focused on the basic concepts in the brand area. Then, we investigated the phenomena of global brand, which presents the trend and advantages of global branding. Also we studied some existing theories and cases on building a global brand to see which factors could influence global brand building. We analyzed recognized theories such as Aaker’s Brand Equity Model, Goodyear’s Branding Evolution Model, Gelder’s Global Brand Proposition Model, Melin’s Parallel Chain of Events Model, Keller’s Customer-Based Brand Equity Model and the successful case of ESPRIT. When we studied these data, each research was reviewed with a stress on the following issues: main objectives and type of research, theoretical framework, methodological approach and key research findings and conclusions.

The data about the Chinese apparel industry was also analyzed in the background with the aim to explain why Chinese apparel companies want to explore global brands.

2.5.2 Primary Data

Primary data is the information that has not been collected and summarized and it has to be collected by the researchers for the first time. The primary data in our dissertation mainly comes from questionnaires.

The purpose of this dissertation is to investigate the different views on the key factors among European customers, Chinese apparel companies, and European apparel companies, and also to give some recommendation to Chinese apparel companies that have the intention of building global brands in the European market. The questionnaires were designed to match our purpose. We have chosen to examine three target groups.

One group represents the European customers, which consists of the students coming from different European countries at Kristianstad University. To get a high response rate, we get the help from the teachers, and 152 participants filled out the questionnaires in the class break and we could collect their answers
immediately. Therefore, we got a high response rate on the consumers’ aspect. There were four students who were not European in the result. The response rate was 97.4%

The second group is Chinese apparel companies chosen from Ningbo, which is one of the main apparel-manufacturing bases in China. We sent the questionnaires to 23 firms by faxes with the help of our relatives. The response rate of the questionnaire to the Chinese apparel companies was 100%.

The third group is the foreign apparel companies selected from the database http://www.ad.se. After we contacted the companies by telephone, a cover letter was sent to the participants by e-mail, which linked to the web site http://www.hualigroup.com/china.htm. On the web site the participants could click the answers of the questionnaire and the results could be downloaded by us. Although we reminded the companies again, the response rate was still very low and not valid, since it was only 13.9%. We could not use this sample to compare with the sample of the Chinese apparel companies.

2.5.3 Qualitative Method and Quantitative Method
The qualitative method is often based on understanding and does not use numerical measurements. The quantitative method often consists of numerical data and is based on statistical and numerical measurements (Saunders, Lewis & Thornhill, 2003). We have chosen to use both qualitative and quantitative methods in our research.

2.6 Bernstein’s Spiderweb
The spiderweb method is a pragmatic and less time-consuming way of revealing the desired corporate identity developed by Bernstein (Van Reil & Balmer, 1997). This method is a qualitative technique based on a group of discussions among the top management, communication managers and one or more representatives of the organization’s different business units.
At beginning the respondent group need to describe its company in general, followed by a more specific description that gives concrete characteristics of the company. The result will probably consist of many factors. In the next step, the respondent group chooses individually again. Then the eight most important factors regarding the perceived corporate identity are finally selected. Each factor is represented by a ten point-scale, with zero value in the center and the maximum ten values at the edge. This will result in a representation of the ideal attributes of the corporate identity, as presented in figure 2-2 (Van Riel, 1995)

We use this method as a basic structure for presenting our model.

Figure 2-2 Spiderweb Model

(Source: Van Riel, 1995)

2.7 Summary

This chapter has presented an overview of the research process of “onion layers”.

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It has provided information on the choice of research philosophy, research philosophy, scientific approach, research strategy and data collection methods for this dissertation. The research philosophy in our dissertation is based on the principles of positivism, which strive to be independent, which means that we do not want to affect or be affected by the subject of the research. The scientific approach is the deductive method, which means using existing theories to test and interpret data. A survey is a more suitable research strategy than others in this dissertation. Both secondary data collection and primary data collection were used in this work. The secondary data was built upon documentary, while the primary data mainly comes from questionnaires. Both the qualitative and quantitative methods were used in our research. Finally, the Bernstein’s spiderweb, which was used as a basic structure in our model, was introduced.
Chapter 3 Theoretical Framework

This chapter presents the theoretical framework. In the first part of this chapter, some basic concepts related to brand are investigated. The focus will be on brand, brand identity and brand equity. What researchers in the field have written about the phenomenon of global brands is presented in the next part. The stress will be on the trend and reasons of building the global brand for many companies. Thirdly, some theories and models of how to build a global brand are presented, with a study of one successful global brand--Esprit.

3.1 Brand, Brand Identity and Brand Equity

3.1.1 Introduction

A global brand is a reflection of the globalization in the business world. The debate about global brands becomes heat and many companies aspire to position their brands globally (Randall, 2000). Before this dissertation we knew little about brand management. Therefore we started our research on global brands by studying the basic concepts of brand. These concepts are expected to illustrate the later theories of the global brand building.

3.1.2 Nature of Brand

Although brand has a long history in the commercial area, it was not until the twentieth century that branding and brand associations became very important to win competitive advantage (Aaker, 1991). Brand can be described in many different ways. Some experts have even categorized brand definitions under six headings: visual, perceptual, positioning, added value, image and personality (Hankinson and Cowking, 1993,cited by Randall, 2000).

For a long time, brand has been defined from a managerial point of view (Bengtsson, 2002). The traditional definition of a brand was proposed by the American Marketing Association (AMA). It defines brand as the “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods
and services of one seller or group of sellers and to differentiate them from those of the competition”. Meanwhile, a well-known researcher, Kevin Lane Keller, who is E.B Osborn Professor of Marketing at the Amos Tuck School of Business, Dartmouth College, gives the most common description of brand. He takes brand as a means to distinguish the goods of one producer from those of another (Keller, 2003, p3). A similar statement can be found in the book of one of another famous researcher, Aaker, who is the E.T.Grether Professor of Marketing Strategy at the Haas School of Business at the University of California at Berkeley. He describes brand as “a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identity the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors”. Thus, he says that brand signals the source of the product to the customer, and the brand can also protect both the customer and the producer from competitors that try to provide identical products (Aaker, 1991,p7).

Some researchers are attempting to develop theories of the brand from a managerial perspective. De Chernatony & Riley (1998) identify a broad range of brand definitions. These definitions are organized in twelve themes and describe a brand as a legal instrument, a logo, a company, a shorthand, a risk reducer, an identity system, an image in consumers’ minds, a value system, a personality, or a relationship, adding value, and an evolving (Bengtsson, 2002). Those statements define brand more from the consumer’s point of view.

### 3.1.3 Brand Identity

An important presence of a strong brand exists in a clear, well-defined brand identity. Many researchers have statements about brand identity. Kapferer(1992) takes brand identity as a key component of branding(Kapferer, 1992). Aaker argues that brand identity contains the brand associations that the brand strategists want to create or preserve for the brand. These associations should convey a promise to the customers from the company’s members (Aaker, 1996). It is the sum of signals of brand sent by the company. Accordingly, the picture of the brand that emerges in the consumer’s mind is the brand image (Aperia &Back,
A brand identity consists of a core identity and an extended identity (Aaker, 1996). Core identity is the timeless core of a brand, and should encompass elements that make the brand both unique and valuable for the target group. The company’s strategy and value of brand should be reflected from the core identity. At least one of the associations should differentiate the brand and meet the customer’s needs (Aparie & Back, 2004).

However, the core identity usually does not contain all details to fill the entire brand identity, and an extended identity is a supplement to the necessary details. Unlike the core identity, it can change over time (Aperia & Back, 2004).

From more concrete point of views, according to Upshaw (1995), the brand identity is described in the broadest sense as the configuration of words, images, ideas and associations that form a consumer’s aggregated perception of a brand (Upshaw, 1995, p12). This composite includes the strategy that dictates how it will be sold, the strategic personality that humanizes it, the way in which those two elements are blended, and all those tangible and intangible executional elements that ideally flow from their joining, for example the brand name, logo and so on. Furthermore, a most important thing to keep in the company’s mind about a brand identity is that it lives entirely in the mind of consumers (Upshaw, 1995, p13). Aaker (1996) argues that brand identity includes brand identity elements, organized into cohesive and meaningful groupings that provide texture and completeness. Aaker also describes brand identity from four different angles—the brand seen as a product, as an organization, as a person, and as a symbol. Brand identity should helps link the relationship among them by generating a value proposition that combines functional, emotional and self-expressing advantages (Aaker, 1996).

### 3.1.4 Brand Equity

When working on this dissertation, we decided to put our emphasis on building a
global brand more from a market perspective. Hence, brand equity, which shows
the importance of the role of brand in marketing strategies, is stressed.

Most researchers stress the importance of brand equity. It is the essential aspect of
a brand. As many well-known researchers conclude, the emergences of brand
equity have raised the importance of the brand in marketing strategy, and provide
focus for managerial interest and research activity. Keller says that,
“fundamentally, branding is about endowing products and services with the power
of brand equity” (Keller, 2003, p42). Ambler also points out that metrics research
has shown that brand equity is a frequent term and marketing can be seen as
number of different specific views of brand equity may prevail, most observers
are in agreement that brand equity should be defined in terms of marketing effects
that are uniquely attributed to a brand. We mainly investigate three researchers’
contribution.

Firstly, according Feldwick, brand equity contains at least three separate elements:
“brand description”, “brand strength” and “brand value”. They are shown as a
chain. Brand description is the associations and brand image of the product
presents in the consumer’s consciousness. It is the brand’s building blocks. Brand
strength means that brands collect strength. It also can be described as “brand
loyalty.” Brand value is the value of the brand from the financial point of view
(Aperia & Back, 2004, p40). Since this dissertation is focusing on marketing,
brand value will not be discussed.

Secondly, Dr. Aaker defines brand equity as “a set of brand assets and liabilities
linked to a brand, its name and symbol that add to or subtract from the value
provided by a product or service to a firm and/or to that firm’s customers.” Aaker
states that brand equity comprises four main components: brand name awareness,
brand loyalty, perceived quality, brand associations and other proprietary brand
assets (Aaker, 1996). Brand awareness refers to the strength of a brand’s presence
in the consumer’s mind. Perceived quality is the customer’s perception of the
overall quality or superiority of a product or service with respect to its intended
purpose, relative to alternatives. Usually it is taken as a measure of “brand 
goodness”. Brand loyalty is a measure of the attachment that a customer has to a 
brand. It reflects how likely a customer will be to switch to another brand 
especially when the original brand makes a change, either in price or in product 
features. Brand association is anything linking to a brand in customer’s memory. 
It might include product attributes, a celebrity spokesperson, or a particular 

Thirdly, Keller sets up a kind of Customer-Based brand equity (Keller, 2001). 
Customer-Based brand equity is formally defined as the differential effect that 
brand knowledge has on consumer response to the marketing of that brand. When 
consumers react more favorably to a product and the way it is marketed, the brand 
is said to have positive customer-based brand equity, or it is said to have not. 
There are three key ingredients to this definition: differential effect, brand 
knowledge, and consumer response to marketing (Keller, 2003, p60).

Differential effect means brand equity arises from differences in consumer 
response. Brand knowledge means the differences in response are a result of 
consumers’ knowledge about brand. Consumer response to marketing refers to the 
differential response by consumers that makes up the brand equity that is reflected 
in perceptions, preferences, and behavior related to all aspects of the marketing of 
a brand (Keller, 2003, p60)

3.1.5 Summary

Brand can be described in many different ways. One traditional definition was 
proposed by the American Marketing Association (AMA), which defines brand as 
the “name, term, sign, symbol, or design, or a combination of them, intended to 
identify the goods and services of one seller or group of sellers and to differentiate 
them from those of competition”. For a long time, brand was defined from a 
managerial point of view. Some researchers attempt to develop a theory of the 
brand from a managerial perspective. Brand identity contains the brand 
associations that brand strategists want to create or preserve for the brand. These 
associations should convey a promise to the customers from the company’s
members. A brand identity consists of a core identity and an extended identity. From more concrete point of views, the brand identity is described in the broadest sense as the configuration of words, images, ideas and associations that form a consumer’s aggregated perception of a brand, or includes brand identity elements. As to brand equity, many researchers agree to define it in terms of marketing effects that are uniquely attributable to a brand. At last, we mainly investigate three researchers’ contribution. Feldwick describes brand equity by three elements in a chain process, which are ‘brand description’, ‘brand strength’ and ‘brand value’. Aaker’s brand equity was also introduced and four main components were presented, including brand awareness, perceived quality, brand loyalty and brand associations. Keller points out the importance of ‘brand knowledge’ in brand equity. The study of different concepts gave us insight in which components are important when building a strong brand. Since our focus is on global brand, these will be the useful tools for investigating the factors that influence global brand building.

3.2 The Phenomenon of Global Brand

3.2.1 Introduction

In this section, the phenomenon of global brand building is researched. First, the different comments bound to the trend of global branding are presented. Then the reasons to pursue the global brand are covered, including the benefits of brand and the advantages of global brand building.

3.2.2 Trend of Global Branding

The common meaning of a global brand is that it has a clear and consistent equity or identity-with consumers across territories (Gelder, 2004). Hankinson & Crowking (1996) said, “It is the consistency of their brand propositions and product formulations across the major geographic regions of the world, which makes them global brands” (Hankinson & Crowking, 1996, p3). At the same time, some global branding needs to adapt the local circumstance. As Omellia (1995) mentioned, successful global brands must anticipate cultural trends, styles and evolving consumer values in order to appeal to customers across international
boundaries (Omellia, 1995, cited by Palumbo & Herbig, 2000). In our dissertation, “global brands” are defined as the brands that are available across multiple geographies and can own a higher awareness in consumers’ mind.

The trend of global branding is becoming strong. Brand and brand loyalty problems begin to be more and more link to the international market. In today's global market, a brand's marketing strategy must compete in advance, not only with regional or national brands, but also with international competitors' marketing strategies. This adds an entirely new dimension to a company's marketing strategy when it comes to identifying, attracting, and retaining a market (Palumbo & Herbig, 2000). In more and more product categories, the ability to establish a global profile is becoming virtually a prerequisite for success.

Globalization is the main condition for this trend. On the one hand, the globalization of markets, which refers to the merging of historically distinct and separate national markets into one huge global marketplace, makes it possible to establish global brands. Falling barriers to cross-border trade have made it easier to sell internationally (Hill, 2005). Harvard’s Theodore Levitt and Kenichi Ohmae note that tastes and styles throughout the world are becoming more homogeneous. As a result, a product and a service that are effective in one area are likely to be effective in another. Further, the demand of the best quality and most advanced features is needed in many areas (Aaker, 1991). On the other hand, the globalization of production makes the sourcing of goods and services from locations around the globe to take advantage of national differences in the cost and quality of factors of production, such as labor, energy, land and capital, which also provides the motivation and platform for creating global brands (Hill, 2005).

### 3.2.3 The Importance of Building Global Brand

“Why then is it so important for companies to own global brands?” Mainly because the primary capital of many businesses are their brands, and the benefits from global brand make this happen.
### 3.2.3.1 Brand Benefits

Many researches illustrate that the main benefit of owning a strong brand is the enhanced competitiveness of the firms. Aperia & Back (2004) list the following benefits. Firstly, a strong brand can attract the new customers and increase the loyalty of existing ones. Secondly, it gives the company the opportunity of charging a higher price or selling more units at a lower price. Thirdly, a strong brand lays the ground for effective marketing communication and makes clear product differentiation and positioning possible. Fourthly, it can increase the chances of achieving higher margins and secures future revenue streams. Fifthly, it makes the brand less vulnerable to crises and makes it easier to launch new products (Aperia & Back, 2004).

Aaker (1991) divides the value of brand or brand equity into two parts (Figure 3-1). One is to provide value to customers; the other is to provide value to firms. Brands can help customers interpret, process, and store huge quantities of information about products. They can also affect customers’ decision when purchasing. The affection of past-use experience or familiarity with the brand and its characteristics are important factors. Potentially both perceived quality and brand associations can enhance customers’ satisfaction with the use experience. As to the value of brands to firms, he points out that brands can attract new customers or recapture old ones, affect satisfaction and enhance brand loyalty. Brand can also bring higher profit margins by permitting both premium pricing and reduced reliance upon promotions. Furthermore, brands can provide a platform for growing extensions and provide leverage in the distribution channel. Besides, brand assets provide a competitive advantage that often presents a real barrier to competitors (Aaker, 1991, p17).
Crainer (1995) also mentions seven major benefits of brands. Firstly, it can increases customer’s loyalty and enhance market share. Secondly, the differentiation makes the products more competitive. Thirdly, strong brands can often undercut rivals. The fourth is that the development of many markets has been driven by or associated with the rise of brands. Fifthly, brands can resist the normal cycle of product maturity. The sixth benefit is that branding previously unbranded products and services can create new commercial possibilities, partnerships and networks. The last one Crainer mentions that brands can allow organizations to overcome annoying obstacles of reality (Crainer, 1995).

Moreover, some other writers also state that brands can enhance the production share in a certain market. It is a simple fact that a well-known brand that also stands for something special and good usually creates a large audience and market than a less well-known brand (Gad, 2001).
3.2.3.2 The Advantages of Global Branding

Besides the benefits of brands discussed above, there are some distinct advantages for global branding. A global brand can have some useful associations. Being global can symbolize the ability to generate competitive products. In addition, it signals strength and trustworthiness. A global brand can also have substantial advantages in gaining brand awareness when customers travel between countries. In Europe and elsewhere where between-country travel is extensive, such exposure can be important to a brand. A global brand often provides a country association for a brand, for which the country association is part of the essence of the brand (Aaker, 1991).

Keller presents several potential advantages concerning the development of a global marketing program. The first one is economies of scale in production and distribution. The manufacturing efficiencies and lower costs are derived from higher volumes in production and distribution. The stronger experience curve effects exist, the more economies of scale in production and distribution will be realized from global marketing. Another advantage is that lowering the cost can be realized from uniformity in packaging, advertising, promotion and other marketing communication activities. The third advantage Keller mentions is related to power and scope. A global brand profile may generate credibility to consumers. Consumers may believe that selling in many diverse markets means a manufacturer has gained much expertise and acceptance. The fourth benefit concerns consistency in brand image. Maintaining a common marketing platform all over the world helps to maintain the consistency of brand and company image. The fifth advantage is to enhance the ability of the companies to leverage good ideas quickly and efficiently, which connects to enhance the companies’ ability to compete. Finally, a global brand may simplify coordination and provide greater control of how the brand is being marketed in different countries (Keller, 2003).

