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Consumer-based brand equity

Comparisons among Americans and South Koreans in the USA and South Koreans in Korea

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Abstract

Purpose – The purpose of this study is to measure and compare the consumer-based brand equity of apparel products by three consumer groups across cultures – Americans in the USA, South Koreans in the USA, and South Koreans in Korea. Also examined was cross-cultural effects of brand equity on purchase intention.

Design/methodology/approach – A total of 300 college students were recruited for the survey from local universities and organizations in the USA and South Korea. The MBE and OBE models were used to measure brand equity of the three apparel brands (i.e. Polo, Gap, and Levi's).

Findings – Among the elements of brand equity, the perceived brand quality and brand awareness/association reported by American college students were significantly greater than those reported by South Koreans in the USA and Korea. For both South Korean groups, brand loyalty was the most important element of brand equity. In the relationship between elements of brand equity and purchase intention, brand loyalty showed positive correlation with purchase intention across all three consumer groups.

Research limitations/implications – Further research might include more apparel brands in different price points. An investigation of the prices of various apparel brands in different countries will be useful for cross-cultural comparisons.

Originality/value – With a lack of brand equity studies on fashion products and even fewer studies of cross-cultural comparisons in brand equity, this study should be valuable information for firms branding their products and making marketing strategies from the global perspective.

Keywords Brand equity, Cross-cultural studies, Brands, Consumer behaviour, South Korea, United States of America

Paper type Research paper

Introduction

Many companies develop marketing strategies in order to improve their sales and to make their brands stand out among competitive ones. For most firms, the ultimate goal of marketing success is to generate a brand, which can differentiate their companies from others. A brand is:

... a name, a term, a symbol, or any other unique element of a product that identifies one firm's products and sets them apart from the competition (Solomon and Stuart, 2002, p. 270).

A brand has also been defined as a:

... distinguishing name and symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors (Aaker, 1991, p. 7).

Many researchers have studied brand value for a long time because the value of a brand can make a firm profitable in the long term.

The term, “brand equity” became one of the most important marketing concepts since 1980s and it has been defined 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, 1991, p. 15).

Solomon and Stuart (2002), for instance, explained brand equity as the value that a brand has for a particular organization or company. As they put it:

... for a firm, brand equity provides a competitive advantage because it gives the brand the power to capture and hold onto a larger share of the market and to sell at prices with higher profit margins (Solomon and Stuart, 2002, p. 273).

Aaker (1991) equates brand equity with the following elements: brand loyalty, brand awareness, perceived quality, brand association, and other proprietary brand assets. According to Yoo and Donthu (2001), and Washburn and Plank (2002), however, brand equity, specifically consumer-based brand equity, can be measured according to four elements: brand loyalty, brand awareness, perceived quality, and brand association. According to Washburn and Plank (2002), the element of other proprietary brand assets is not appropriate to measure consumer-based brand equity. Here, consumer-based means that “cognitive and behavioral brand equity at the individual consumer level through a consumer survey” (Yoo and Donthu, 2001, p. 2). It is important to examine which of the brand equity elements is important for consumers to recognize brand value and also, to make a purchase decision. Only a few studies have examined fashion products to access brand equity of those brands. Although a number of countries around the world have apparel companies that manufacture high-quality apparel products and represent global fashion trends, to what extent individuals across different cultures value a particular apparel brand as an asset (i.e. brand equity) is unknown. There is a lack of studies on brand equity, especially those based on consumers across different cultures. As individuals develop different views within the cultural context and meanings of particular brands can disseminate differently through social structure, consumers' purchasing behavior is likely to be influenced by social perceptions and values about products and/or services that are linked to a brand.

Thus, the purpose of this study was twofold:

- (1) To measure and compare the consumer-based brand equity of apparel products by three consumer groups across cultures – Americans in the USA, South Koreans in the USA, and South Koreans in Korea.
- (2) To identify cross-cultural differences in relationships between brand equity of apparel products and purchase intention.