A number of other forces have also contributed to a growing interest in global marketing, including the followings (Keller, 2003, p683):

- Perception of slow growth and increased competition in domestic markets
- Belief in enhanced overseas growth and profit opportunities
- Desire to reduce costs from economies of scale
- Need to diversify risk
- Recognition of global mobility of customers

Undeniable, the global branding also has disadvantage. The Nologo, anti-branding movement described by Klein (2000), is an example where brands were boycotted because of the questionable social and ethical values the companies behind the brands stood for (Klein, 2000). But even such anti-brand actions involved visual consumption of brand meanings (cf. Schroeder, 2000, cited by Bengtsson, 2002) and could therefore be considered as just another type of brand consumption (Bengtsson, 2002).

### 3.2.4 Summary

In this section, we first introduced the definition of the global brand, which usually means a clear and consistent equity or identity— with consumers across geographies. The trend of global branding is strong and a global profile is virtually a prerequisite for success. Globalization is the main condition for this. The global brand has the benefits of a brand. Researcher illustrate that the main benefit of owning a strong brand is to enhance the competitiveness of the firms, attract new customers or recapture old ones, affect satisfaction and enhance brand loyalty, bring higher profit margins, provide a platform for growing extensions and leverage in the distribution channel. On the other hand, a global brand can have some unique advantages different from a local brand. A global brand can give positive associations to the customers, lower the cost, generate credibility to customers, help to maintain the consistency of brand and company image, enhance the ability to leverage good ideas quickly and efficiently and provide greater control of how the brand is being marketed in different countries, etc.

### 3.3 Existing Theories of Global Brand Building

#### 3.3.1 Introduction

There are many theories that explain the brand building processes for the firms. A
common view among researchers is that these theories also can be used in building global brand, but need to be modified on some factors. We are going to study some of the existing brand building theories, which include the opinions of global brand building.

3.3.2 Theories and Models

3.3.2.1 Aaker’s Brand Equity Model

Aaker’s model (1991) provides the most comprehensive definition of brand equity. He also synthesizes some contemporary thinking about marketing and depicted comprehensive factors that contribute to the development of brand equity (Aaker, 1996). The model that describes brand equity comprise five main components are very value for us to find a proper way to create our strategic model.
The first component is brand loyalty. Aaker has found that, to a greater extent, the
equity of a brand depends on the number of people who purchase it regularly. Hence, the concept of brand loyalty is established as a vital component of brand equity (Aaker, 1996, p21). Brand loyalty can be realized by reducing marketing costs, trade leverage, enhancing efficiency, etc.

The concept of brand awareness is the second component of brand equity. Strong effects of brand recognition on choice and market share are discussed. Awareness is measured according to the different ways in which consumers remember a brand, ranging from recognition to recall to “top of mind” to dominant. Awareness stages include brand recognition—familiarity and liking, brand recall and brand name dominance. As Aaker mentions, there are two factors likely to be increasingly important as firms struggle with this challenge. First, a broad sales base is usually an enormous asset to achieve the awareness level. Second, having the skills at operating outside the normal media channels—by using event promotions, sponsorships, publicity, sampling and other attention getting approaches—will be the most successful in building brand awareness (Aaker, 1996, p10).

Perceived quality is usually a measure of “brand goodness” and at the heart of what customers are buying. This model provides useful ways to generate high quality, including an understanding of what quality means to customer segments, as well as a supportive culture and a quality improvement process that will enable the companies to deliver quality products and services (Aaker, 1996, p17).

Brand associations might include product attributes, a celebrity spokesperson, or a particular symbol. Brand associations are driven by the brand identity—what the company wants the brand to stand for in the customer’s mind. Aaker reckons a key to building strong brands is to develop and implement a brand identity (Aaker, 1996, p25).

Other proprietary brand assets mainly concern competitive advantage.

Based on the five main components, Aaker puts forwards ten measures (Aaker,
The ten factors consist of price premium, satisfaction/loyalty, awareness, perceived quality, leadership/popularity, perceived value, brand personality, organizational associations, market share, market price and distribution coverage. Each factor can create value to the customers and to the company. The strongpoint of this model is that it provides a start for analysis for any decision to build brand in a new market and can be a criteria to measure a strong brand or not.

3.3.2.2 Melin’s Parallel Chain of Events Model

According to Melin (1997), brand building is a process that takes place both within the company and in consumers’ minds (Figure 3-3). He argues on the one hand from the customers’ perspective, brand building in consumers’ mind consists of the elements including involvement, brand sensitivity, brand awareness, brand association, added value and brand loyalty. From the owners’ perspective, brand building within the company requires the elements of product attributes, brand identity, core value, positioning, marketing communication and internal brand loyalty.

A central part of the brand building process is the concept of core value, i.e., the brand’s positioning. The basic reasoning is that valuable and unique core values should be developed in order to give the brand ability to compete (Melin, 1997, cited by Aperia & Back, 2004). The main conclusion Melin makes is that the consumer and his or her needs are in the center for choices of core value. The common denominator for all core values was that they satisfy a fundamental need of consumer and thus contribute to the creation of value (Melin, 1997, cited by Aperia & Back, 2004, p62)
3.3.2.3 Goodyear’s Branding Evolution Model

The Goodyear model is chosen because its conceptual nature. It indicates the possibilities available to any brand over time. This model was devised by Goodyear (1996) and stimulated us to draw on the consumer behavior literature to understand how consumers who learn about brands develop their roles and grows to estimate the value of brands.

This model shows the marketing terminology change during the development process. Traditional concepts such as marketing, segmentation and brands have entirely different meaning in different markets, and this must be a central consideration when moving from one market to another. In an immature market, segmentation can entail making a crude demographic grouping, while in mature markets the same term describes sophisticated dynamic need segmentation. Goodyear terms the five-step development process as “continuum of
consumerism”, which includes seller’s market, marketing, classic brand building, consumer driven marketing and post-modern marketing. Goodyear describes this development as a process where different markets or brand owners find themselves in different phases (Goodyear, 1998, cited by Aperia & Back, 2004, p66).

The figure 3-4 shows the full range of possibilities from stage 1 to stage 5. It should be noted that branding might not reach all stages in all product categories. Thus, some product categories could end after the second stage (brand as reference), third stage (brand as personality), fourth stage (brand as icon), etc. The first four stages describe the classical approach to brand marketing while the last is in the genre of post-modernism. The chart is very useful in international brand building, when one brand is built simultaneously on both mature and immature markets (McEnally, 1999).

The model focuses strongly on the need to respond to changes among customers. In doing so, it emphasizes the importance of two-way communication with consumers. Further, the model is more flexible in explaining the differences in branding strategies across firms in a product category, the differences in branding the same product across international markets and the evolving nature of brands over time. Goodyear points out that changes in branding are related to: the expertise of management, the firm's strategic goals and market targeting activities, the branding activities of other firms, the sophistication of consumers, the level of involvement in the product category, the stage of the product life cycle and the development of branding in the relevant product category (McEnally, 1999).

When the market becomes increasingly competitive, the consumer becomes more discriminating. This means that the brand owner must employ more advanced marketing research methods and analysis (Goodyear, 1998, cited by Aperia & Back, 2004).
3.3.2.4 The Global Brand Proposition Model:

The model includes two parts analysis, the internal analysis and the external analysis (see Figure 3-5).

The internal analysis of this model concerns the organizational constructs, which is essential for shaping the brand expression. This analysis includes business strategy, corporate culture, organizational structures, the brand architecture, the brand's significance to the company, and the relationships between global and local brand management teams. In turn, these individual elements would guide
global and local marketing activities. The competitive advantages, legacy, principles and character of brand have a specific influence on issues such as product and service development, channel choice, advertising, staff demeanor, delivery and supply-chain management. The internal analysis also make it clear that how well these processes connect with each other in order to provide consumers with the required brand experience, and how this may differ across the countries (Gelder, 2004)

The external analysis stresses on how the conditions influence consumers or particular consumer segments observing the brand, and how these circumstances affect consumers' understanding of the brand itself and in relation to other brands. Further, the brand recognition resulted from the circumstance relates the perception of the brand to those in its environments, either within the same company or outside that provide enhancement to the brand (Gelder, 2004)

As a result, the model functions as a constant and consistent feedback circle. The findings from the external analysis could provide new input for the internal analysis. Especially, the analysis of brand perception provides a starting point for further strategic planning. As brand perception holds the meaning and significance of the brand to consumers, it is the main arena that global and local brand management will want to influence. Hence, each process will help refine or redefine global and local brand propositions (Gelder, 2004)
Figure 3-5 The Global Brand Proposition Model

We believe this model is a framework for equivalent and comparable brand analysis across markets and societies. It combines the strategic planning cycle
with the brand environment, which can be applied both globally and locally and determine the manifold influences on brands in different markets. It is useful to help resolve the tensions between the local versus global brand proposition and to develop strategic options for the brand that offer both competitive advantage and value to stakeholders.

### 3.3.2.5 Keller’s Customer-Based Brand Equity Model

The Customer-Based Brand Equity (CBE) Model is developed by Keller and provides a comprehensive assessment for brand building strategies. According to this model, building a strong brand involves four steps: The first step is to establish the proper brand identity, which means establish breadth and depth of brand awareness. The second step is to create the appropriate brand meaning through strong, favorable, and unique brand associations. The third step is to elicit positive, accessible brand responses. The fourth and final step refers to forging brand relationship with customers that are characterized by intense, active loyalty. All the steps involve a accomplishing certain objectives with both existing and potential customer (Keller, 2003, p5).

Keller’s model uses the structure of six brand-building blocks (see Figure 3-6) to accomplish the four steps of brand identity, brand meaning, brand responses and brand relationships (Keller, 2001, p7).

Achieving the right brand identity involves creating brand salience. Brand salience forms the foundational building block in developing brand equity and relates to aspects of customer awareness of brand. Brand awareness involves brand name, logo, symbol and so forth to certain associations in memory. Building brand awareness should make it sure that what makes the brand different from its competitors, and also ensure that customers know which of their needs the brand is designed to satisfy. Brand salience influences the formation and strength of brand associations that make up the brand image and gives the brand meaning. Further, it is of importance to create a high level of brand salience during the possible purchase or consumption opportunities. Besides, when customers have low involvements, lacking of either purchase motivation or
purchase ability, they may make choice basing on the brand salience alone (Keller, 2001, p8).

Creating brand meaning involves establishing a brand image, which means what the characters of the brand and what the brand stands for in the minds of customers. Keller divides the brand meaning into two major categories: performance and imagery. Brand performance means the intrinsic properties of the brand in terms of inherent product or service characteristics. There are five main types of attributes and benefits that often influence brand performance. They are (1) primary characteristics and secondary features, (2) product reliability, durability, and serviceability, (3) service effectiveness, efficiency, and empathy, (4) style and design and (5) price. Regarding to brand imagery, it deals with the extrinsic properties of the product or service, which contains the ways the brand attempts to meet customers’ psychological or social needs. This term reflects the more intangible aspect of brand. Four highlight categories linking to the intangible aspect of brand are (1) user profile, (2) purchase and usage situation, (3) personality and values, (4) history, heritage, and experiences. The brand meaning can influence the strength, favorability and uniqueness of brand that is essential to build customer-based brand equity (Keller, 2001, p11).

Brand responses refer to how customers respond to the brand, its marketing activity, and other sources of information. Brand responses consist of brand judgment and brand feeling. Brand judgments emphasize on customers’ personal opinions and evaluations with regard to the brand. In particular, brand quality, credibility, consideration and superiority are the most four important types of brand judgments to build a strong customer-based brand. The brand feelings are the customers’ emotional responses and reactions to the brand (Keller, 2001, p13).

The final step of the model, brand relationship focuses upon the relationship between customers and brand. Keller uses the term brand resonance to explain the nature of the relationship that customers have and the extent to which they feel with the brand. Specially, brand resonance can be classified four categories, including behavioral loyalty, attitudinal attachment, sense of community, and
active engagement. In other words, brand resonance reflects a completely harmonious relationship between customers and brand (Keller, 2001).

**Figure 3-6 Customer-Based Brand Equity Pyramid**

![Customer-Based Brand Equity Pyramid](source)

*In short, this model tells us the true measure of the strength of a brand depends on how consumers think, feel, and act with respect to that brand. The success of marketing efforts depends ultimately on how consumers respond. While this respond depends on the brand knowledge that has been created in their minds (Upshaw, 1995).*

The importance of the customer-based brand equity model is in the road map and guidance it provides for global brand building. Keller defines building global customer-based brand equity as creating brand awareness and a positive brand image in each country in which the brand is sold. In respect to the ways that the brand equity is built may differ from country to country, he stresses that it is necessary to identify differences in consumer behavior and adjust the branding program accordingly (Keller, 2003)

When applying this model to global brand building, Keller points out, “in designing and implementing a marketing program to create a strong global brand,
marketers attempt, in a general sense, to maximize the probability to suffering from any potential disadvantage of globalization”. He uses the “Ten Commandments of Global Branding” as the guidelines for success that have emerged in global branding (Keller, 2003, p697):

- Understand similarities and differences in the global branding landscape.
- Don’t take shortcuts in brand building.
- Establish marketing infrastructure.
- Embrace integrated marketing communications.
- Cultivate brand partnerships.
- Balance standardization and customization.
- Balance global and local control.
- Establish operable guidelines.
- Implement a global brand equity measurement system.
- Leverage brand elements.

3.3.3 Esprit’s Global Brand Building Strategy
Esprit Holdings Ltd., with headquarter in Hong Kong, produces apparel which has a globally recognized brand name. The Group operates above 580 directly managed retail shops and has over 6,000 wholesale outlets in more than 40 countries. ESPRIT has been an international popular brand among young people. In 2003, its turnover and profit were approximately $1.5 billion and $148 million respectively (Super brands international, cited in 06-04-05).

Developments and promotion
Doug and Susie Tompkins, a spouse, founded the Esprit in San Francisco in 1968. Michael Ying, the present chairman of the Esprit Group, firstly formed a partnership with the Tompkins and then gradually purchased the ownership of the whole company, contributes a lot to the establishment the global brand. The famous symbol, a logo with a triple-bar E was designed by John Casado In 1979, and it gave deep impression in consumers’ mind while benefits the brand (Blogchina, cited 06-04-05).
From decreasing cost and response quickly to meet consumers’ need, the company implemented a global strategy and built many branches in different countries for ensuring the economies of scale (Super brands international, cited in 06-04-05).

Esprit creates many marketing activities besides traditional advertising propaganda. As a rule, Esprit thinks that products represent the brand and the brand building is best achieved through the satisfaction of customers. Thus, product quality is always the focus. In the meantime, it continuously tries variable communications to deep the image to consumers (Esprit, cited in 06-04-05).

Esprit has been successfully standing for high quality brand with affordable prices. Its series of strategies have made it a strong brand in the extensively competitive apparel market (Fm-china, cited in 06-04-05).

3.3.4 Summary
Many theories explain the brand building for the firms. A short conclusion is presented here. (1) Aaker’s brand equity model consists of five dimensions that create brand equity: brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets. And ten factors are listed as the measurements. (2) Melin takes brand building as a process, both from the owners’ perspective and the customers’ perspective. He believes that the consumer and his or her needs are in the center for choices of core value. (3) Goodyear terms the “continuum of consumerism”, which contains the stages of seller’s market, marketing, classic brand building, consumer driven marketing and post-modern marketing. She describes this development as a process where different markets or brand owners find themselves in different phases. (4) The Global Brand Proposition Model is a framework for equivalent and comparable brand analysis across markets and societies. It combines the strategic planning cycle with the brand environment, which can be applied both globally and locally and determine the manifold influences on brands in different markets. (5) Keller’s
customer-based brand equity model (CEBE) shows how building a strong brand involves establishing the proper brand identity; creating the appropriate brand meaning through strong, favorable, and unique brand associations; eliciting positive, accessible brand responses; and forging brand relationship with customers that are characterized by intense, active loyalty. (6) The global strategy of a successful brand –ESPRIT was presented.

### 3.4 Summary of the Chapter

We introduced some basic concepts of Brand in the first part, including brand, brand identity, brand equity, brand description, brand strength, brand awareness, perceived quality, brand loyalty, brand associations, brand knowledge and so on. The study of different concepts gave us insight in which components are important when the company build a strong brand. In the second section, the definition of the global brand, which usually means a clear and consistent equity or identity—with consumers across geographies, was introduced. Then the trend of global branding was stressed by some researcher’s comments. The researchers also illustrated that the main benefit of owning a strong brand was to enhance the competitiveness of the firms’. Besides this, a global brand could give positive associations to the customers, lower the cost, generate credibility to customers, help to maintain the consistency of brand and company image, enhance the ability to leverage good ideas quickly and efficiently and provide greater control of how the brand is being marketed in different countries, etc. The last part was about the theories of the brand building. Several models and a successful case were studied. The models were from Aaker, Melin, Goodyear, Gelder, and Keller separately and showed the brand building from different point of views. Finally a successful global brand in reality—ESPRIT was introduced. These models and case are helpful for us to find the useful elements, which is key to build the global brand, and also is very crucial for us to build our new model.
Chapter 4 Relevant Elements and Creating a Customer-Based Brand Factors Model

This chapter consists of two sections. In the first section, individual models and the case of Esprit discussed in Chapter Three are analyzed. The relevant parts that may be useful factors for creating a model are selected and classified. In the second part, we attempt to build a Customer-Based Brand Factors Model, which is intended to be a tool for investigating the different views on the key factors among European customers, European companies and Chinese apparel companies, and help Chinese apparel companies find proper strategies of building global brands in the European market. This flow chart is illustrated by figure 4-1

4.1 Customer-Based Factors

The factors set up in our model are selected from the existing models and the case. The standard of the selection is from the customer’s point of view. Conceptually, a researcher could argue for collecting factors from the companies’ perspective, the customer’s perspective, or both. However, it is usually the customer who ultimately makes the decision of whether to purchase a certain brand or not. Thus, even if the companies and customer have different views regarding brand building, it is the customer’s view that is likely to be determinant. Understanding consumer brand knowledge can help the companies to be more effective in their marketing activities (Lim & O’Cass, 2001). Therefore, only those elements relevant to customers are considered and studied. Factor and element will be used
commutatively in this paper.

### 4.1.1 Relevant Elements of Aaker’s Brand Equity Model

Aaker’s model provides an overview structure of brand equity. We believe that the following components from Aaker’s model should be included in our new model:

*Customer satisfaction/loyalty:* Loyalty is a core dimension of brand equity. Aaker thinks the loyal customer base represents a barrier to entry. He believes that customer satisfaction/loyalty is a direct measure of how willing customers are to stick to a brand (Aaker, 1996). So we will select this factor as a possible indicator to learn about European customers’ demands.

*Perceived quality:* Perceived quality is a key dimension when building brand equity. Aaker thinks that it “provides a surrogate variable for other and more specific elements of brand identity. It also has the important attribute of being applicable across product classes”. Perceived quality is a useful factor for us because it is often a major strategic thrust for a business and is linked to and often drives other aspects of how a brand is perceived (Aaker, 1996, p324). Considers about quality, material, production techniques, Research & Development will also be analyzed.

*Leadership and popularity:* Aaker’s model describes leadership as a reflection of brand that if many customers buy the brand and make it the sales leader, it shows the brand must have merit. The leadership can influence the dynamics of customer’s acceptance and innovation within a product class (Aaker, 1996, p324).

*Brand personality:* Another important factor Aaker’s model presents is brand personality. In Aaker’s definition, a brand personality involves a set of specific dimensions unique to the brand. As an element of associations (or differentiation), the brand personality provides links to the brand’s emotional and self-expressive benefits as well as a basis for brand-customer relationships and differentiation.
Awareness: Aaker’s model gives a clear definition of awareness that reflects the presence of the brand in the mind of customers. It usually plays a key role in brand equity. This factor can be used to know both the knowledge and salience of the brand in the customer’s mind. The different levels of awareness including recognition, recall, graveyard statistic, top of mind, brand dominance, familiarity and brand knowledge or salience can be measured to illustrate the brand’s influence on the customer (Aaker, 1996, p330).

Market share: Market share is essential because it often provides a valid and sensitive reflection of the brand’s standing with customers. Aaker believes that when the brand has a relative advantage in the minds of customers, the market share should increase or at least not decrease (Aaker, 1996, p331).

Market price: Aaker takes the relative market price as the average price at which the brand was sold during the month, divided by the average price at which all brands were sold (Aaker, 1996, p332). In the Chinese domestic market, the price usually is a key factor for building a brand. In this dissertation, it is expected to know whether the various prices are also critical to build a global brand for Chinese clothing industry. So market price will be involved in possible factors.

Distribution coverage: Distribution coverage is another measure of brand strength presented by Aaker. It could be measured by the percentage of stores carrying the brand, or the percentage of people who have access to the brand (Aaker, 1996, p333). The gain or loss of a major outlet, or a move into another geographic region, may dramatically affect sales. Therefore, it is important for companies to know how many stores or people they should try to push their brands.

4.1.2 Relevant Elements of Melin’s Parallel Chain of Events Model
The model is crucial because it explains the process that a brand is built in
customers’ mind. The consumers’ needs are in the center for choices of core value. Melin’s model gives valuable background knowledge about the importance of knowing the customers’ needs. Although this model presents a parallel chain within both the company and consumers’ minds, it is better to choose some factors only from the process of brand building in the consumers’ mind for the draft model. Those are involvement, brand awareness, brand associations, and brand loyalty (Aperia & Back, 2004, p62). Because this dissertation is developed from the marketing perspective, the brand sensitive and brand added value will not be considered.

4.1.3 Relevant Elements of Goodyear’s Branding Evolution Model

This model gives valuable indications about how the nature of branding has evolved over time. The first four stages describe the classical approach to brand marketing while the last one belongs to the genre of post-modernism. It is very useful in international brand building when one brand is built simultaneously on both mature and immature markets. Goodyear’s model can be useful for the development of the new model in the following perspectives.

Firstly, communication is an important factor for the companies to know the proper way that the customers would like accepting a brand (McEnally, 1999).

Secondly, it helps to identify the differences of branding strategies across different stages in the firms, the differences in branding the same product across international markets and the evolving nature of brands over time (McEnally, 1999)

Thirdly, Goodyear’s model stresses that traditional concepts such as marketing, segmentation and brands have entirely different meaning in different markets, and this must be considered when moving from a local market to a global market. She argues that the degree of advertising maturity in the market is also different, which gives more consideration about the factors influence the global brand building
Fourthly, the level of *involvement* in the product category and the stage of the *product life cycle* are mentioned in Goodyear’s model (McEnally, 1999). The involvement is a type of manner to attract customers used universally in the business world and may be useful for companies to adopt the proper brand strategy. The product life cycle means the economic life of the product. It will be discussed again in Keller’s model, which presents the durability of the product as the product life cycle. The product life cycle should influence customer behavior when choosing a brand. So it is a possible factor.

Regarding that the factors were selected from the point of view of customer’s demands, some other factors from the company point of view in Goodyear’s model, such as the expertise of management, the firm's strategic goals and market targeting activities, the branding activities of other firms, the sophistication of consumers, will not be included in the draft model (McEnally, 1999).

### 4.1.4 Relevant Elements of Global Brand Proposition Model

This model is a unique framework for equivalent and comparable brand analysis across multiple markets and societies. This model contributes with strategies that companies need to adopt. Due to the focus on investigating customer’s needs in this dissertation, some components such as organizational structures, brand architecture and relationships between global and local brand management teams will not be stressed here.

This model mentions some issues closely related to brand expression that plays a role in shaping elements (Gelder, 2004). *The individual elements* guide global and local *marketing activities*. Brand elements and marketing activities are inevitably involved in brand building, both in the global and local market. So, these factors should be considered since they influence customer choice which is important when building global clothing brand.
Gelder argues that in order to provide consumers with the required brand experience, the most important thing is to gain an understanding of how well some processes connect and how this may differ across the globe, such as product and service development, channel choice, advertising (Gelder, 2004). This statement helps us to pay more attention to the importance of product and service development, channel choice and advertising. Because the main idea to select factors in this dissertation focuses on customers’ needs, the staff demeanor, delivery and supply-chain management will not be discussed.

This model also presents a kind of external analysis, which reflects the circumstances affect consumers understanding of the brand. Gelder points out that specific situational factors affect elements of brand perception in a particular manner (Gelder, 2004). Therefore, situational factors such as culture, history, tradition, and lifestyle, will also be used in our research on brand building in a foreign market.

**4.1.5 Relevant Elements of Keller’s Customer-Based Brand Equity Model**

The Customer-Based Brand Equity (CBE) model provides a comprehensive assessment for brand building strategies and includes many elements for building global brands. This model describes how to best modify the branding program to adapt to differences in consumer behavior through different product features, prices, channels, and marketing communication (Keller, 2003). In Keller’s model, the following factors will be taken into consideration.

*Brand awareness:* Similar to Aaker, Keller defines brand awareness as the customers’ ability to recall and recognize a brand. It is more than that customer knows a brand name and other fact (Keller, 2001, p8). He thinks that brand awareness also involves linking the brand—brand name, logo, symbol, and so forth—to certain associations in memory. Awareness is important in building a brand because it is a measure tool to make sure if customers understand the product and if customers know which needs the brand is designed to satisfy.
Product durability: This term has been discussed in Goodyear’s model as the term of product life cycle. Product durability is a type of brand performance. The product itself is at the heart of building global brand equity, as it is the primary influence for consumers to have experiences with a brand. Keller says “to create brand loyalty and resonance, consumers’ experiences with the product must at least meet, if not actually surpass, their expectations” (Keller, 2001, p10). So we take this factor as one possible factor.

Service effectiveness, efficiency, and empathy: This factor is another important type of brand performance. Service is often a critical part for a brand associated with their customers. Keller defines service effectiveness as how completely the brand satisfies customers’ service requirements. And service efficiency refers to the manner in which these services are delivered in terms of speed, responsiveness, and so forth. Finally service empathy refers to the extent to which service providers are seen as trusting, caring, and having the customer’s interests in mind. In developing a brand, all these influence the brand in the customers’ mind. So this term could be a possible factor to form our model (Keller, 2001, p10).

Style and design: Keller took style and design as another important type of attributes and benefits that often underlie brand performance (Keller, 2003). The consumers may have associations with apparel that go beyond its functional aspects and more considerations on such as its size, shape, materials and color. Thus, performance of a brand may also depend on style and design. Just as Keller mentioned, “designing and delivering a product that fully satisfies consumer needs and wants is a prerequisite for successful marketing” (Keller, 2001, p11).

Price: Keller states that the pricing strategy adopted for a brand can dictate how consumers categorize the price of the brand (i.e., low, medium, or high) and how firm or flexible that price is perceived to be (i.e., as frequently or infrequently discounted (Keller, 2001, p11). This factor is the same as the market price we discussed in Aaker’s model and is again considered when creating our new model.
**Purchase and usage situations:** This term is described by Keller as one set of associations that concerns the conditions under which a brand could or should be bought and used (Keller, 2001, p11). It belongs to brand imagery. This term is related with the ways in which the brand attempts to meet customers’ psychological or social needs. Hence, it is also possible to integrate in the new model.

**Personality and values:** In Keller’s model, personality and values are mentioned again just like in Aaker’s model. It means that the characters of brand may take on personality traits and values similar to those of people (Keller, 2001, p12). This term is included since it is critical to have a personality for a brand in the apparel market.

**Behavioral loyalty:** This dimension means how often customers purchase a brand and how much they purchase. The brand should generate sufficient purchase frequencies and volumes (Keller, 2001, p15).

### 4.1.6 Relevant Elements in the Case of ESPRIT

Because Esprit is one of the best global apparel brands and has achieved successful strategies in building brand, we reviewed the case of Esprit again to find some useful factors in reality. From a strategic point of view, Esprit implemented “a global strategy that combines international presence and economies of scale with local execution, ensuring timely responses to market and customer needs” (Super brands international, cited in 06-04-05).

First of all, the approach of promoting is a distinguished factor helping Esprit build a global brand. The group has long understood the importance of good promotion and believes the word-of-mouth of satisfied customers is the best way to achieve branding and marketing. Esprit has different fresh and colorful advertising featuring congenial joyful faces and stunning visual displays in the storefront. Product quality is also considered by the group as an essential factor to build global brand. In addition, the group uses marketing activities to influence customers to accept this brand. Further, as a youthful international lifestyle brand,
Esprit personifies the new attitude of casual elegance and offers an element of smart luxury to its customers. Esprit spread a lifestyle culture and stands for high quality lifestyle products at affordable prices. As a company, Esprit spreads its spirit, enthusiasm and design talents to the people around the world. So promotion (advertising), quality, price, marketing activities, life style, and design will be included in our possible factors (Super brands international, cited in 06-04-05).

4.1.7 Overview

In order to get an overview of the factors are extracted from the models and case, we have organized them below in figure 4-2. Aaker’s model and Keller’s model are listed in the first two columns, since they contain most of the factors, and then we have tried to categorize the factors from the other theories and case. The factors put at the same level are not equal, but they share some characteristics. This figure is made mainly as some kind of guidance.
Table 4-1 A Simplified Overview of Factors Influencing Brand Building

<table>
<thead>
<tr>
<th>Aaker</th>
<th>Keller</th>
<th>Melin</th>
<th>Goodyear</th>
<th>Gelder</th>
<th>Espirit</th>
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</thead>
<tbody>
<tr>
<td>Satisfaction/ Loyalty</td>
<td>Behavioral loyalty</td>
<td>Brand loyalty</td>
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<tr>
<td>Perceived quality</td>
<td>Product durability</td>
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<td>Product life cycle</td>
<td></td>
<td>Quality</td>
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<tr>
<td>Leadership &amp; popular, Brand personality</td>
<td>Style &amp; design, Personality&amp; values</td>
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<tr>
<td>Awareness</td>
<td>Brand awareness</td>
<td>Brand awareness</td>
<td>Nature of brands</td>
<td>Brand elements</td>
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<td>Market share</td>
<td>Price</td>
<td></td>
<td>Marketing activities</td>
<td></td>
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<td>Market price</td>
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<td></td>
<td>Marketing activities, Affordable prices</td>
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<tr>
<td>Distribution coverage</td>
<td>Purchase and usage situations</td>
<td></td>
<td>Channel choice</td>
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<td></td>
<td></td>
<td></td>
<td>Circumstance history, culture, Tradition, &amp;lifestyle</td>
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<td>Lifestyle culture</td>
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<td>Involvement</td>
<td>Advertising Communication Involvement</td>
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<tr>
<td>Service effectiveness, efficiency, and empathy</td>
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<td>Product and service development</td>
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</tbody>
</table>

4.2 Developing a Customer-Based Brand Factors Model

4.2.1 Introduction

As shown in the previous chapter, a lot of research exists in the field of brand building. With roots in consumer marketing, the theories have been complemented by different factors. Our intention is to create a new model, which
can be a tool to test different views of which factors are more important when creating a new brand in Europe market. The factors we use in our model are based on what previous researchers have found to be of importance for brand building. (See figure 4-3).

4.2.2 Determining the Factors

With reference to figure 4-2 we present the factors chosen for our brand influencing factors model and also present them in the correspond models (See figure 4-3). Not all factors are measurable so nine factors are chosen to reflect the importance degree when building a brand in European market.

The first row is about loyalty and satisfaction mentioned by different researchers, and we decided to use the term “loyalty” to present our factor. The second row includes perceived quality, product durability, and product life cycle, since we thought those all belonged to “quality”. The third row lists factors about leadership and popularity, brand personality, style and design, personality and values, which all have the characters of “style and design”. The fourth row contains the elements of awareness, we choose “name and logo” due to it is important to arouse the awareness of the consumers. The fifth row is about the market activity and only the market “price” is selected as the factor for our model for it is easier to be measured. The sixth row presents the similar researchers’ opinion about the distribution channel. We want to express this term from the customers’ point of view and name it “purchase situation.” The seventh row is concerning with the external effects, including circumstance, history, culture, tradition and lifestyle. “Source effect” is a term that can reflect these factors to a certain degree. Communication channel is placed in the eighth row consisting of involvement, advertising, promoting, etc. We argue that advertising is one crucial tool for the companies to establish a relationship with customers by media, especial in the present information society. The factors in the last row are all related to “service.” Hence we have nine factors, namely price, quality, service, purchase situation, style & design, source effect, advertising, loyalty, and name & logo.
### Table 4-2 Overview of the Chosen Factors for Customer-Based Brand Factors Model

<table>
<thead>
<tr>
<th>Aaker</th>
<th>Keller</th>
<th>Melin</th>
<th>Goodyear</th>
<th>Gelder</th>
<th>Espirit</th>
<th>Our model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Satisfaction/Loyalty</strong></td>
<td>Behavioral Loyalty</td>
<td>Brand loyalty</td>
<td>Product life cycle</td>
<td>Quality</td>
<td>Quality</td>
<td>Loyalty</td>
</tr>
<tr>
<td><strong>Perceived quality</strong></td>
<td>Product durability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leadership &amp; popular, Brand personality</strong></td>
<td>Style &amp; Design, Personality &amp; values</td>
<td></td>
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<td></td>
<td>Style &amp; design</td>
</tr>
<tr>
<td><strong>Awareness</strong></td>
<td>Brand awareness</td>
<td>Brand awareness</td>
<td>Nature of brands</td>
<td>Brand elements</td>
<td></td>
<td>Name &amp; logo</td>
</tr>
<tr>
<td><strong>Market share, Market price</strong></td>
<td>Price</td>
<td>Marketing activities</td>
<td>Marketing activities, Affordable prices</td>
<td>Price</td>
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<td></td>
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<tr>
<td><strong>Distribution coverage</strong></td>
<td>Purchase and usage situations</td>
<td>Channel choice</td>
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<td>Purchase situation</td>
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<tr>
<td><strong>Circumstance history, culture, Tradition, &amp; lifestyle</strong></td>
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<td>Lifestyle culture</td>
<td>Source effect</td>
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<tr>
<td><strong>Involvement</strong></td>
<td>Advertising Communication Involvement</td>
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<td>Advertising Promoting</td>
<td>Advertising</td>
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<tr>
<td><strong>Service effectiveness, efficiency, &amp; empathy</strong></td>
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<td>Product &amp; service development</td>
<td>Service</td>
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</table>
factors will be 1 accordingly.

Table 4-3 Customer-Based Brand Factors and Its Importance

<table>
<thead>
<tr>
<th>Factors</th>
<th>Pairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>Not loyal</td>
</tr>
<tr>
<td>Price</td>
<td>Low price sensitivity</td>
</tr>
<tr>
<td>Name &amp; logo</td>
<td>Not care name &amp; logo</td>
</tr>
<tr>
<td>Quality</td>
<td>Low quality sensitivity</td>
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<tr>
<td>Service</td>
<td>Low service sensitivity</td>
</tr>
<tr>
<td>Purchase Situation</td>
<td>Not care purchase situation</td>
</tr>
<tr>
<td>Advertising</td>
<td>No advertising influence</td>
</tr>
<tr>
<td>Style &amp; design</td>
<td>Not care style &amp; design</td>
</tr>
<tr>
<td>Source effect</td>
<td>No source effect influence</td>
</tr>
</tbody>
</table>

4.2.2.1 Loyalty
Customer loyalty ratings are a reasonable indicator for the health of the business. The core of brand equity is brand loyalty. The other components of brand equity—awareness, perceived quality, associations—all have an impact on brand loyalty. The existence of loyal consumers can reduce the dangers of hostile actions from competitors (Aperia, 2004). Accordingly, this may be a useful measure for apparel companies to analyze its market situation when they enter a new market. In other words, if the consumers are very loyal to the brand, it will be more difficult to build a new brand in that market. In the opposite situation, it could be easier to accept a new brand. The essential parts of loyalty are finding the causes of disloyalty and dissatisfied clients while seeking client satisfaction. A brand must treat clients as friends and become a landmark of personal attention (Kapferer, 2001)

4.2.2.2 Quality
During the process of brand building, the quality of the product links to the brand position in customer’s mind. The quality level will support the brand’s position in the target market, so quality is one of the marketer’s major positioning tools. In concrete aspect, quality stands for the rated ability of the brand to perform its
functions and it includes the product’s durability, reliability precision, ease of operation and repair, and other valued attributes. From a marketing point of view, quality should be measured in terms of consumers’ perceptions of quality (Kolter, 1984). The term quality is used to contain all these meanings.

4.2.2.3 Style & Design

It is argued that the style and design of an apparel product is a very important competitive weapon in building a global brand. It can not only enhance the perceived quality of brand, but also recognize the brand awareness of customers. Leadership, popularity and personality of a brand also reflect some kinds of style, which is embodied in the design and differentiates. So we only use the term of style and design to test this factor.

4.2.2.4 Name & Logo

Building customer-based brand equity requires the creation of a familiar brand that has favorable, strong, and unique brand associations. This can be done through the initial choice of brand identities, such as brand name, and logo. Brand names have become increasingly valuable assets for many companies in an age of growing globalized business (Lim & O’Cass, 2001).

Name is the basic core indicator and the basis for both the consumers’ awareness and communication to the brand. The brand name can actually form the essence of the brand concept (Aaker, 1991). Logo is another element of brand. Logo has a long history as a means to indicate origin, ownership, or association (Kolter, 1984). Throughout most brand building researches, name and logo would influence customers’ purchase decision to a certain degree.