Review of literature

Consumer-based brand equity

Keller (1993, p. 2) noted that consumer-based brand equity is the differential marketing effect of brand knowledge on consumer response to the marketing of the brand, and it arises from a brand that is familiar to customers and is associated in their memories. In other words, brand equity has to do with:

... the fact that different outcomes result from the marketing of a product or service because of its brand name or some other brand elements, as compared to outcomes if that same product or service did not have that brand identification (Keller, 1998, p. 42).

Brand equity has been studied for two reasons. The first reason is to evaluate a brand, especially to estimate the value of a brand for financial purposes or business arrangements (e.g. mergers, acquisitions). The second reason is to be able to enhance marketing output by understanding consumers' the knowledge about the brand and to develop appropriate brand strategies.

Consumer-based brand equity has four elements: brand loyalty, brand awareness, perceived quality, and brand association. Brand loyalty is one of the most important elements in marketing, which is "a measure of the attachment that a customer has to a brand" (Aaker, 1991, p. 39). According to Keller (1998), brand loyalty is often measured in a behavioral sense through the number of repeat purchases. If a customer prefers to purchase Pep-ci instead of Coke, that is because the customer has brand loyalty towards Pep-ci. Brand awareness is defined as "the ability of a buyer to recognize that a brand is a member of a certain product category" (Aaker, 1991, p. 61). For example, recognizing Estée Lauder or Clinics as cosmetics companies is because a customer is aware of those brands as a certain product category. Ideally, brand awareness should occur regardless of environmental conditions such as time and locations. Perceived quality, which is the third element of brand equity, is defined as the customer's awareness of products' superior quality in relation to other products (Aaker, 1991). To what extent a customer is aware of product quality of a particular brand would be depending on past experiences from the actual use and/or possible feedbacks/comments from others including those by well-known individuals (e.g., celebrities) or third-party organization endorsement of products (see Dean and Biswas, 2001). Finally, brand association is defined by Aaker (1991, p. 109) as "anything 'linked' in memory to a brand". Keller (1998) noted that brand association can affect consumers' purchasing decisions based on the recall of brand information.

Previous studies on brand equity

Over the years, scholars have examined consumer-based brand equity using different models/theories by incorporating various brand equity dimensions/elements. Also brands of different product categories have been used to access consumer-based brand equity. According to Aaker (1991), brand equity as a set of brand assets has five dimensions: brand loyalty, brand awareness, perceived quality, brand associations, and other propriety brand assets. Cobby-Walgren *et al.* (1995) measured brand equity based on Aaker's (1991) theory and examined the effect of brand equity on purchase intention and preference using brands of hotels and cleansers. They found that brand equity was related to high brand preferences and purchase intentions. Another theory

known for brand equity is by Keller (1993) who focused on the differential effect of brand knowledge. Keller (1993) has conceptualized brand knowledge with two components, brand awareness and brand image (i.e. a set of brand associations). In order to build a positive customer-based brand equity, consumer should be familiar with a brand name and have a positive brand image with favorable, strong and unique brand association.

Yoo and Donthu (2001) examined brand equity scale items, which were based on Aaker's (1991) and Keller's (1993) conceptualizations of brand equity. They developed and validated the multidimensional consumer-based brand equity (MBE) model, which is the scale for measuring brand equity. Yoo and Donthu used commercial brands from three product categories (athletic shoes, camera film, and color television sets) for evaluation among three consumer groups (American, Korean American, and South Korean). They tested measure models for the ten items (i.e. four-, three-, and one-dimensional) and validated the three-dimensional model of brand loyalty, perceived quality, and brand awareness/associations. The lack of discriminant validity between brand awareness and associations did not support the four-dimensional model (Yoo and Donthu, 2001). Highly positive relationships were found between brand equity and purchase intention and also between brand equity and brand attitude across all consumer groups. As a rare example of cross-cultural studies on brand equity, the scale was suggested to be limited to only three samples participated in the study for its generalizability due to lack of cross-cultural equivalence.