Due to being an element of brand identity, the name and logo can generally enhance brand awareness or facilitate the linkage of brand associations. For example, choosing a familiar word representing a well-known concept or some other common object or property as a brand name may help the consumers to enhance brand recall, while choosing a more unusual or distinctive word may often facilitate brand recognition. The brand name and logo may also affect the
favorability, strength, and uniqueness of brand associations. Though many theories list some other brand elements, we only choose name and logo as the factor in our model, which is easy to measure.

4.2.2.5 Price
Many models regard price as an important influencing weapon in building a brand, because the price of the product can influence the apparel brand to be recognized in a foreign market. Further, price can influence the learning effects and economies of scale that underlie the experience curve. Aggressive pricing along with aggressive promotion and advertising can build accumulated sales volume rapidly and thus move production down the experience curve. Firms further down the experience curve have a cost advantage compare to its competitors (Keller, 2001). Besides, “the pricing policy for the brand directly creates associations to the relevant price tier or level for the brand in the product category, as well as its corresponding price volatility or variance (i.e., in terms of the frequency and magnitude of discounts)” (Keller, 1993).

Price strategy is one of the marketing activities to broaden the market share. Since it is easier to measure in detail than other marketing activities, price is used as one key factor in the draft model. There are many kinds of prices to the company, including market price, cost price, price premium, etc. In this paper the price is termed as the one that the consumers pay when they buy products in market.

4.2.2.6 Purchase Situation
Purchase situation is one set of associations that concerns the conditions under which the brand could or should be bought and used. It belongs to brand imagery. “Associations of a typical purchase situation may be based on a number of different considerations, such as type of channel (e.g. department store, special store, or direct through internet or some other means, specific store and ease of purchase and associated rewards” (Keller, 2001). Which conditions the customers prefer when they purchase the products play an important role in brand building. The more the seller adapts to the buyer’s needs, the more possible it is to build a brand in a new market. Purchase situation also relates to distribution coverage and
channel choice, which are mentioned by other theories.

4.2.2.7 Source Effect

Many theories stress on the importance of external factors, such as culture, history, tradition and lifestyle, so the customers’ activities in the market are affected by different knowledge and messages. Different markets have different external factors. Especially, the consumer evaluation of products is influenced by a country’s stage of development, i.e. consumers may hold more negative perceptions of products made in developing countries and that the sourcing country and country of origin have greater effects on consumer evaluations of product quality than does brand name. (Nebenzahl & Jaffe, 1996). Also products from developed countries are perceived as more superior to products from undeveloped and developing countries. The reasons for these perceptions have been largely attributed to the economic, cultural and political systems of the source countries (Wang and Lamb, 1983). So source effects are chosen as a factor to indicate if the place that manufactures the apparel product has an influence on the purchase decision.

Source effects occur when the receiver of the message (the potential consumer in this case) evaluate the message based on the status or image of the sender. A subset of source effects is referred to as country of origin effects. Country of origin effects refers to the extent to which the place of manufacturing influences product evaluations. Researchers suggest that country of origin is often used as a cue when evaluating a product, particularly if the consumer lacks more detailed knowledge of the product (Hill, 2005). When the companies build brands in the new market, the source effects and country of origin need to be considered. Although no models mention this term, it does share some characteristics with external factors and culture, etc.

4.2.2.8 Advertising

The ways the companies use to communicate with the customers influence the customers’ choice of brands. In the existing models, some communication strategies, such as advertising, involvement and promotion are mentioned as
important factors for brand building. We argue that advertising is one crucial tool for the companies to establish relationship with customers by media, especial in the present information society. Advertising refers to any paid forms of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor (Kolter, 1984). Advertising can provide the introduction and familiarity to the customers. Therefore, when designing the advertising, the companies should be concerned with how consumers develop their likes and dislikes, so that they can set up strong, favourable, positive preferences for their brand (Alreck& Settle, 1999).

4.2.2.9. Service
Service is one type of supporting marketing programs, which is designed to enhance brand awareness and establish favorable, strong, and unique brand associations in consumers’ memory and drive them to purchase the product. We believe the customers have demanded on service both before the purchase and after the purchase. Hence, customer service can be a very important competitive tool to the companies. Service effectiveness, service efficiency and service empathy are all concerned with customers’ interests. In addition, a perfect service gives the customers complete product specifications to ensure that they can order the proper brand (Keller, 2003).

4.2.3 Modification of Bernstein’s Spider Web
We use the pattern of Bernstein’s spider web model to establish our model (van Riel & Balmer, 1997). In Bernstein’s model there are ten factors chosen in the first selection and then further eight of them are selected. Then they are measured and the mean are presented in a hexagon.

The perceived result from the respondents will be presented in an enneagon. The low/not aspects of the nine important factors are placed in the center and the opposite factors are on the edge of the enneagon. After this, the calculations of each scale will be pointed out. The closer towards the edge the factors appear to be, the more important the factors is to the correspondent group. Then the similar and different views on the factors between the customers and companies can be
The model is built based on the nine most important elements. The Customer-Based Brand Factors Model can be useful for displaying the degree of importance of the factors between different groups. It will be a qualitative model giving the Chinese apparel companies ideas on how to find assess the European consumers’ and companies’ views, and then help Chinese companies adopt strategies accordingly.

4.2.4 Summary
After having reviewed existing models and case, we wanted to set up a new model from a customer perspective, which is intended to help Chinese apparel
companies know which factors they consider similar to or different from the European customers and companies’ views. Based on the chosen factors, a new draft model is created. In this model, nine factors are considered in the Bernstein’s spider web. These nine factors have been of importance in many previous models, which is why they will provide a base for our model as well. Relevant important elements for building a global brand have been thoroughly presented in this chapter.
Chapter 5 Empirical Method

The empirical method will be presented in this chapter. The research strategy, samples, limitations and the response rate of the questionnaire will be discussed. This chapter also contain the validity, reliability and generalisability of the dissertation. Because the purpose of our dissertation is to find the vital factors for building global brand and compares the different views on the importance of the factors among the European consumers, the Chinese apparel companies and European apparel firms, we chose three samples to represent the different groups. We chose students in Kristianstad University that we can reach as a segment of European customers. The sample of Chinese apparel companies consists of 23 apparel firms in Ningbo where we come from. Ningbo is also a concentrating apparel base in China. The sample of the European companies was 36 Swedish companies selected from the database and it was more convenient for us to contact than other European apparel companies.

5.1 Research Strategy

As mentioned in Chapter 2, we use the deductive method in this dissertation. The literature about global brand building was reviewed, which is the foundation of the Customer-Based Brand Factors Model. To test the model, we conducted an empirical study by means of a survey strategy. Because we created our model based on existing theories and researches, it is more needed to get information from a survey. The survey strategy allows the collection of a large amount of data from a sizeable population in a highly economical way (Saunders, Lewis & Thornhill, 2003, p92). A survey strategy gives researchers more control over the research process and it allows easy comparison. Since we wanted to compare the different views on the factors, the survey strategy was a good option. The research design for the study was based on the development and administration of questionnaires for three different groups to gather the data and address the propositions.
A questionnaire is considered to be a cheap and reliable way of collecting data. There are different types of questionnaires and our survey was conducted through a self-administered questionnaire. The questions were designed in order to test the model. We designed the questionnaires with two classifications. One classification was designed for the European consumers, the other was for the Chinese and European companies. In the two kinds of the questionnaires, we used both structured and open questions. We believe that the simplest way is to use only structured questions since they are easier to compare. The respondents were asked to answer on a seven-graded scale, with number one correspond to ‘not important’ and number seven to ‘very important’. We chose to have one open question as a complement, in case we missed something that the respondents wanted to stress. We experienced internal reduction, regarding questions that the respondents did not want to or could not answer. When the questionnaires was finished, we distributed a number of questionnaires to several students in Kristianstad University in order to make sure that the questions were easy to understand and well formulated.

The questionnaire designed for the European consumers were sent to the students face to face on the classes of Kristianstad University in Sweden. Therefore, it was easy to get a high response rate.

At the same time, the questionnaire designed for the apparel companies was translated into Chinese and sent to Chinese companies by fax with the help of our relatives in China. The respondents gave their answer to our relatives by fax too and the results were scanned and sent back to us by E-mail.

Meanwhile the questionnaire designed for the apparel companies was put on a website for the European companies in English. We selected the European companies from a database, which has the information about Swedish companies. Then, we got the telephone numbers of the companies from the database. Furthermore, we called the companies and got their e-mail addresses. We wrote a cover letter and invited respondents to access a web site: http://www.hualigroup.com/china.htm and fill in an online questionnaire. After
that, we called the companies again to remind them to finish the questionnaire.

5.2 Samples
A sample is a part of a larger population (Saunders, Lewis & Thornhill, 2003). A population is the entire group, for example, people. If it is impossible to test the whole population when a research is done, a sample from the entire population is needed.

The sample of the European consumers in this dissertation consisted of a convenience sample of students. The student sample represents a segment of the population that are the consumers of many apparel products in the European market, and is thus an appropriate sample for the study. Meanwhile the brands of apparel products have also been identified as a significant aspect in the lives of young (university student) consumers, as well as a product with wide appeal to younger consumers. Hence, 152 students at Kristianstad University, a mixed with Swedish students and students coming from other European countries, participated in the survey. 148 students consist of the sample of the European consumers.

The sample of Chinese apparel companies was selected in a non-probability sampling method. A non-probability sampling method refers to the probability of each case selected from the total population is not known and it is impossible to answer research questions or to address objectives that needs to make statistical inferences about the characteristics of the population (Saunders, Lewis & Thornhill, 2003). By using a purposive sampling, it enabled us to select the companies that would be best to answer our research questions and meet our objectives. So we chose to focus on firms connected to Ningbo, a city with a concentrating apparel base in China. Many Ningbo apparel firms have business relationship with the European market. Therefore, we expected to find their views on the importance of the factors influencing global brand building. A great advantage with the non-probability sample is that it increases the chance to find firms that can be of help in the research since the researchers have control over
who will be a part of the sample. However, a non-probability sampling makes it inappropriate to generalise and to draw conclusions about all apparel companies in China. For this, further research has to be done. 23 firms in Ningbo were selected. With the help of our relatives in China, the questionnaires were faxed to the companies and we got their answers immediately.

The sample of the European companies was selected by using a non-probability sampling method and a simple random sampling. Simple random sampling means selecting the sample at a random from the sampling frame using either random number table or a computer (Saunders, Lewis& Thornhill, 2003, p161). With the help of a Swedish teacher, we found the database “Affärsdata” containing information about Swedish companies on http://www.ad.se. In the database, we searched for apparel companies by using a “SNI-code”, which is the code of different industries. The main code 18 represents the “clothing and fur industry”. Under the main code 18, we found different cub-categories, which divided the “clothing and fur industry” in smaller segments. We selected the sub-categories that we thought best described the kind of companies we wanted to use in our research. The sub-categories we selected are the following: “manufacturing of other walking and outdoor clothes for men and boys”, “manufacturing of other walking and outdoor clothes for women and girls”, “manufacturing shirts and underwear for men and boys”, “manufacturing shirts and blouse for women and girls”, “manufacturing of other clothing article and accessories”. By this way, 187 companies were chosen. Secondly, we selected companies in every five. After the systematic sampling was made, we had selected 36 Swedish companies. This was an appropriate figure since we intended to compare the Chinese and the European apparel companies. We concentrated on Swedish firms, since the closeness to these firms probably would lead to better response than if firms from other European countries were asked to participate.

5.3 Limitations
The research has some limitations.
Firstly, the use of the student sample in this study was primarily driven by the focus on examining young consumers and convenience of accessibility for data collection. While it has been strongly argued that student samples are known to be more susceptible to the views, ideas and products of other cultures than older segments of society (Netemeyer, Durvasula and Lichtenstein, 1991), possibly resulting in some kind of tendencies that are different from the entire population. For the same reason that the sample represents mainly the Swedish consumers sharing similar characteristics, the generalising of findings in this study to other countries within the Europe should be undertaken with some caution.

Also there are limitations from selecting the sample of the companies. There are limitations in selecting the sample of Chinese apparel companies. We only chose the companies in Ningbo and it can be impossibly to stand for all Chinese apparel companies. As to the European apparel companies, we only focus on Swedish firms due to our available database. If we had conducted research on other European Apparel companies, we believe it would cover more idea of European companies. Another limitation is that we choose the companies in the database in a random way. Only firms in the database and in the random of every fifth could be part of our sample.

Further, this dissertation had the limitation of the design of the questionnaires, which could not list more possible questions considering the response rate. Meanwhile, though we tried to keep consistent of the questions to the three different groups, the differences still existed due to one questionnaire being designed from a customers’ point of view and the other two were designed from the companies’ point of view. We also could not make it exactly the same when the questionnaire was translated from English into Chinese.

Besides, the empirical method we used to compare the sample of European customers and the sample of Chinese apparel companies has limitation too. The figure adopted in the sample of European customers was 148, while the figure adopted in the sample of Chinese apparel companies was only 23. Therefore, the two samples of different figures were compared in different level.
There were also limitations related to time and finance. Therefore, we had to develop the research in a certain period and use certain research method in the scope of the financial allowance.

5.4 The Questionnaire

We designed the questionnaires closely related to the Customer-Based brand factors model. The validity and reliability of the data and the response rate depend on the design of the questions, the structure of the questionnaire and so on to a large extent (Saunders, Lewis & Thornhill, 2003, p291). It is important to construct the questionnaire in an appropriate way. So we tried to design the questions from different angles and avoid misleading the respondents. Considering the comparison of the respondent groups, we designed the questionnaire to the consumer and the questionnaire to the company from the customers’ and the companies’ point of view accordingly. All the questions based on the factors in our model.

The questionnaire to the consumer consists of 25 questions, divided into three parts. The first part including number 1-18 was all rating questions. In a rating question the respondents are asked how important they considered the factors in our Customer-Based brand factors model. There were seven alternatives. The second part consists of some category questions and open question. The questions 19-21 were designed so that the respondents could only choose certain answer written in the category. The question number 22 is an open question. Open questions were used since we wanted to know if there were any other important factors influencing brand building. In the third part, some general questions about the respondents made it possible to have a general idea about the age, gender and nationality of the consumers.

The questionnaire to the companies includes 21 questions, also divided into three parts. The first part was some general questions on the company, including questions 1-5. The questions of 6-13 were the second part. Similar to part one of
the questionnaire to the consumer, they were all *rating questions* and the respondents were asked how important they considered the factors in our Customer-Based brand factors model in seven alternatives. The third part was some *category questions* and *open question*. The questions 14-20 were the category questions and question 21 was an open question about any other factors the companies think important when building the global brand. The questionnaire to the companies was translated from English into Chinese.

### 5.5 Response Rate

According to Saunders, Lewis & Thornhill, it is necessary to obtain as a high response rate as possible to ensure the sample is representative (Saunders, Lewis & Thornhill, 2003, p156). We selected three samples in total and tried to increase the response rate, but the sample of the European apparel companies was still low and could not be analysed as a valid sample. The response rates in our research were illustrated in the table 5-1, table 5-2 and table 5-3.

#### 5.5.1 Response Rate of the Questionnaires to the European Customers

The first sample was students coming from different European countries at Kristianstad University. We chose five groups, which contained 152 students, to do our questionnaire. However, there have four students coming from Thailand, American or China, so the answers of the four students were ineligible. All the students we sent our questionnaires to answer them on the spot, so we got a high response rate of this sample, 97.4%.

<table>
<thead>
<tr>
<th>Table 5-1 Response Rate of the Questionnaire to the European Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Responses from Non-European Students</td>
</tr>
<tr>
<td>Responses from European Students</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
5.5.2 Response Rate of the Questionnaire to the Chinese Apparel Companies

The second sample was about the Chinese apparel companies. We randomly chose twenty-three apparel companies from Ningbo city. We asked our relatives in China to contact these companies by faxes. All the managers in these companies finished the questionnaires immediately. So the response rate was also high, 100%.

Table 5-2 Response Rate of the Questionnaire to the Chinese Apparel Companies

<table>
<thead>
<tr>
<th></th>
<th>Number of Firms</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Responses from</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Chinese Apparel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responses from</td>
<td>23</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Chinese Apparel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

5.5.3 Response Rate of the Questionnaire to the European Apparel Companies

From the beginning, 36 firms were selected from the database and only 32 of these firms had a telephone numbers in the database. We called these 32 firms and asked for their E-mail addresses. 9 of them told us they had no interested in participating and the rest 23 gave us their e-mail addresses. Then we sent E-mails to all these 23 firms. 18 of the 23 firms did not answer and 5 of them answered us. Although we reminded the firms again by phone, the response rate was still very low, only 13.9%. The another reason is maybe the website was put on in China. It made Swedish companies difficult to open the questionnaire. Therefore the questionnaire from Swedish companies could not be used as a valid sample.
Table 5-3 Response Rate of the Questionnaire to the European Apparel Companies

<table>
<thead>
<tr>
<th></th>
<th>Number of Firms</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies with no Telephone number</td>
<td>4</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Phone Contact but no Interesting</td>
<td>9</td>
<td>25</td>
<td>36.1</td>
</tr>
<tr>
<td>Email Contact but no Answer</td>
<td>18</td>
<td>50</td>
<td>86.1</td>
</tr>
<tr>
<td>Response from Email</td>
<td>5</td>
<td>13.9</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

5.6 The Validity

Validity refers to whether the result is really about what it appears (Saunders, Lewis & Thornhill, 2003). According to Robsson (2002), there exist some threats to validity, namely history, testing, instrumentation, mortality, maturation and ambiguity about causal direction (cited by Saunders, Lewis & Thornhill, 2003). In our research, we try to use a wide-range of research of the secondary data and we believe that most of relevant and valuable theories and data have been included in this dissertation. Also, we believe that the investigation in European consumers, the Chinese apparel companies and European apparel companies will help us to test both practical and theoretical knowledge. Further, the questions used in the questionnaires have been designed as possible as we could to be relevant and suitable for the purpose we were looking for.

However, there are still some problems that may influence the validity. The first is that there were many questions about the customers’ needs in the questionnaires. The needs are difficult to measure and it could have an impact on the validity. Another problem related to validity is the selection of samples. The population we used is the European customers and the sample was the students of Kristianstad University in Sweden. Though it can illustrate some kind of tendencies, it can hardly represent the entire population of European customers of different age, gender, profession, habit, countries and so on. Therefore, the result of this dissertation will be only partly represented a tendency of young European
customers’ behaviours. In addition, we only chose a small part of the companies in Ningbo and they cannot possibly represent all Chinese apparel companies. For the same reason, the sample of the European companies only focused on the Swedish firms due to the database available and was selected in random of every fifth. The third problem concerns the empirical method we used to compare the sample of 148 European customers and the sample of 23 Chinese apparel companies. The two samples of different figures were compared in the same level.