In further studies, Yoo and Donthu (2002) tested Yoo *et al.*'s (2000) brand equity formation process model across the US and Korean samples with the same product categories used for Yoo and Donthu (2001). Based on the conceptual framework of Aaker's (1991) brand equity model, Yoo *et al.*'s (2000) structural model of brand equity formation consists of three components: marketing mix elements (i.e. price, store image, distribution intensity, advertising expenditures, and price promotion), brand equity dimensions (i.e. perceived quality, brand loyalty, and brand awareness/associations), and overall brand equity. Given the results of this study, Yoo *et al.* (2000) suggested that managers need to display products with good images and distribute products widely in order to serve convenience, save time, and access service for customers. They also suggested that if managers want to improve brand equity, they need to consider investing in advertising. Finally, if firms have frequent price promotion like discounts, consumers will assume that they are being sold a low quality product, so managers should be careful when they conduct price promotions. Yoo and Donthu (2002), concerned with brand equity dimensions, found greater effect of perceived quality on brand equity in Korean sample than in the US sample with brand loyalty being the most important dimension of brand equity across samples.

Cross-cultural differences in clothing/shopping behavior

Consumers in different country/culture are expected to be different in terms of the way they perceive international brands, e.g. attributes they associate with those brands in their memories. It is because images and symbolic meanings attached to brands are shaped by a local society/culture where economic and social values of a brand might vary greatly based on collective ideas about the brand.

When examining cross-cultural differences in purchasing behavior, it is inevitable to understand contrasting world views such as individualism versus collectivism. Individualism is a dominant cultural concept in Western societies such as the USA and Western Europe, whereas collectivism is a concept dominant in non-Western societies such as South Korea and China (Hofstede, 2001). Individualistic values include being independent from others and in control of surrounding environments. Thus, people in an individualistic society are less likely to rely on others (e.g. family members, peers, social groups) in their purchase decisions. In contrast, people in a collectivistic society are more likely to rely on others for their purchase decisions and rely on reference groups for making judgments about consumer products. In other words, people in a collectivistic society would be more likely to seek social approval of others, especially for highly visible products to others such as fashion products. According to Yoo and Donthu (2002), perceived quality had a greater impact on the Korean sample than the US sample in their purchase decisions, and such difference was attributed to cultural differences in the level of uncertainty avoidance. Perceived quality was considered more important for Korea as a society of strong uncertainty avoidance than the USA as a society of weak uncertainty avoidance when making purchase decisions.

The review of current empirical studies helped us to speculate on cross-cultural differences in purchasing behavior for apparel products in relation to brand equity. Particular brands are considered more valuable in one country than others is an example how the brand equity can be viable depending on the target market. There is a lack of studies on brand equity of fashion products and no published studies employed the same category of fashion products (i.e. apparel) as stimuli to make comparisons of brand equity across fashion brands. A few studies have used fashion products along with other product categories. For example, Bristow *et al.* (2002) used blue jeans and personal computers as stimuli to develop a scale for brand equity. In the findings, blue jeans, as fashion products, showed significant brand dependence over personal computers. They believed that brand name, as a predictive cue, should be considered by marketers in establishing strategies because consumers depend on brand names in their decision making.

Despite of some concerns over measures of brand equity (see Aaker, 1996), studies on consumer-based brand equity have generated valuable information on consumer perceptions and attitudes towards brands that can ultimately be used in establishing marketing strategies. Not only a lack of brand equity studies on apparel products but also a limited number of cross-cultural studies on brand equity demanded the present study. Thus, this study attempted to measure consumer-based brand equity of apparel products among three consumer groups across two cultures: Americans in the USA, South Koreans in the USA, and South Koreans in South Korea. This study measured consumer-based brand equity of Korean college students in the USA and South Korea as compared to US college students' perceptions of brand equity in regard to three international US apparel brands – Polo, Gap, and Levi's. Cross-cultural differences were expected in brand equity of those three international brands and yet, it was not clear to what extent those consumer groups would perceive three apparel brands differently on elements of brand equity. It was focused on which factors related to brand equity contributed to any differences in the perceptions across the three consumer groups. Since the two groups were based on the same nationality, the

question was then whether the attitude of Korean students towards the brand equity of these brands will become more or less like that of US students after the Korean students have lived in the USA for a while.

The following hypotheses were proposed in this study in regards to three international apparel brands:

- H1.* There are significant differences in brand equity elements of apparel products as reported by Americans and South Koreans living in the USA and South Koreans living in Korea.
- H2.* There are significant cross-cultural differences in the relationship between brand equity of apparel products and purchase intention.

Method

Preliminary study

A preliminary study was designed to select three international apparel brands for the present study. Participants for the preliminary study were volunteers who were recruited from a large mid-western university in the USA. The 20 American college students and the 20 South Korean college students in the USA were asked to list five international apparel brands on a piece of paper. Among South Korean participants, roughly 30 per cent were male and 70 per cent were female. Among American participants, roughly 20 per cent were male and 80 per cent were female. Some students recorded only three or four brand names instead of five. Approximately 100 brand names from American students and 100 brands names from Korean students were collected. The three brands most frequently mentioned on the questionnaire were chosen as stimuli in the main study. These three apparel brands were Polo, Gap, and Levi's, which are well-known international brands of unisex clothes for young people.

Main study

Participants. A total of 300 participants were chosen for the current study: 100 South Korean college students in Korea, 100 South Korean college students in the USA, and 100 American college students in the USA. Americans and South Koreans in the USA were recruited from a large mid-western university and local ethnic organizations (e.g. local Korean church) and South Koreans in Korea were recruited from a large south-eastern university in Korea. Participants were either undergraduate or graduate students in various disciplines. Of the South Korean participants in Korea, 51 per cent were male and 49 per cent were female. Of the South Korean participants in the USA, 65 per cent were male and 35 per cent were female. Of the American participants in the USA, 5 per cent were male and 95 per cent were female. The age range of the participants was as follows: 18 to 24 for South Koreans in Korea ($M = 22$), 18 to 25 for South Koreans in the USA ($M = 23$), and 17 to 23 for Americans in the USA ($M = 21$). All South Korean participants in Korea and the USA are ethnically Korean, while American participants are predominantly Caucasians (94.7 per cent) with some of African (3.2 per cent) and Asian (2.1 per cent) ethnic backgrounds. The South Koreans in the USA were required to have nationality of South Korea and at least six months of stay in the USA so that they had enough time to get exposed to new culture and to have clothing shopping experiences during the two seasons.

Instrumentation and procedure. Two versions of the questionnaire, one in English and the other in Korean, were distributed to volunteers who were recruited from classes and social organizations. A bilingual graduate student in the USA who is fluent in both Korean and English translated the questionnaire from English into Korean. Then, the Korean version was back translated into the English version by another bilingual graduate student in Korea. A bilingual researcher in the USA cross-examined both versions and made minor adjustments.

The multidimensional brand equity (MBE) and overall brand equity (OBE) models (Yoo and Donthu, 2001) were used to measure brand equity of the three apparel brands – Polo, Gap, and Levi's. Participants were given a questionnaire that included nine questions on the MBE model and four questions on the OBE model. Scale items within the MBE models include brand loyalty, perceived quality, and brand awareness/association. In the present study, one item, "I have difficulty in imagining X in my mind," was eliminated from Yoo and Donthu's ten items in the MBE model because participants were more likely to be familiar with the three apparel brands selected in the pilot study by their peers. Brand equity items were measured according to a five-point Likert scale that ranged from 1 (strongly disagree) to 5 (strongly agree). Remaining four items in the questionnaire were to examine participants' brand purchase experience and purchase intention. The OBE, a unidimensional measure of brand equity, supported the convergent validity of the MBE based on the correlation (Yoo and Donthu, 2001).

Results

Purchase experience and use/ownership of three brands

Participants were asked, "Have you ever bought brand Polo, Gap, or Levi's?" In reply, 69 per cent of Koreans in Korea, 96 per cent of Koreans in the USA, and 83 per cent of Americans have purchased Polo; 18 per cent of Koreans in Korea, 93 per cent of Koreans in the USA, and 98 per cent of Americans have purchased Gap; 70 per cent of Koreans in Korea, 85 per cent of Koreans in the USA, and 66 per cent of Americans have purchased Levi's. Thus, the most purchased brand for Koreans in Korea, Koreans in the USA, and Americans was Levi's, Polo, and Gap, respectively.