5.7 The Reliability

Reliability refers to how well the research method leads to the same results on other occasions and if other researchers could reach similar results (Saunders, Lewis & Thornhill, 2003). According to Robsson (2002) there may exist four different threats to reliability: subject or participant error, subject or participant bias, observer error and observer bias (cited by Saunders, Lewis & Thornhill, 2003).

In our dissertation, we tried to write in a way that minimizes the threats to the reliability. The standardized questionnaires about the attitudes to different factors that influence global brand building were prepared and could only be interpreted in one way in order to avoid the threat of observer bias. We also designed the questions about one factor from different ways, in order to find the true attitude of the respondent to the factor.

However, there are some problems. That might have an impact on the reliability. The first is concerned with the questionnaire. We did not list more possible questions and the two kinds questionnaires were designed from the customers’ and the companies’ point of view accordingly, which might influence the consistency of the questions aimed at the three different groups. Another problem is that the questionnaire was translated from English into Chinese. Furthermore, it should be assumed that the respondents could have different levels of knowledge of brand. Besides, it is also possible that understanding of the questions may not be what we introduced.
5.8 Generalisability

Genralisability is sometimes referred to as external validity and means whether the research results may be equally applicable to other research settings. The purpose with many researches is to be able to generalise the result to a larger population (Saunders, Lewis & Thornhill, 2003, p102). However, to be able to generalise about regularities in human social behaviour it is necessary to select samples of sufficient numerical size (Saunders, Lewis & Thornhill, 2003, p87). We only conducted research on the students in Kristianstad University and on firms chosen randomly. The purpose of our research was not to produce a theory that would be generalisable to all populations, but only to try to explain what was going on in our particular research.

5.9 Summary

We have presented the empirical methods in this chapter. To be able to evaluate our model we chose to conduct a number of questionnaires. Our final sample consisted of 148 students of Kristianstad University in Sweden who represented the population of European consumers. The 23 Chinese apparel companies in the Ningbo area were chosen as a sample of Chinese apparel companies. The sample of European companies consisted of 36 Swedish companies. Both closed and open questions were used, the response rates have been discussed, along with the validity, reliability and generalisability of the research.
Chapter 6 Questionnaire Results

In this chapter, all the results of the three questionnaires will be presented. The software of SPSS 13.0 for Windows is used to analyze all the questionnaires. We calculated the frequency of general information from each questionnaire. We also calculated the mean values, standard deviation and standard error mean of each question from questionnaires. Then we got mean values of all nine factors from the customers’ questionnaire and the Chinese companies’ questionnaire.

6.1 Introduction

In this chapter the result of all the three questionnaires will be presented. One questionnaire is designed for students in Kristianstad University from customer-based perspective. The other two questionnaires are designed for Chinese companies in Chinese version and Swedish companies in English version respectively. The questions are the same.

Every question of each questionnaire will be explained. The results are shown in different tables. We will discuss all the nine factors one by one and explain which questions refer to which factor. We will present mean values for each question and all mean value will be shown in one table in the end.

6.2 Results of Questionnaire from the Customer Sample

6.2.1 General Information about the Customers

The first questionnaire concerned brand building from a customer perspective. We selected students at Kristianstad University as our sample. We chose one hundred and fifty-two students from five classes in total. There are one student from America, one student from Thailand and two students from China. Their nationalities do not meet our needs—a pure sample—all with the students from European countries. The distribution of age, gender and nationality of the sample are shown in table 6.1 below.
Table 6-1 General Information of Customers

### Age

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 25</td>
<td>123</td>
<td>83.1</td>
<td>83.1</td>
<td>83.1</td>
</tr>
<tr>
<td>25~30</td>
<td>17</td>
<td>11.5</td>
<td>11.5</td>
<td>94.6</td>
</tr>
<tr>
<td>30~40</td>
<td>5</td>
<td>3.4</td>
<td>3.4</td>
<td>98.0</td>
</tr>
<tr>
<td>Above 40</td>
<td>3</td>
<td>2.0</td>
<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>58</td>
<td>39.2</td>
<td>39.2</td>
<td>39.2</td>
</tr>
<tr>
<td>Female</td>
<td>90</td>
<td>60.8</td>
<td>60.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### Nationality

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>116</td>
<td>78.4</td>
<td>78.4</td>
<td>78.4</td>
</tr>
<tr>
<td>Others</td>
<td>32</td>
<td>21.6</td>
<td>21.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

From the tables above, we can see that one hundred and twenty-three students are below twenty-five years old. Female are nearly twice of male, reach ninety. As to nationality, one hundred and sixteen students come from Sweden and thirty-two students come from other European countries.

### 6.2.2 Results of Nine Factors from Questions

In questions one to seventeen a scale from one to seven is used, where number one represents the slightest degree and number seven represents the strongest
degree. All these questions referred to nine factors of our model.

**Loyalty**

We designed question number 12 and question number 13 to test customers’ loyalty to a brand.

12. When a new clothing brand appears in market, do you often try it? The scale is from never try to yes, exactly.

13. Do you often buy the same brand? The scale is from never to very often.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question12</td>
<td>148</td>
<td>3.66</td>
<td>1.328</td>
<td>.109</td>
</tr>
<tr>
<td>Question13</td>
<td>148</td>
<td>5.20</td>
<td>1.182</td>
<td>.097</td>
</tr>
<tr>
<td>Loyalty</td>
<td>148</td>
<td>4.43</td>
<td>1.004</td>
<td>.083</td>
</tr>
</tbody>
</table>

Customers’ loyalty is very important to companies with strong brands. But the table above shows that European customers are not very loyal to a brand. They would accept a new brand and also shows loyalty to an old brand. The mean value of loyalty is 4.43 in general. We can also find some information from the frequency table in appendix. The results of the frequency table of question number 12 and question number 13 show that most students are not reluctant to try a new brand, but they are also loyalty to a favorite brand.

**Price**

Question number 3 and question number 4 refer to the factor of price.

3. When purchasing clothing, do you pay attention to the information of discount? The scale for the question is from not care at all to care very much.

4. When purchasing clothing, is the price important to influence your purchasing decision? The scale for this question is from not important at all to very important.

These two questions measure the price sensitivity. Question number 3 tests the attitude to discount. Question number 4 tests how important the price to customers’ purchasing decision.
Table 6-3 The Mean Value of Price from Customers’ Perspective.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question3</td>
<td>148</td>
<td>4.93</td>
<td>1.320</td>
<td>.109</td>
</tr>
<tr>
<td>Question4</td>
<td>148</td>
<td>5.11</td>
<td>1.429</td>
<td>.117</td>
</tr>
<tr>
<td>Price</td>
<td>148</td>
<td>5.02</td>
<td>1.149</td>
<td>.094</td>
</tr>
</tbody>
</table>

The mean value of question number 3 is 4.93. The mean value of question number 4 is a little high than that of question number 3, 5.11. The average mean value of price is 5.02. It is calculated without weight. The result shows that price plays an important role in people’s purchasing decision, although their living condition is much better than people in China.

Name and Logo
Question number 14 and question number 15 refer to brand name and logo.
14. Is the brand name important to you when you choose a clothing brand? The scale is from not important at all to very important.
15. Is the brand logo important to you when you choose a clothing brand? The scale is from not important at all to very important.

Table 6-4 The Mean Values of Name and Logo from Customers’ Perspective.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question14</td>
<td>148</td>
<td>4.23</td>
<td>1.595</td>
<td>.131</td>
</tr>
<tr>
<td>Question15</td>
<td>148</td>
<td>3.76</td>
<td>1.610</td>
<td>.132</td>
</tr>
<tr>
<td>Name &amp; Logo</td>
<td>148</td>
<td>3.99</td>
<td>1.486</td>
<td>.122</td>
</tr>
</tbody>
</table>

The mean value of question number 14 is a little higher than middle value, reaching 4.23. The result of question number 15 is opposite—a little lower than middle value. The average mean value of these two questions is 3.99, almost same to middle value.
Quality

Question number 1 and question number 2 refer to the factor of quality.

1. When purchasing clothing such as jeans, to what degree do you care about the factors below? In the question, we listed three main components of quality—material, comfort, and durability. The scale is from not care at all to very important.

2. When purchasing clothing, to what extent do you think of the quality? We want to know the general opinion of quality from customers’ aspect in this question. The scale is from not important at all to very important.

Table 6-5 The Mean Value of Quality from Customers’ Perspective.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>148</td>
<td>5.57</td>
<td>1.224</td>
<td>.101</td>
</tr>
<tr>
<td>Comfort</td>
<td>148</td>
<td>6.08</td>
<td>1.128</td>
<td>.093</td>
</tr>
<tr>
<td>Durability</td>
<td>148</td>
<td>5.43</td>
<td>1.315</td>
<td>.108</td>
</tr>
<tr>
<td>Question2</td>
<td>148</td>
<td>5.70</td>
<td>1.000</td>
<td>.082</td>
</tr>
<tr>
<td>Average</td>
<td>148</td>
<td>5.69</td>
<td>.896</td>
<td>.074</td>
</tr>
</tbody>
</table>

From the table above, the mean values of the three main components of quality are similar to the general idea of quality. The average mean value of quality is 5.69, calculated by all the four parts without weight.

Service

Question number 7 and question number 8 is for measuring the factor of service.

7. Do you need any professional service when purchasing clothing? The scale is from not at all to yes, exactly.

8. Do you care the after service, such as change the size or color, return the clothing etc.? The scale for this question is same to question number 7.
Table 6-6 The Mean Value of Service from Customers’ Perspective.

<table>
<thead>
<tr>
<th>Question</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question7</td>
<td>148</td>
<td>2.69</td>
<td>1.502</td>
<td>.123</td>
</tr>
<tr>
<td>Question8</td>
<td>148</td>
<td>4.66</td>
<td>1.607</td>
<td>.132</td>
</tr>
<tr>
<td>Service</td>
<td>148</td>
<td>3.67</td>
<td>1.178</td>
<td>.097</td>
</tr>
</tbody>
</table>

It shows that the mean value of question number 7 is only 2.69 and that of question number 8 is about 4.66. It means that a lot of students in our sample do not want professional service. They just want to choose their clothes according to their own experience. They may like shopping more freely. As to the after service, the mean value is higher. People need to change size or color of clothes sometimes.

**Purchase situation**

Question number 16 and question number 17 refer to the factor of purchase situation.

16. Do you mind purchase situation when you go shopping? The scale is from not at all to yes, exactly.

17. Which purchase situation of a store do you prefer? The degree is from none-decorated to very luxury.

Table 6-7 The Mean Value of Purchase Situation from Customers’ Perspective.

<table>
<thead>
<tr>
<th>Question16</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question16</td>
<td>148</td>
<td>4.22</td>
<td>.989</td>
<td>.081</td>
</tr>
<tr>
<td>Question17</td>
<td>148</td>
<td>4.61</td>
<td>1.054</td>
<td>.087</td>
</tr>
<tr>
<td>Purchase situation</td>
<td>148</td>
<td>4.42</td>
<td>.834</td>
<td>.069</td>
</tr>
</tbody>
</table>

Purchase situation means which place customers prefer to go shopping. The results of these two questions show that people do not care purchase situation very much. Usually a luxury brand has a luxury selling place, such as luxury exclusive store.
**Advertising**

Question number 9 refers to the factor of advertising.

9. To what extent, does the advertising help your to know a brand? The scale for the question is from not at all to yes, exactly.

**Table 6-8 The Mean Value of Advertising from Customers’ Perspective.**

<table>
<thead>
<tr>
<th>Advertising</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question9</td>
<td>148</td>
<td>4.86</td>
<td>1.307</td>
<td>.107</td>
</tr>
</tbody>
</table>

People are very familiar with advertising, therefore, we only design one question to measure the importance of it. The mean value of advertising is 4.86. It means people mainly get awareness of a brand from advertising. There are still a lot of other ways for people know a brand, e.g. friends.

**Style and Design**

Question number 5 and question number 6 is designed for measure how people care the style and design in their daily life.

5. To what extent, does the style and design of clothing influence your purchasing decision? The scale is from not important at all to very important.

6. Do you read fashion magazines very often? The degree of this question is from yearly to daily.

**Table 6-9 The Mean Values of Style and Design from Customers’ Perspective.**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question5</td>
<td>148</td>
<td>5.84</td>
<td>1.105</td>
<td>.091</td>
</tr>
<tr>
<td>Question6</td>
<td>148</td>
<td>3.41</td>
<td>1.870</td>
<td>.154</td>
</tr>
<tr>
<td>Design &amp; style</td>
<td>148</td>
<td>4.63</td>
<td>1.228</td>
<td>.101</td>
</tr>
</tbody>
</table>

The results of these two questions show that a lot of people care about the style and design when people purchase clothes. But they do not read fashion magazine very often though fashion magazines is a very important way of communication.
fashion information. People may get information of fashion from other ways, such as TV, window-shopping.

**Source Effect**

Question number 10 and question number 11 refer to the factor source effect.

10. Do you mind which country the brand belongs to? (e.g., Italy brand or India brand). The degree for this question is from not care at all to yes, exactly.

11. Do you mind in which country the clothing is made? (e.g., do you care the clothing is made in France or China?). The scale is from not care at all to yes, exactly.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 10</td>
<td>148</td>
<td>3.01</td>
<td>1.767</td>
<td>.145</td>
</tr>
<tr>
<td>Question 11</td>
<td>148</td>
<td>2.64</td>
<td>1.674</td>
<td>.138</td>
</tr>
<tr>
<td>Source effect</td>
<td>148</td>
<td>2.82</td>
<td>1.548</td>
<td>.127</td>
</tr>
</tbody>
</table>

The mean value of question number 10 is 3.01. For question number 11, the mean value is only 2.64. All these two mean value are very low. The average mean value of source effect is 2.82. It means that people do not care very much in which country the clothes are made. The result of these two question will benefit Chinese apparel companies.

**6.2.3 Results of the Other Questions**

**Question number 18**

What do you think about Chinese garments? We stated five aspects below the question—quality, design, packaging, price and service. The scale of this question is from very bad to very good.
Table 6-11 The Mean Value of Question Number 18

<table>
<thead>
<tr>
<th>Question 18</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 18a</td>
<td>148</td>
<td>3.98</td>
<td>.954</td>
<td>.079</td>
</tr>
<tr>
<td>Question 18b</td>
<td>148</td>
<td>4.07</td>
<td>1.194</td>
<td>.098</td>
</tr>
<tr>
<td>Question 18c</td>
<td>148</td>
<td>4.10</td>
<td>.982</td>
<td>.081</td>
</tr>
<tr>
<td>Question 18d</td>
<td>148</td>
<td>3.49</td>
<td>1.190</td>
<td>.098</td>
</tr>
<tr>
<td>Question 18e</td>
<td>148</td>
<td>4.03</td>
<td>1.098</td>
<td>.091</td>
</tr>
</tbody>
</table>

We designed this question for testing how European customers consider Chinese garment. Though Chinese apparel companies occupied a big share in European market, European customer still have no idea about it. The mean values of this question are about 4.

**Question number 19**

Which price do you like paying for a pair of jeans?

We divided it into seven price ranges from below 100 SEK to above 1000 SEK.

Table 6-12 The Frequency of Question Number 19

<table>
<thead>
<tr>
<th>Question 19</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 150SEK</td>
<td>3</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>150~300SEK</td>
<td>10</td>
<td>6.8</td>
<td>6.8</td>
<td>8.8</td>
</tr>
<tr>
<td>300~450SEK</td>
<td>23</td>
<td>15.5</td>
<td>15.5</td>
<td>24.3</td>
</tr>
<tr>
<td>450~600SEK</td>
<td>31</td>
<td>20.9</td>
<td>20.9</td>
<td>45.3</td>
</tr>
<tr>
<td>600~800SEK</td>
<td>26</td>
<td>17.6</td>
<td>17.6</td>
<td>62.8</td>
</tr>
<tr>
<td>800~1000SEK</td>
<td>29</td>
<td>19.6</td>
<td>19.6</td>
<td>82.4</td>
</tr>
<tr>
<td>Above 1000SEK</td>
<td>26</td>
<td>17.6</td>
<td>17.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

This question we designed also refers to price sensitive. Jeans are a favorite piece of clothing for young Swedish people. Eighty-one customers accepted above 600SEK for a pair of jeans, thirteen customers only accepted below 300SEK. The
result will give Chinese apparel companies a general idea of pricing of a pair of jeans in the European market.

We also redefined the options, point 1 to the option A, point 2 to the option B, etc. The mean value of this question is shown below.

**Table 6-13 The Mean Value of Question Number 19**

<table>
<thead>
<tr>
<th>Question19</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>148</td>
<td>4.76</td>
<td>1.616</td>
<td>.133</td>
</tr>
</tbody>
</table>

The mean value of this question is 4.76. It means most people can accept a little bit higher prices. The result is similar to the mean value of the factor of price.

**Question number 20**

Which way below helps you to know a new brand? Please rank the most three important ways from 1 to 3.

**Table 6-14 The Frequency of Question Number 20**

<table>
<thead>
<tr>
<th>Question20 —Rank 1</th>
<th>Frequency</th>
<th>Percent</th>
<th>Question20 —Rank 2</th>
<th>Frequency</th>
<th>Percent</th>
<th>Question20 —Rank 3</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No response</td>
<td>1</td>
<td>.7</td>
<td>No response</td>
<td>16</td>
<td>10.8</td>
<td>No response</td>
<td>19</td>
<td>12.8</td>
</tr>
<tr>
<td>TV</td>
<td>42</td>
<td>28.4</td>
<td>TV</td>
<td>26</td>
<td>17.6</td>
<td>TV</td>
<td>13</td>
<td>8.8</td>
</tr>
<tr>
<td>Newspaper</td>
<td>4</td>
<td>2.7</td>
<td>Newspaper</td>
<td>12</td>
<td>8.1</td>
<td>Newspaper</td>
<td>8</td>
<td>5.4</td>
</tr>
<tr>
<td>Magazine</td>
<td>33</td>
<td>22.3</td>
<td>Magazine</td>
<td>32</td>
<td>21.6</td>
<td>Magazine</td>
<td>30</td>
<td>20.3</td>
</tr>
<tr>
<td>Internet</td>
<td>1</td>
<td>.7</td>
<td>Internet</td>
<td>6</td>
<td>4.1</td>
<td>Internet</td>
<td>12</td>
<td>8.1</td>
</tr>
<tr>
<td>Friends</td>
<td>29</td>
<td>19.6</td>
<td>Friends</td>
<td>28</td>
<td>18.9</td>
<td>Friends</td>
<td>34</td>
<td>23.0</td>
</tr>
<tr>
<td>Shopping in store</td>
<td>38</td>
<td>25.7</td>
<td>Shopping in store</td>
<td>28</td>
<td>18.9</td>
<td>Shopping in store</td>
<td>30</td>
<td>20.3</td>
</tr>
<tr>
<td>Leaflet</td>
<td>0</td>
<td>0</td>
<td>Leaflet</td>
<td>0</td>
<td>0</td>
<td>Leaflet</td>
<td>2</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Total 148 100.0 Total 148 100.0 Total 148 100.0

The table above shows the ways customer get awareness of a brand. From rank 1 to rank 3, the four most ways are same—TV, magazine, friends and shopping in store. It means most people know a brand through these four ways.
Question number 21
Which place do you prefer when you purchase clothing? We listed five options—supermarket, exclusive shop, boutique, department store and online store.