Participants were asked, "Do you currently use/own any brand of product category Polo, Gap, or Levi's?" In reply, 71 per cent of Koreans in Korea, 87 per cent of Koreans in the USA, and 61 per cent of Americans use or have Polo clothes; 19 per cent of Koreans in Korea, 76 per cent of Korean in the USA, and 81 per cent of Americans use or have Gap clothes; 63 per cent of Koreans in Korea, 50 per cent of Korean in the USA, and 31 per cent of Americans use or have Levi's clothes. Thus, the most used/owned brand by Koreans in Korea and the USA was Polo, while Americans used/owned Gap the most.

Multivariate analysis of variance

The result of the analysis of reliability was as follows: the reliability for perceived quality was 0.68 for South Koreans in South Korea, 0.72 for South Koreans in the USA, 0.74 for Americans in the USA; the reliability for brand loyalty was 0.69 for South Koreans in South Korea, 0.72 for South Koreans in the USA, 0.68 for Americans in the USA; and the reliability for brand awareness/association was 0.75 for South Koreans in the South Korea, 0.78 for South Koreans in the USA, 0.82 for Americans in the USA; the reliability

for overall brand equity, which is one-dimensional, was 0.87 for South Korean in South Korea, 0.76 for South Koreans in the USA, 0.82 for Americans in the USA.

Multivariate analysis of variance (MANOVA) was used to test *H1* with country as an independent variable and three elements of brand equity as dependent variables (perceived quality, brand loyalty, brand awareness/association). MANOVA revealed significant effects for country on brand equity elements, $F(3, 296) = 28.54, p < 0.0001$. Separate univariate analyses of variance for each of the dependent variables revealed that the effect for each of the brand equity elements on fashion brands mediated by country was significant (all $ps < 0.001$; see Table I for means and standard deviations). Results revealed that significant mean differences were found across three consumer groups for perceived quality, brand loyalty, and brand awareness/association. Thus, *H1* was supported.

Tukey HSD tests were conducted to compare means across three consumer groups in terms of their brand perceptions such as brand loyalty, perceived quality, and brand awareness/association. Significant mean differences were found between Americans in America and South Koreans in South Korea and also between Americans in America and South Koreans in America (all $ps < 0.0001$) on perceived quality of brand equity. Americans in America showed the highest score on perceived quality followed by South Koreans in South Korea and South Koreans in America. Concerning brand loyalty, significant mean differences were found between South Koreans in South Korea and Americans in America and also between South Koreans in America and Americans in America (all $ps < 0.0001$). South Koreans in South Korea revealed the highest score on brand loyalty followed by South Koreans in America and Americans in America. Finally, significant mean differences were found between Americans in America and South Koreans in America and also between Americans in America and South Koreans in South Korea on brand awareness/association. No significant mean differences were found between South Korean consumers in South Korea and South Korean consumers in America.

Relationship between brand equity and purchase intention

Multivariate analysis of variance for country revealed significant results on purchase intention for all three apparel brand, $F(3, 296) = 9.82, p < 0.001$ for Polo; $F(3, 296) = 42.62, p < 0.01$ for Gap; $F(3, 296) = 15.99, p < 0.001$ for Levi's. South Korean students in the USA reported the highest purchase intention toward Polo, American students in the USA reported the highest purchase intention toward Gap, and South Korean students in Korea reported the highest purchase intention toward Levi's.

Brand equity elements	SK in the USA		SK in South Korea		A in the USA		<i>F</i> (1,298)
Perceived quality	3.44 ^a	(.52)	3.48 ^b	(0.50)	3.95 ^{a,b}	(0.48)	31.55*
Brand loyalty	2.97 ^a	(0.58)	3.16 ^b	(0.62)	2.54 ^{a,b}	(0.79)	22.07*
Brand awareness/association	3.74 ^a	(0.52)	3.70 ^b	(0.49)	4.25 ^{a,b}	(0.45)	39.52*

Notes: * $p < 0.001$. SK = South Korean; A = American. The same superscript in the row indicates significant mean differences between groups

Table I.
Means and standard deviations for country on brand equity elements

To test *H2*, a multiple regression analysis was conducted to determine the relationship between brand equity and purchase intention for each country (see Table II). There was a significant relationship between brand equity and purchase intention as reported by South Koreans in the USA ($F = 13.513$, $p < 0.001$). Among the brand equity elements, brand loyalty and brand awareness/association exhibited positively significant relationships with purchase intention in this group (brand loyalty: standardized coefficient = 0.421, $t = 3.955$, $p < 0.001$ and brand awareness/association: standardized coefficient = 0.334, $t = 3.521$, $p < 0.001$). Thus, brand loyalty revealed the strongest correlation with purchase intention in this group.