Table 6-15 The Frequency of Question Number 21

<table>
<thead>
<tr>
<th>Question21</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Supermarket</td>
<td>2</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Exclusive store</td>
<td>29</td>
<td>19.6</td>
<td>19.6</td>
<td>20.9</td>
</tr>
<tr>
<td>Boutique</td>
<td>65</td>
<td>43.9</td>
<td>43.9</td>
<td>64.9</td>
</tr>
<tr>
<td>Department store</td>
<td>51</td>
<td>34.5</td>
<td>34.5</td>
<td>99.3</td>
</tr>
<tr>
<td>Online store</td>
<td>1</td>
<td>.7</td>
<td>.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The result of this question shows a lot of customers like shopping in boutiques and department store. There are also twenty-nine customers who like exclusive stores, about twenty percent. The result gives apparel companies a clue about the suitable place to sell their clothing.

Question number 22
Do you think any other factors are important to influence the brand? If any, please write.
There are no responses for this question.

6.3 Results of Questionnaire from Chinese Companies
6.3.1 General Information of Chinese Companies
We tried to compare the factors of brand building from a customer-based perspective and a company-based perspective. Therefore we designed the questionnaire for Chinese apparel companies according to the nine factors we have discussed in chapter 4. We selected twenty-three Chinese apparel companies in Ningbo which we can contacted.
Table 6-16 The General Information of Chinese Apparel Companies

<table>
<thead>
<tr>
<th>Question 1 Title</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Assistant</td>
<td>2</td>
<td>8.7</td>
<td>8.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Designer</td>
<td>2</td>
<td>8.7</td>
<td>8.7</td>
<td>17.4</td>
</tr>
<tr>
<td>Employee</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>21.7</td>
</tr>
<tr>
<td>Manager</td>
<td>14</td>
<td>60.9</td>
<td>60.9</td>
<td>82.6</td>
</tr>
<tr>
<td>Owner</td>
<td>2</td>
<td>8.7</td>
<td>8.7</td>
<td>91.3</td>
</tr>
<tr>
<td>Secretary</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>95.7</td>
</tr>
<tr>
<td>Vice President</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Because we asked our relatives to contact all these companies directly, the companies all did the questionnaire earnestly. There are fourteen managers and two owners who completed the questionnaire themselves.

Table 6-17 The Frequency of Employee

<table>
<thead>
<tr>
<th>Question 1 Employee</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Below 200</td>
<td>9</td>
<td>39.1</td>
<td>39.1</td>
<td>39.1</td>
</tr>
<tr>
<td>200~1000</td>
<td>7</td>
<td>30.4</td>
<td>30.4</td>
<td>69.6</td>
</tr>
<tr>
<td>Above 1000</td>
<td>7</td>
<td>30.4</td>
<td>30.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

There are seven companies with more than 1000 employees. Nine companies are smaller with less than 200 employees. And there are also seven medium companies.
Table 6-18 The Turnover of Chinese Companies

<table>
<thead>
<tr>
<th>Question</th>
<th>Annual Sales</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>No response</td>
<td>2</td>
<td>8.7</td>
<td>8.7</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>Below 10 million</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>13.0</td>
</tr>
<tr>
<td></td>
<td>10 million to 50 million</td>
<td>8</td>
<td>34.8</td>
<td>34.8</td>
<td>47.8</td>
</tr>
<tr>
<td></td>
<td>50 million to 100 million</td>
<td>5</td>
<td>21.7</td>
<td>21.7</td>
<td>69.6</td>
</tr>
<tr>
<td></td>
<td>Above 100 million</td>
<td>7</td>
<td>30.4</td>
<td>30.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Unit: RMB Yuan, 1 SEK ≈ 1.2 RMB Yuan

There are two companies did not reply their turn over. Seven companies are really big—their sales are more than 100 million (RMB) Yuan. Only one company is small with sales less than 10 million Yuan.

Table 6-19 The Main Products of Chinese Companies

<table>
<thead>
<tr>
<th>Q2_Main Products</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Cashmere</td>
<td>2</td>
<td>8.7</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>Casual</td>
<td>3</td>
<td>13.0</td>
<td>21.7</td>
</tr>
<tr>
<td></td>
<td>Children’ wear</td>
<td>2</td>
<td>8.7</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>Clothing</td>
<td>2</td>
<td>8.7</td>
<td>39.1</td>
</tr>
<tr>
<td></td>
<td>Shirt</td>
<td>1</td>
<td>4.3</td>
<td>43.5</td>
</tr>
<tr>
<td></td>
<td>Stockinet</td>
<td>4</td>
<td>17.4</td>
<td>60.9</td>
</tr>
<tr>
<td></td>
<td>Suit-dress</td>
<td>2</td>
<td>8.7</td>
<td>69.6</td>
</tr>
<tr>
<td></td>
<td>Suit</td>
<td>3</td>
<td>13.0</td>
<td>82.6</td>
</tr>
<tr>
<td></td>
<td>Suit, casual</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>Suit, fashion</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>Suit, shirt and others</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>Suit, shirt, professional and causal</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
From the table above, we can see that all these companies do their business in the apparel industry. Seven companies manufacture suits; four companies manufacture stockinet. They almost cover every area of clothing.

**Question number 3**

Does your company have brands of your own?

**Table 6-20 The Result of Question Number 3**

<table>
<thead>
<tr>
<th>Q3—Own brands</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid YES</td>
<td>17</td>
<td>73.9</td>
<td>73.9</td>
<td>73.9</td>
</tr>
<tr>
<td>NO</td>
<td>6</td>
<td>26.1</td>
<td>26.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Seventeen companies have their own brands. Six companies have no brands of their own. Perhaps they just manufacture clothing for other companies (OEM).

**Question number 4.**

Does your company produce clothing under other company’s brand?

**Table 6-21 The Result of Question Number 4**

<table>
<thead>
<tr>
<th>Question4—OEM</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid YES</td>
<td>13</td>
<td>56.5</td>
<td>56.5</td>
<td>56.5</td>
</tr>
<tr>
<td>NO</td>
<td>10</td>
<td>43.5</td>
<td>43.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

From the table above and table 6.28, we can find that several companies have their own brand, but they also produce clothing for other companies. Thirteen companies produce clothing under other companies’ brand. Only seven companies just manufacture under their own brands.
Question number 5

Where is your main market?

Table 6-22 The Result of Question Number 5

<table>
<thead>
<tr>
<th>Q5-Main Market</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Europe</td>
<td>10</td>
<td>43.5</td>
<td>43.5</td>
<td>43.5</td>
</tr>
<tr>
<td>America</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>47.8</td>
</tr>
<tr>
<td>China</td>
<td>11</td>
<td>47.8</td>
<td>47.8</td>
<td>95.7</td>
</tr>
<tr>
<td>Japan</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

From the table above, these Chinese companies’ main market is Europe (10) and China (11).

6.3.2 Results of Nine Factors from Questions

Question number 6 to question number 20 relate to nine factors of brand build. A scale from 1 to 7 is used from question number 6 to question 13. The results will be presented according the factors one by one.

Loyalty

Loyalty will influence companies’ strategy about customer. Question number 11 is designed for testing the idea of loyalty from companies’ aspects.

11. Do you think maintaining the existing customers are more important than attracting new customers? The scale is from no to yes, exactly.

Table 6-23 The Mean Value of Loyalty from Companies’ Perspective

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question11</td>
<td>23</td>
<td>4.87</td>
<td>1.740</td>
<td>.363</td>
</tr>
</tbody>
</table>

The mean value of loyalty is 4.87. It means that most Chinese apparel companies regard that most customers have loyalty to a brand.
Price
We designed question number 8 and question number 14 for testing the price sensitive in brand building from companies’ perspective.

8. Do you agree that high price strategy is proper for building a strong brand? The scale of the question is from no to yes, exactly.

14. How much would your company like to price a pair of T-shirt? The options for this question are similar to the question for students. We changed jeans to T-shirt because of cultural difference. We also change the price level because the income level is different in China.

Table 6-24 The Mean Value of Price from Companies’ Perspective

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question8</td>
<td>23</td>
<td>3.52</td>
<td>2.313</td>
<td>.482</td>
</tr>
<tr>
<td>Question14</td>
<td>23</td>
<td>3.74</td>
<td>2.137</td>
<td>.446</td>
</tr>
<tr>
<td>Price</td>
<td>23</td>
<td>3.63</td>
<td>1.687</td>
<td>.352</td>
</tr>
</tbody>
</table>

Usually, companies cannot build a strong brand if the price of product is very low. The companies have to use good material and invest a lot in design, advertising and distribute channel to raise the position of brand. But from the data above, we can find that the mean value is only 3.63. Perhaps they just want to increase their quantity instead of quality.

Name and Logo
Question number 9 is designed for testing the importance of name and logo from companies’ perspective.

9. How much percentage of annual sales does your company invest on the symbols of your brand? (i.e. brand name, logo or slogan)? The range is from 1 percent to 5 percent.

Table 6-25 The Mean Value of Name and Logo from Companies’ Perspective

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question8</td>
<td>23</td>
<td>4.35</td>
<td>2.269</td>
<td>.473</td>
</tr>
</tbody>
</table>
The mean value of the question number 9 is 4.35. We also found there are eight companies invested more than five percent of their annual sale on brand name. They regarded the brand name very important to their company. But there are still several companies that do not think so. After we checked their answer of question 3 and question 4, we found they have no brand of their own and only produce clothing under other companies’ brand.

Quality
Question number 6 is designed to measure the factor of quality.
6. Do you think that the quality of your product is good enough to be a strong global brand?

Table 6-26 The Mean Value of Quality from Companies’ Perspective

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>23</td>
<td>6.00</td>
<td>1.087</td>
<td>.227</td>
</tr>
</tbody>
</table>

The mean value of quality is 6.00, much high than the average value 4. Therefore, most Chinese apparel companies we investigated regard the quality of their product as good enough to be a strong global brand. It means all these companies pay much attention to quality.

Service
Question number 17 and question number 18 is designed for testing the factor of service.
17. Does your company have specially department dealing with customers’ complain? The options are yes or no.
18. Which channels below does your company have for dealing with customers’ complaint? We provided four ways, face-to-face, direct telephone, website and through letter.
Table 6-27 The Mean Value of Service from Companies’ Perspective

<table>
<thead>
<tr>
<th>Service</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>23</td>
<td>4.30</td>
<td>2.305</td>
<td>.481</td>
</tr>
</tbody>
</table>

The mean value of service is 4.30. The mean value of service comes from question number 17 and question number 18. We defined two points to answer yes of question number 17 and zero to answer no. We also redefine the four options of question number 18 different points—option A for 2 points, option B, C and D for 1 point. We think that option A for question number 18 is a basic service for customer. Question number 18 is also a multi-choice question. Therefore the total score of all the answers of question number 17 and question number 18 is seven. All the score that a company chose will be simply added and calculate the mean value of service at last. The mean value of price is 4.30.

Selling Situation (Purchase situation)

From question number 13, we can find how Chinese apparel companies think about the factor of selling situation.

13. To what extent does your company think the importance of selling situation in the position of brand building? The range is from not important at all to very important.

Table 6-28 The Mean Value of Selling Situation from Companies’ Perspective

<table>
<thead>
<tr>
<th>Question13</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question13</td>
<td>23</td>
<td>5.91</td>
<td>1.276</td>
<td>.266</td>
</tr>
</tbody>
</table>

The mean value of the question is very high, about 5.91. Most companies think the selling situation is very important to brand building. It also means that if you want to build a strong brand, you have to choose the right place where you sell your clothes.
Advertising

Question number 10 refers to the factor of advertising.

10. How much percentage of annual sales does your company invest in advertising? The range is from 1 percent to 5 percent.

Table 6-29 The Mean Value of Advertising from Companies’ Perspective

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question10</td>
<td>23</td>
<td>4.22</td>
<td>2.235</td>
<td>.466</td>
</tr>
</tbody>
</table>

The mean value of this question is 4.22. The distribution in this question is relatively even. Six companies invest more than five percent of the annual sale in advertising. And there are also four companies invest less than one percent (see appendix 4).

Style and Design

Question number 7 and question number 15 refers to the factor of style and design. It means that if an apparel company pays attention to style and design, they should have lots of designer and take part in fashion exhibition very often.

7. How often does your company take part in fashion exhibition? The scale is from never participating to at least twice a year.

15. How many designers are there in your company? We provided seven steps, from below 5 persons to above 30 persons.

Table 6-30 The Mean Value of Style and Design from Companies’ Perspective

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question7</td>
<td>23</td>
<td>5.48</td>
<td>1.951</td>
<td>.407</td>
</tr>
<tr>
<td>Question15</td>
<td>23</td>
<td>2.65</td>
<td>1.849</td>
<td>.386</td>
</tr>
<tr>
<td>Design &amp; Style</td>
<td>23</td>
<td>4.07</td>
<td>1.647</td>
<td>.343</td>
</tr>
</tbody>
</table>

The mean value of style and design comes from question number 7 and question number 15. We redefined each options of question number 15 by 1 to 7 instead of A to G. Then calculate the average mean value of these two questions.
**Source Effect**

Question number 12 refers to the factor of source effect.

12. Do you think that customers will mind in which country the clothing is made? The scale is from not care at all to care very much.

<table>
<thead>
<tr>
<th>Question12</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23</td>
<td>4.52</td>
<td>1.504</td>
<td>.314</td>
</tr>
</tbody>
</table>

The mean value of source effect is 4.52. This question designed for testing the source effect in brand building. People usually think that France and Italy have a good reputation. Chinese clothing does not have a very good reputation. Therefore, it is a big challenge for Chinese companies. Fortunately, most Chinese companies also think customers will mind the source of the clothing.

**6.3.3 Results of the Other Questions**

We also designed several other questions in order to get more information about brand building from the companies’ aspects.

**Question number 16**

Which channel below is the main channel of your company selling clothing? We provided five answers for companies, supermarket, exclusive shop, boutique, department store and online store.

<table>
<thead>
<tr>
<th>Question 16</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No response</td>
<td>1</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Exclusive shop</td>
<td>14</td>
<td>60.9</td>
<td>60.9</td>
<td>65.2</td>
</tr>
<tr>
<td>Boutique</td>
<td>5</td>
<td>21.7</td>
<td>21.7</td>
<td>87.0</td>
</tr>
<tr>
<td>Department store</td>
<td>3</td>
<td>13.0</td>
<td>13.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
There are about 61 percent companies that have their own exclusive shop. Eight companies also sell their clothes in boutiques and department stores.

**Question number 19 and question number 20**
19 Does your company mark the country of the clothing made in?
20 Does your company mark the country of the clothing designed in?
These two questions just want to test Chinese companies opinions of source effect.

<table>
<thead>
<tr>
<th></th>
<th>Question 19—source effect</th>
<th>Frequency</th>
<th>Percent</th>
<th>Question 20—source effect</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>YES</td>
<td>18</td>
<td>78.3</td>
<td>Valid</td>
<td>YES</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>5</td>
<td>21.7</td>
<td>NO</td>
<td>18</td>
<td>78.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>23</td>
<td>100.0</td>
<td>Total</td>
<td>23</td>
<td>100</td>
</tr>
</tbody>
</table>

The table above shows that most companies mark the country where the clothing is made but not where they are design. In China, a lot of companies mark the design country instead of where it is made. They want to dim the source effect of “made in China.”

**Question number 21**
What other factors are important to build a brand in a foreign market?
There is no response to this question.

**a6.4 Results of Questionnaire from Swedish Companies**
We designed the same questionnaire for the Swedish companies. We have mailed the questionnaire to twenty-three Swedish apparel companies, but we only got five responses. Therefore, we cannot get any results from the questionnaire. However, we got some valuable information from these five companies.

From question number 3, we get the table below.
Table 6-34 The Frequency of Question Number 3

<table>
<thead>
<tr>
<th>Question 3</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A luxury brand</td>
<td>1</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Upper-middle brand</td>
<td>3</td>
<td>60.0</td>
<td>60.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Normal brand</td>
<td>1</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

There are three companies owning an upper-middle brand and one company owning a luxury brand.

From question number 5, we found all these companies’ market is in Europe.

The answers of question number 11 shows that all of these companies think that customer have a strong brand loyalty.

They also regard quality as important factor in brand building (question number 6).

### 6.5 Summary

At very beginning, we prepared to do questionnaire for three groups—students, Chinese apparel companies and Swedish apparel companies, but we only got two valid results. We only got 5 responses from the Swedish apparel companies. It is not enough to get evaluate statistically. Fortunately, we got 152 responses from the students and 23 responses from the Chinese apparel companies. Therefore, the main result comes from these two groups.

In the following tables, all the mean values of the nine factors are shown together.
Table 6-35 The Man Values of Nine Factors from Customers’ Perspective

<table>
<thead>
<tr>
<th>Mean value</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>148</td>
<td>5.69</td>
<td>.896</td>
</tr>
<tr>
<td>Price</td>
<td>148</td>
<td>5.02</td>
<td>1.149</td>
</tr>
<tr>
<td>Design &amp; Style</td>
<td>148</td>
<td>4.63</td>
<td>1.228</td>
</tr>
<tr>
<td>Service</td>
<td>148</td>
<td>3.67</td>
<td>1.178</td>
</tr>
<tr>
<td>Advertising</td>
<td>148</td>
<td>4.87</td>
<td>1.307</td>
</tr>
<tr>
<td>Source Effect</td>
<td>148</td>
<td>2.82</td>
<td>1.548</td>
</tr>
<tr>
<td>Loyalty</td>
<td>148</td>
<td>4.43</td>
<td>1.004</td>
</tr>
<tr>
<td>Name Logo</td>
<td>148</td>
<td>3.99</td>
<td>1.486</td>
</tr>
<tr>
<td>Purchase Situation</td>
<td>148</td>
<td>4.42</td>
<td>.834</td>
</tr>
<tr>
<td>Valid N</td>
<td>148</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6-36 The Man Values of Nine Factors from Companies’ Perspective

<table>
<thead>
<tr>
<th>Mean value</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>23</td>
<td>6.00</td>
<td>1.087</td>
</tr>
<tr>
<td>Name &amp;logo</td>
<td>23</td>
<td>4.35</td>
<td>2.269</td>
</tr>
<tr>
<td>Advertising</td>
<td>23</td>
<td>4.22</td>
<td>2.235</td>
</tr>
<tr>
<td>Loyalty</td>
<td>23</td>
<td>4.87</td>
<td>1.740</td>
</tr>
<tr>
<td>Source effect</td>
<td>23</td>
<td>4.52</td>
<td>1.504</td>
</tr>
<tr>
<td>Purchase situation</td>
<td>23</td>
<td>5.91</td>
<td>1.276</td>
</tr>
<tr>
<td>Service</td>
<td>23</td>
<td>4.30</td>
<td>2.305</td>
</tr>
<tr>
<td>Price</td>
<td>23</td>
<td>3.63</td>
<td>1.687</td>
</tr>
<tr>
<td>Design Style</td>
<td>23</td>
<td>4.07</td>
<td>1.647</td>
</tr>
<tr>
<td>Valid N</td>
<td>23</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chapter 7 Analysis

In this section, the results of the survey will be analyzed. The software SPSS 13.0 for Windows was used for calculating the mean value and the standard significance. The nine factors will be discussed respectively. Also, the Swedish companies will be illustrated by a descriptive analysis as subsidiary research. Finally, the application of the model will be described.

7.1 Introduction

Since the collected sample size is big enough for us to analyze the results of the questionnaire statistically, the analysis is both explanatory and quantitative. The explanatory procedure was a deductive approach, since it emphasizes on moving from theory to data, testing the model of nine factors and explaining the relationship between brand building and the relevant factors. The software SPSS 13.0 of Windows was used for calculating the mean value of each factor and, thereafter, the standard significance was used for evaluating the difference views on the factors between European customers and Chinese companies’ managers. Since the response from the Swedish companies is of a small sample size, we will try to give a descriptive analysis as subsidiary research (Saunders, Lewis & Thornhill, 2003, p 82-99).

7.2 Explanatory Analysis

Through the review and construe of the theories of brand, the customer-base brand factors model was created. It is expected that if the consumers, the Chinese clothing company and the European apparel firms would share similar ideas about the brand building, then it is possible for the Chinese apparel companies to build the global brand in Europe market.

However, the survey indicates that the three groups chose variable views of the importance of the individual factors. The consumers, thought quality, price, and advertising were the most important elements, while the managers of Chinese
companies regard quality, purchase situation and loyalty as essential for building a new brand in the European market. They have totally different ideas about five of the nine factors, which are price, service, style & design, name and source effect. A noticeable point is that none of them had the same opinion about which the least important factor is in building a global brand.

Therefore, it can be assumed that for a Chinese apparel company who desire to build their own new brands in the European market, quality, price and advertising are vital factors, since consumers do not find the factors of source effect and service as important.

In order to distinguish and compare the quantitative variables among these nine elements concerning brand building, the questionnaires were analyzed by using mean value, and statistic significant. The mean value is a measure of importance of the factors. A high mean value means that the respondents regard the element as very important. The statistic significance was used to evaluate the difference of opinions between the European customers and the Chinese apparel companies. The result of individual factors will be explained and analyzed separately in the following text.

7.2.1 Loyalty

Loyalty represents the satisfaction customers feel about the product. As the core of brand equity, a high loyalty means that the brand has a good and sustainable reputation. We believe a high loyalty means that consumers usually stick to the same brand and would not like to accept new one easily. Thus, it indicates that if the loyalty level is high, it will be more difficult for a company to enter a market with a new brand, and vice versa.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>4.43</td>
<td>1.004</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>4.87</td>
<td>1.740</td>
</tr>
</tbody>
</table>
Apparently, according to the results of the survey, the mean value for the question to the students is very high. Therefore, the European customers prefer to buy the same brands when they purchase clothes. On the one hand, it implies that the present apparel brands in the European market have good reputation and have satisfied the consumers’ needs. On the other hand, it infers that the European people seem a little conservative and have steady choice when facing clothing brands.

It is clear that the Chinese firms’ managers who are in charge of international business also regarded loyalty as an essential element in building a brand. Most likely it is because those Chinese managers usually just do business with familiar and steady European agents. And they think attracting old customers are important for a strong brand. So loyalty should be paid more attention to when Chinese firms want to enter the European market.

### 7.2.2 Price

Price is always regarded as a vital factor for a customer to make a purchasing decision. It not only influences the payment of the customer, but also decides the firm’s profit. Furthermore, the brands on different levels have different price policies.

**Table 7-2 Mean Value for Price**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>5.02</td>
<td>1.149</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>3.63</td>
<td>1.687</td>
</tr>
</tbody>
</table>

Actually the customers were more sensitive to price than Chinese managers imagined. And the respondents prefer to buy more expensive jeans, which suggested that a high price supports a strong brand. To some extent, the phenomenon that people still prefer purchasing clothes in boutiques rather than in supermarket also illustrates this point.
The mean value from the Chinese managers is about 1.4 lower than that of the students. The figure shows that Chinese managers did not consider price as an essential factor for brand building. Their suggested price to a T-shirt is only approximately $20, which only suits a low class brand. From this point it can be guessed that Chinese clothing companies are used to adopt low price policies with big turnover volumes, which is not a good policy for a strong brand.

### 7.2.3 Name & logo

Brand symbols, such as name and logo, have been regarded as increasingly valuable assets by many firms. The symbols are intangible treasures and sometimes worth amazing sums of money. A well-known brand name gives people credibility and reliability. The name & logo itself has a basic function, they help customers recognize the brand.

#### Table 7-3 Mean Value for Name & logo

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>3.99</td>
<td>1.486</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>4.35</td>
<td>2.269</td>
</tr>
</tbody>
</table>

It is out of expectation that European customers do not mind what kind of name and logo a brand has. Although, according to the foregoing theories, symbols with a familiar word or pattern can enhance brand awareness, the result shows that the mean value from students is exactly 4 and the symbol was not emphasized in the results.

In the mind of Chinese managers, a fantastic name & logo should benefit the formation of a successful brand. However, the mean value of the firms is also just above 4, it seems that those managers would not like to pay much attention to the symbols of a brand.
7.2.4 Quality
The quality level decides the brand position in both the consumer’s mind and the target market. It comprises operating function, reliability, durability, repair, and many other valued attributes. Quality ensures the life of a product and its brand.

It is no strange that both the consumers and the managers believed that quality is the most important factor for brand building. There is no doubt that for every company who plans to form a strong and sustainable brand, the quality of the product is always the first thing to consider.

Table 7-4 Mean Value for Quality

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>5.69</td>
<td>.896</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>6.00</td>
<td>1.087</td>
</tr>
</tbody>
</table>

7.2.5 Service
As a supporting marketing tool, service influences the consumer’s impression of the brand. Both before service and after service are concern with the customers’ interests. The perfect service helps attract more customers.

Table 7-5 Mean Value for Service

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>3.67</td>
<td>1.178</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>4.30</td>
<td>2.305</td>
</tr>
</tbody>
</table>

The mean value for service from the student group is slightly below 4. And this indicates that consumers do not think service is not so important as other factors in building a global brand. A potential reason maybe exists in the mature market where the present service has satisfied the consumers’ demand to certain extent.
Although managers paid a little more attention to service than the students, there is no big difference between them. So service may be the factor that the companies need not stress so much when they develop their branding strategies.

### 7.2.6 Purchase Situation

The condition under which the transactions are made has close relation with brand levels. A stronger brand needs more comfortable purchase situation to meet customers’ need. And good situation make it easier to form a brand in a new market.

**Table 7-6 Mean Value for Purchase Situation**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>4.42</td>
<td>.834</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>5.91</td>
<td>1.276</td>
</tr>
</tbody>
</table>

The figure in Table 7-6 states that although consumers prefer good purchase situations, they do not think the condition or facilities of the shopping is essential for a strong brand. It seems that the students minded little about where they buy the same product.

On the contrary, most managers believed that a nice purchase situation would benefit the building of a new brand. The Chinese managers gave a mean value of 5.91 to purchase situation. In their mind, a pleasing store can help them beat competitors and make it easy to enter a fresh market. The purchase situation also represents the firm’s image in the business world.

### 7.2.7 Advertising

Advertising is the main method for a company to introduce their brands and products in the market. The customers’ choice of brand will be influenced by the
brand promotion of the firms. As one crucial tool, advertising is used to present people with some basic information about the product in a short period of time.

**Table 7-7 Mean Value for Advertising**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>4.86</td>
<td>1.307</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>4.22</td>
<td>2.235</td>
</tr>
</tbody>
</table>

As seen in the table, the two groups agreed that advertising is important in creating a strong brand while students pay a little more attention to this promoting weapon. It could be expected that students as consumers are easily influenced by propaganda, and the media can recommend clothing fashion to them. So this is a key point for a company to carry out in their brand strategy.

The Chinese managers gave a moderate score on this element. This might be due to the shortage of advertising experiences in the European countries. Actually, most companies who want to introduce their brand in the market invest a lot in propaganda, sometimes even more than in raw material. To this point, it is worth to do further research on why managers do not regard advertising as a very important tool in constructing a brand.

**7.2.8 Style & Design**

Innovation is the unchangeable target in the apparel industry. The catwalk in the T-stage can be considered a form of art and part of the fashion will eventually be popular in practical life. Style & design could deepen the brand awareness of consumers and enhance brand quality.

**Table 7-8 Mean Value for Style & Design**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>4.63</td>
<td>1.228</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>4.07</td>
<td>1.647</td>
</tr>
</tbody>
</table>
The students in Kristianstad thought the style and design are necessary in creating a brand. If a brand always keeps an unchangeable style and do not invest in new design, the brand will be out of date and will lose its competitive power and will disappear in the end.

The answers from the managers reflect that presently, the Chinese apparel firms do not put much energy into the style and design area. They seldom employ and build design groups, and mostly just imitate the fashion from others. This is a weakness for Chinese companies that wish to enter into the European market with their own brands.

7.2.9 Source Effect

Before the results from the questionnaires were collected, it is anticipated that the consumers will perceive products from developed countries as more superior than from undeveloped and developing countries. And some foregoing theories argue the importance of source effect, history, culture and other external factors. Economic, cultural and political form of the source countries may have an influence on the purchase decision.

Table 7-9 Mean Value for Source Effect

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mean Value</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>2.82</td>
<td>1.548</td>
</tr>
<tr>
<td>Chinese Managers</td>
<td>4.52</td>
<td>1.504</td>
</tr>
</tbody>
</table>

But the unexpected response from the students indicates that, nowadays, consumers pay little attention to where the clothes are made, and the source country has hardly any importance so it will not influence the global brand building. Globalization and the united European market may give some explanations to this point. Another noticeable reason is that most of the apparel manufacturing industries has been transferred to the third world already or some will be.
On the contrary, Chinese managers are still of the opinion that the source effect will influence the brand. A possible explanation is that people who live in developing countries usually think the products from advanced countries are much better than domestic merchandise. Apparently the Chinese managers should adapt to the changing world and have more confidence in their own brands.

7.2.10 Significant Difference of the Response

After analyzing the respondents’ opinions about the nine factors, we also want to know whether they share the same idea or disagree with each other about individual element. The ANOVA of SPSS was applied to determine whether the differences between the customers and Chinese managers were statistically significant. A 95% confidence interval of the difference was borrowed and we admitted that there were statistically differences when Sig. <0.05. The ANOVA showed that there were significant differences in five consumer-based factors (see Table 7–9)
<table>
<thead>
<tr>
<th></th>
<th>Advertising</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Between Groups</td>
<td>8.345</td>
<td>1</td>
<td>8.345</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>361.210</td>
<td>169</td>
<td>2.137</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>369.556</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Design &amp; Style</td>
<td>Between Groups</td>
<td>6.313</td>
<td>1</td>
<td>6.313</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>281.213</td>
<td>169</td>
<td>1.664</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>287.526</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>Between Groups</td>
<td>3.922</td>
<td>1</td>
<td>3.922</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>214.791</td>
<td>169</td>
<td>1.271</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>218.713</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Name&amp;Logo</td>
<td>Between Groups</td>
<td>2.503</td>
<td>1</td>
<td>2.503</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>437.711</td>
<td>169</td>
<td>2.590</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>440.213</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>Between Groups</td>
<td>38.265</td>
<td>1</td>
<td>38.265</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>256.816</td>
<td>169</td>
<td>1.520</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>295.082</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>Between Groups</td>
<td>44.640</td>
<td>1</td>
<td>44.640</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>138.020</td>
<td>169</td>
<td>.817</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>182.661</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>Between Groups</td>
<td>1.861</td>
<td>1</td>
<td>1.861</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>143.978</td>
<td>169</td>
<td>.852</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>145.838</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>Between Groups</td>
<td>7.952</td>
<td>1</td>
<td>7.952</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>320.726</td>
<td>169</td>
<td>1.898</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>328.678</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>Between Groups</td>
<td>57.355</td>
<td>1</td>
<td>57.355</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>402.172</td>
<td>169</td>
<td>2.380</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>459.526</td>
<td>170</td>
<td></td>
</tr>
</tbody>
</table>

Our conclusion is that European consumers regard price and advertising as essential elements, while they regard source effect, service and purchase situation
count less important when building a strong brand in the EU market. However, apparently the Chinese managers have a totally opposite opinion on these five factors.

But for the rest of the four elements, quality, loyalty, design & style and name & logo, with Sig. > 0.05, statistically significant differences were not found.

7.2.11 Conclusion of the Explanatory Analysis

To sum up the result, there are variable opinions between European customers and Chinese managers about the importance of the nine factors that influence brand building.

The two groups agree on that quality, advertising, loyalty and purchasing situation would influence the creation of a brand, but they attached importance to the four factors to variable degrees. All of them consider quality the most important and vital element for creating a brand. Advertising and brand loyalty are both important to a brand strategy. Although both groups think a nice purchase situation would benefit the brand construction, the managers care more about this condition than the students.

It is interesting to notice that they do not agree with each other about the factor of price, service, style & design, name and source effect. While the consumers are very sensitive to price, and design & style, the Chinese managers overlook these elements. Whereas the respondents from Kristianstad seldom pay attention to service, source effect, or even name, the managers suggest these factors are important when building a brand. Their opinions about the five factors of price, advertising, purchase situation, service and source effect are statistically significantly different. But for the rest four elements, the statistic differences are not apparent.

7.3 Descriptive Analysis of the Swedish Companies

Since there are only five answers from the Swedish companies, the sample size is
too small to analyze the outcome statistically. Thus, only a descriptive study was achieved according to a deductive procedure.

All the Swedish managers regarded loyalty as the more important element in brand construction. They believed that maintaining the existing customers are more important than attracting new customers. Two of them were not sure whether the quality of their product is good enough to be a strong global brand while another two had strong confidence in their products.

According to their opinion, a high price policy was not absolutely proper when creating a strong brand. Roughly speaking, source effect and purchase situation were not paid much attention to by the Swedish managers. They thought the customers would not care much about where the clothes are made and where to buy it.

Even though all the firms employ less than five designers, we could not say that they do not care about style and design. Most of the firms invest no more than three percent of annual sales on advertising and name & logo building, which is much lower than their Chinese counterpart. There is also no special department in these companies to deal with customers’ complaint and it is a little different from the Chinese firms.

We can draw a rough conclusion that Swedish managers think that loyalty and quality are the most essential factors when creating a global brand. Meanwhile the source effect, price and purchase situation are also important. However, the design, name & logo, service and advertising are not as important as other factors.

7.4 Application of the Model

For applying the modified model introduced in chapter 4, the mean value of each factor was calculated according to different questions (see appendix). If the responding party perceived the element as very important, the mean value is high and is put outside the spoke. The outer spokes stand for number 7 while the inner
spokes display number 1. The results from the students and the Chinese apparel companies are presented below respectively.

Figure 7.1 shows the answers from the students in Kristianstad. It represents the Customer-Based Brand Factors Model.
Figure 7.2 describes the results from the Chinese managers. It reflects their opinion about the brand building.

**Figure 7-2 Responses from Chinese Managers**

If we superpose the two graphs into one figure, the variable mean values can be recognized clearly. Different attitude about the importance of factors are compared in Figure 7.3. It can be seen that while consumers and managers share common opinion about some factors, they have quite different ideas about other aspects.
7.5 Summary

In this section, the analysis of the survey was presented. The first part analysis was an explanatory analysis which used a deductive research method. In this part the nine factors—name, style & design, source effect, service, price, purchase situation, loyalty, advertising and quality were discussed respectively, based on the opinion of Swedish students and Chinese managers. The software SPSS was used for evaluating the importance of the elements and comparing the statistic difference between the opinion of the customers and the Chinese managers. Then a descriptive analysis about the Swedish apparel companies’ idea was given. We concluded that quality is the more important factor in brand building and that European customers do not stress service and source effect. The other elements, including price, name & logo, style & design, purchase situation, loyalty, advertising, should all be taken into special consideration.
The Customer-Based Brand Factors Model was tested and applied statistically with a spider-web. The different views on the importance of individual factor were displayed clearly by using this model.
Chapter 8 Conclusions

In this final chapter, we will conclude our research. First, we will summarize the dissertation. Methodological criticism follows. An evaluation of the model, future research and recommendation are also presented.

8.1 Summary of Dissertation

The apparel and fashion industry is a rapidly changing and growing market. Building global brands is a trend in the business world nowadays. Although the Chinese textile and clothing productions continuously increases, now representing over one-fourth of the total Chinese exports, there is still a lack of strong Chinese brands in the global market. The need for building global brands is a goal that many Chinese apparel companies pursue. The main purpose of this dissertation was to investigate the different views on the key factors influencing the global brand building among the European customers, European apparel companies and Chinese apparel companies, and give some insights for Chinese apparel companies to build global brands in European market. At first we tried to conduct an extensive literature review to learn more about the subject. We primarily focused on the basic concepts in the brand area. Then, we investigated the phenomena of global brands, which presented the trend and advantages of global branding. There exists a lot of research in this field, and we chose to base our dissertation on the models established by Aaker (1996), Keller (2003), Melin (1996), Goodyear (1996), and Gelder (2004), which all illustrated the subject in different ways. In order to have also a practical example, we considered the case study of Esprit, which is known as one of the most successful Asia fashion brands. Furthermore, the European market and the characteristics of the apparel industry were investigated.

Based on these facts, from a consumers’ perspective, we selected relevant elements from the models and the case to create a new model, namely our Customer-Based Brand Factors Model. This model consists of nine factors that
influence the global brand building. The factors we posited in the models are: loyalty, price, name & logo, quality, service, purchase situation, advertising, style & design, and source effect. We used Bernstein’s spiderweb model, which is a pragmatic and less time-consuming way of revealing the desired corporate identity, as a basic structure for presenting our model.

After the Customer-Based Brand Factors Model was created, we conducted a survey with questionnaires designed respondents representing European customers, Chinese apparel companies and European apparel companies in order to investigate the different views on the key factors. The aim was to give some recommendation for the Chinese apparel companies on how to build global brands in the European market.

The participants of the different groups were contacted in different ways. The sample of the European consumers consisted of a convenience sample of students. We chose five groups, consisting of 152 students who did our questionnaire. Out of them, 4 answers were ineligible. The response rate was 97.4%. The sample of the Chinese apparel companies was selected randomly from the firms in Ningbo, 23 apparel companies from Ningbo participated. The response rate was 100%. The sample of the European companies was selected by using a database containing information about Swedish companies. We contacted 36 companies. Only 32 of these firms had telephone numbers in the database. We phoned them and got their E-mail addresses. 9 of them told us they had no interest in participating and 23 of them gave us their e-mail addresses. Then we sent E-mails to all these 23 firms and 5 of them answered us. So the response rate was very low, which was only 13.9%, and could not be used as a valid sample.

The questionnaires were analyzed by using the software SPSS 13.0 for Windows for calculating the mean value, standard deviation and the statistic significance. The nine factors relevant to building global brands were identified, and their importance was examined respectively. The analysis was explanatory and quantitative. Since the response from the Swedish companies is of a small sample size, we just gave a descriptive analysis. Then, the application of the model was
The survey indicates there are variable opinions about the importance of the nine factors that influence brand building between European customers and Chinese managers. The two groups agreed that quality, advertising, loyalty and purchasing situation would influence the creation of brand, but they attached importance to the four factors to a variable extent. All of them considered that quality is the more important and vital element, advertising and loyalty are also very crucial to brand strategies. Although both of them thought a nice purchase situation benefits the brand construction, the managers gave much more care to the condition than the students. At the same time, they did not agree with each other about the factor of price, service, style & design, name and source effect. While the consumers were very sensitive to price, and design & style, the Chinese managers overlooked these elements. Whereas the respondents from Kristianstad seldom paid attention to service, source effect, or even name, the managers suggested taking them in mind for building a brand. Their opinions about the five factors of price, advertising, purchase situation, service and source effect were statistically significantly different. But for the rest four elements, the statistic differences were not apparent.

Only five feedbacks from the Swedish companies made the sample size too small to be analyzed. Thus, a descriptive analysis was conducted. The Swedish managers thought loyalty and quality as the most essential factors when creating a global brand. Meanwhile the source effect, price and purchase situation should also be cared much about. However, the design, name & logo, service and advertising are not so important as other factors.

The Customer-Based Brand Factors Model was tested and applied statistically with the results of the survey.

8.2 Methodological Criticism

Our research was conducted by a survey. The questions in our survey helped us
evaluate the factors in our model and made it possible for us to find different views on the importance of the factors. However, since we used a survey we could only get feedback based on the questions. It was not possible to get more indications from the interviewees since we did not have a dialogue with the participants. This method could have helped us to choose more correct or additional factors that could be more useful to our model. Also it would be interesting to use a case study, and we may have gotten other information.

Another problem that occurred in our survey was the choice of sample. Our samples of the population were small and limited. It would have been better to select a bigger or non-student sample for the European consumer, and to select more Chinese apparel companies and more European companies, not only Swedish companies. The sample size is not big enough to confirm that it is a perfect model but it is a starting point for further research.

The third problem is related to our comparison method. We compared the samples of different size sample in one level, where the samples would be better to be in the same size.

8.3 Evaluation of the Model
The Customer-Based brand factors Model has nine factors. Research shows some indications of the factors. With this in mind we draw the conclusion that our model has certain contributions of a practical implication. This model can be a guidance for Chinese apparel companies with the intention to build global brands in the European market. By using this model, Chinese managers can get indications on which factors are important to strive. The model can also be of help when it comes to analyzing the competitors’ international behavior. However, further research has to be done to be able to prove the value of the model.

8.4 Future Research
It is understandable that in this research, only a limited number of determinant variables were used, and the samples used were too small. Moreover, further
studies are needed, in order to precisely identify the factors influencing global brand building. Future research could focus on different classes brands within the European community, use non-student samples, and use larger company samples.

Suggestions for future research based on these results:

- **Lager samples**: The students of Kristianstad University in Sweden represent only a portion of the consumers in Europe. How to apply the findings of the study to a broader population is a challenge.

- **Deeper factors study**: The factors in this dissertation could be studied in a deeper degree, which would contribute to give more insights about global brand building.

- **From other point of views**: There should be many other aspects important for global brand building, such as political effect, marketing, production and organization, which was not taken into consideration in this dissertation. These aspects could all be studied more deeply.

### 8.5 Recommendations

The findings indicate that the importance given to various factors by the European consumers and the Chinese apparel companies varies. It is important for the Chinese apparel companies to develop suitable marketing strategies to achieve in building their global brands in the European market.

This study shows that Chinese apparel companies have both opportunities and challenges in the European market. Foreign brands have captured much of the “aspirational” purchase intention of the young, but loyalties, price, style and design, and quality considerations are still the strongest motivators of purchase.

One crucial factor is quality. Due to the European consumers being more value-conscious, the products have to provide tangible quality to satisfy the consumer. How to develop a superior and unique product and ensure a strong market orientation are two main tasks facing Chinese apparel companies. An aspect of quality is material and for Chinese branded products material was not a
positive perception. Fit and size is also an area where Chinese products do not excel. Fit is a technical aspect of the product and given some attention, it is something that can be remedied in Chinese brands, but they have to study the sizes and shapes of the European consumers. Chinese apparel brands wanting to enter the European market competitively would do well to pay more attention to fitting the European figure.

Another challenge is posed by this positive perception of innovative designs. European customers have a high requirement for the style & design. In order to be differentiated from other brands and make the brands more attractive to the younger consumers, Chinese brands need to pay more attention to it and make great efforts to catch fashion trends and enhance their brands. There are excellent opportunities for Chinese apparel companies to capture business opportunities in the global market. It is essential for Chinese apparel companies to invest and develop knowledge-based core competencies in the areas of product innovation and design, which can be largely enhanced by the advancement of an internet e-business infrastructure.

In the research, the Chinese managers perceive that the European customers do not care about the price too much. However, the results suggest that the European customers are still price sensitive. Thus, it is important to realize that there is still a need for a product with a high quality and an appropriate price. The price of a product should remain within the mainstream price segment. Either decrease or increase will cause disloyalty to the brand. Because when the price changes greatly, the position of the brand in the market changes simultaneously. A strong brand could become a weak one. It is an opportunity for Chinese apparel companies to use their advantage of low cost and get higher premium price with greater profit potential. Therefore, it seems that a market penetration strategy is needed for this kind of expectations.

The study also reveals the importance of nourishing the difference and communication between the customers and companies. The results state that the Chinese companies and the European customers all have the same opinion when it
comes to advertising. Advertising investments confer first a reputation then a positioning to brands, defining their territory and revealing their differences. Usually, the customer learns about the existence of a brand through communication and distribution before grasping its difference. The companies should put great efforts in making their brands become familiar, friendly and close, a source of empathy to the consumers. Investment in R & D and advertising are the main factors to sustain the differences of a brand. The brand’s reputation must be strengthened constantly while sometimes integration of brands is necessary.

The Chinese companies also need to reinforce brand loyalty. Loyalty and attachment of consumers are the aim of brands. Loyalty programs are very popular nowadays. The essential parts of it are finding the causes of disloyalty and dissatisfied clients while seeking client satisfaction. The Chinese companies must treats clients as friends and become a landmark of personal attention.

From the results, it also indicated that remaining consistent is an essential part for the Chinese companies that pursue a global brand. With time, the consumer’s attitude toward the brand will change, the market will be more mature and competition will be more extensive. The brand must change its style and products to keep up with the time. Only when a brand is staying up to date, can it survive. Keeping competitiveness consistent is essential to the brand’s formation and longevity.

With globalization and China entering the World Trade Organization, Chinese companies can take advantage of all these trends. Chinese companies should not be intimidated by the giant western brands. There are many possibilities for Chinese apparel companies in the European mass markets - especially if they are innovative in technology or design.
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Appendix 1

Questionnaire for Students

Thank you very much for helping us accomplish the below survey! We are doing a research about global brand building. Please answer the following questions individually. Choose the ranking according to your perception of the truthfulness of the statements. Your suggestions will be appreciated! 1 to 7 represents the different degree from weakness to strong.

Part 1

1. When purchasing clothing such as jeans, to what degree do you care about the factors below?

Not care at all 1 2 3 4 5 6 7 very important

Material □ □ □ □ □ □ □

Comfort □ □ □ □ □ □ □

Durability □ □ □ □ □ □ □

2. When purchasing clothing, to what extent do you think of the quality?

Not important at all 1 2 3 4 5 6 7 very important

□ □ □ □ □ □ □

3. When purchasing clothing, do you pay attention to the information of discount?

Not care at all 1 2 3 4 5 6 7 care very much

□ □ □ □ □ □ □

4. When purchasing clothing, is the price important to influence your purchasing decision?

Not important at all 1 2 3 4 5 6 7 very important

□ □ □ □ □ □ □

5. To what extent, does the style and design of clothing influence your purchasing decision? Not important at all 1 2 3 4 5 6 7 very important

□ □ □ □ □ □ □

6. Do you read fashion magazines very often?

Yearly 1 2 3 4 5 6 7 daily

□ □ □ □ □ □ □

7. Do you need any professional service when purchasing clothing?

Not at all 1 2 3 4 5 6 7 yes, exactly

□ □ □ □ □ □ □
8. Do you care the after service, such as change the size or color, return the clothing etc.?
   Not at all: 1  2  3  4  5  6  7 yes, exactly
   □ □ □ □ □ □ □

9. To what extent, does the advertising help your to know a brand?
   Not at all: 1  2  3  4  5  6  7 yes, exactly
   □ □ □ □ □ □ □

10. Do you mind which country the brand belongs to? (e.g., Italy brand or India brand)
    Not at all: 1  2  3  4  5  6  7 yes, exactly
    □ □ □ □ □ □ □

11. Do you mind which country the clothing is made in? (e.g., do you care the clothing is made in France or China?)
    Not at all: 1  2  3  4  5  6  7 yes, exactly
    □ □ □ □ □ □ □

12. When a new clothing brand appears in market, do you often try it?
    Never: 1  2  3  4  5  6  7 yes, always
    □ □ □ □ □ □ □

13. Do you often buy the same brand?
    Never: 1  2  3  4  5  6  7 yes, very often
    □ □ □ □ □ □ □

14. Is the brand name important to you when you choose a clothing brand?
    Not important: 1  2  3  4  5  6  7 very important
    □ □ □ □ □ □ □

15. Is the brand logo important to you when you choose a clothing brand?
    Not important: 1  2  3  4  5  6  7 very important
    □ □ □ □ □ □ □

16. Do you mind purchase situation when you go shopping?
    Not at all: 1  2  3  4  5  6  7 yes, exactly
    □ □ □ □ □ □ □

17. Which purchase situation of a store do you prefer?
    None decorated: 1  2  3  4  5  6  7 very luxury
    □ □ □ □ □ □ □
18. How do you think about Chinese garment?

Very bad 1 2 3 4 5 6 7 very good

Quality--------------------------

Design--------------------------

Packaging-----------------------

Price----------------------Very low-

Service--------------------------

Part 2 Please circle the answer you prefer

19. Which price would you like to accept jeans?
A, Below 150SEK   B, 150~300SEK   C, 300~450SEK   D, 450~600SEK
E, 600~800SEK   F, 800~1000SEK   G, Above 1000SEK

20. Which way below helps you to know a new brand? Please rank the most three important ways from 1 to 3. ( )
A, TV   B, Newspaper   C, Magazine   D, Internet   E, Friends
F, Shopping in store   G, Leaflet

21. Which place do you prefer to purchase clothing?
A, Supermarket   B, Exclusive shop   C, Boutique   D, Department store   E, Online store

22. Do you think any other factors are important to influence the brand? If any, please write: ________________________________

We also need some basic information of you. Circle the letter.


24. Gender:   A, male   B, female

25. Nationality: ________________________________

THANK YOU!
国际品牌建立因素分析问卷调查

首先非常感谢你参与我们的调查。我们是在瑞典读书的学生，正在做一个关于中国服装企业如何在欧洲服装市场建立自己品牌的课题。我们希望了解一下您对品牌建立因素的观点以及贵公司对开拓欧洲服装市场的策略和现状。1～7代表重要度的不同，从最弱到最强。

第一部分:
您的职务：________ 贵公司的职员数：____（人） 贵公司的年销售额：______万元
贵公司的主要产品：__________________
贵公司拥有自己的品牌吗？ A：有 B：没有
贵公司为其它公司贴牌生产吗？ A：有 B：没有
贵公司的主要市场在哪里？ A：欧洲 B：美国 C：中国 D：日本 E：其它

第二部分:
6. 您认为贵公司的产品质量是否足以成为一个强势品牌？
不 1 2 3 4 5 6 7 是
□ □ □ □ □ □ □

7. 贵公司经常参加服装展览会吗？
从来没有参加过 1 2 3 4 5 6 7 至少一年两次
□ □ □ □ □ □ □

8. 您认为高价策略（不追求销售量）才适合创建强势品牌吗？
否 1 2 3 4 5 6 7 是
□ □ □ □ □ □ □

9. 贵公司每年投资在品牌建设上的费用约占销售额的多少？（比如名字的设计、图案的设计和口号的设计）
≤1% 1 2 3 4 5 6 7 ≥5%
□ □ □ □ □ □ □

10. 贵公司每年投资在广告上的费用约占销售额的多少？
≤1% 1 2 3 4 5 6 7 ≥5%
□ □ □ □ □ □ □
11. 您认为维持老客户比吸引新客户更重要吗？
不 □ □ □ □ □ □ □ 是 □ □ □ □ □ □ □

12. 您认为顾客会介意服装的产地吗？
一点也不介意 □ □ □ □ □ □ □ 非常介意 □ □ □ □ □ □ □

13. 贵公司认为销售地点对你们的品牌定位重要吗？
一点也不重要 □ □ □ □ □ □ □ 非常重要 □ □ □ □ □ □ □

第三部分：请在字母上画圈

14. 贵公司要是给T恤衫确定市场售价，会定在什么价位？
A、100元以下  B、100～200元  C、200～300元  D、300～400元
E、400～500元  F、500～600元  G、600元以上

15. 贵公司有多少设计师？
A、5人以下  B、5~10人  C、10~15人  D、15~20人
E、20~25人  F、25~30人  G、30人以上

16. 贵公司一般会在什么地方卖你们的产品？
超市  B、专卖店  C、服装商店  D、百货公司  E、网上商店

17. 贵公司有专门处理客户投诉的部门吗？
A、有  B、没有

18. 在以下的顾客投诉方法中，贵公司有几条，如有其它请写上。
A、有专门的投诉电话  B、网上投诉  C、写信投诉  D、当面投诉
E、________________________

19. 贵公司在服装上标注产地吗？
A、标注  B、不标注

20. 贵公司在服装上标注设计地吗？
A、标注  B、不标注

21. 您认为还有哪些因素对在外国市场上建立品牌也是很重要的？
其它因素 ______________________

如果有什么疑问或需要我们的调查报告，请联系我们。Email: huangnl@sina.com

顺祝生意兴隆达四海！
再次表示感谢

二零零五年四月二十日
Appendix 3

Questionnaire for Swedish Companies

Thank you very much for helping us accomplish the below survey! We are doing a research about global brand building. Please answer the following questions individually. Choose the ranking according to your perception of the truthfulness of the statements. Your suggestions will be appreciated! 1 to 7 represents the different degree from weak to strong.

Part 1 Please write some information about you and your company.

1. Your title: _______
   Main products of your company: ________________________________

2. Does your company have brands of your own?  A. Yes  B. No  (   )

3. Is your main brand (1) a luxury brand, (2) upper-middle brand or (3) normal brand?  (   )

4. Does your company produce clothing under other company’s brand?  A. Yes  B. No  (   )

5. Where is your main market?  A, the EU  B, USA  C, China  D, Japan  E, Other market  (   )

Part 2 Please choose the number in the bracket.

6. Do you think that the quality of your product is good enough to be a strong global brand?      No  1    2    3    4    5    6    7  Yes, exactly   (    )

7. How often does your company take part in fashion exhibition?
   Never 1  2    3    4    5    6    7 at least twice a year  (   )

8. Do you agree that high price strategy is proper for building a strong brand?
   No 1  2    3    4    5    6    7 Yes, exactly  (   )

9. How much percentage of annual sales does your company invest on the symbols of your brand? (i.e. brand name, logo or slogan)?
   \[ \leq 1\% \quad 1 \quad 2 \quad 3 \quad 4 \quad 5 \quad 6 \quad 7 \quad \geq 5\% \]  (   )

10. How much percentage of annual sales does your company invest on advertising?
    \[ \leq 1\% \quad 1 \quad 2 \quad 3 \quad 4 \quad 5 \quad 6 \quad 7 \quad \geq 5\% \]  (   )
11. Do you think maintaining the existing customers are more important than attracting new customers?
No 1 2 3 4 5 6 7 yes, exactly ( )

12. Do you think that customers will mind in which country the clothing is made?
Not care at all 1 2 3 4 5 6 7 care very much ( )

13. To what extent does your company think the importance of selling situation in the position of brand building?
Not important at all 1 2 3 4 5 6 7 very important ( )

**Part 3 Please circle the answer you prefer**

14. How much would your company like to price a pair of jeans? ( )
A, Below 150SEK  B, 150~300SEK  C, 300~450SEK  D, 450~600SEK  
E, 600~800SEK  F, 800~1000SEK  G, Above 1000SEK

15. How many designers are there in your company? ( )
A Below 5 persons  B, 5~10persons  C, 10~15persons  D, 15~20persons 
E, 20~25persons  F, 25~30persons  G, Above 30persons

16. Which channel below is the main channel of your company selling clothing?
A. Supermarket  B. Exclusive shop  C. Boutique  D. Department store  E. Online store

17. Does your company have special department dealing with customers’ complain?
A, Yes  B, No ( )

18. Which channels below does your company have for dealing with customers’ complaint?
A, Face to face  B, Direct telephone  C, Website  D, Letter ( )

19. Does your company mark the country of the clothing made in?
A, Yes  B, No ( )

20. Does your company mark the country of the clothing designed in?
A, Yes  B, No ( )

21. What other factors are important to build a brand in a foreign market?
Others: __________________________

If you have any questions or need our survey result, please email to us: huangnl@sina.com

Thank you very much!
## Appendix 4

### Some Frequency Tables

1. Advertising from Chinese companies’ questionnaire

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2. Question 18 from students’ questionnaire

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