There was a significant relationship between brand equity and purchase intention as reported by South Koreans in Korea ($F = 13.558$, $p < 0.001$). Among the brand equity elements, brand loyalty exhibited the strongest positive relationship with purchase intention (standardized coefficient = 0.480, $t = 4.884$, $p < 0.001$). Finally, there was a significant relationship between brand equity and purchase intention as reported by Americans in the USA ($F = 32.244$, $p < 0.001$). Among the brand equity elements, perceived quality and brand loyalty exhibited significantly positive relationships with purchase intention in this group (perceived quality: standardized coefficient = 0.258, $t = 2.974$, $p < 0.01$ and brand loyalty: standardized coefficient = 0.555, $t = 7.126$, $p < 0.001$).

In short, brand loyalty was reported as one of the most important elements of brand equity by all three groups of participants. Additional element reported to be important for South Korean students and Americans in the USA was brand awareness/association and perceived quality, respectively. Significant cross-cultural differences in relationships between brand equity and purchase intention across all three consumer groups partially supported *H2*.

Conclusions

This study explored and compared consumer-based brand equity regarding international apparel brands across three consumer groups: South Korean college

Dependent variable	Indep. variable	Unstand. coefficient	Constant	Std. coefficient	<i>t</i> -value	Ad. <i>R</i> -square	<i>F</i>
PI: SK in SK	PQ	0.053	1.137	0.046	0.439	0.276	13.558**
	BL	0.448		0.480	4.884**		
	BWBA	0.126		0.109	1.147		
PI: SK in the USA	PQ	-0.132	1.158	-0.115	-1.026	0.275	13.513**
	BL	0.435		0.421	3.955**		
	BWBA	0.388		0.334	3.521**		
PI: A in the USA	PQ	0.393	0.091	0.258	2.974*	0.486	32.244**
	BL	0.519		0.555	7.126**		
	BWBA	0.100		0.061	0.752		

Table II.

Multiple regression analysis by brand equity elements on purchase intention

Notes: * $p < 0.1$; ** $p < 0.001$. Dep. = dependent, Indep. = Independent, Unstand. = unstandardized, Std. = standardized, Ad. *R*-square = adjusted *R*-square, PQ = perceived quality, BL = brand loyalty, BWBA = brand awareness/association, PI = purchase intention, SK = South Koreans, A=Americans

students in South Korea, South Korean college students in the USA, and American college students in the USA. In addition, this study examined cultural differences in the relationship between brand equity and purchase intention. The results suggested that the three consumer groups showed similarities as well as differences in their perceptions of brand equity. In regards to each element of consumer-based brand equity, the present study found the following characteristics across the three consumer groups: Americans in the USA considered perceived quality the most important element followed by South Koreans in South Korea and South Koreans in the USA; South Koreans in South Korea considered brand loyalty the most important element followed by South Koreans in the USA and Americans in the USA; Americans in the USA considered brand awareness/association the most important element followed by South Koreans in America and South Koreans in South Korea.

This general phenomenon was already suggested by previous researchers (Yoo *et al.*, 2000; Park, 1998). However, the first notable finding in the present study was that South Koreans in the USA and South Koreans in South Korea were similar in their attitudes toward brand equity compared to Americans in the USA. Even though South Korean participants in the USA spent enough time to be exposed to daily advertising of apparel brands used in this study, and the same promotional efforts (e.g. advertising) were implemented to all consumers in the USA, brand perceptions of South Koreans in the USA were more like those of peers living in South Korea. This implies that there is more to be done than just adjusting promotional efforts to improve brand equity in a particular market, especially when concerned with consumers of different ethnic/cultural backgrounds. To create global brands that compete across countries and cultures, it is necessary to build strong brands that can be demanded internationally, which requires an understanding of how to develop and maintain brand equity in the target market.

Second, in the relationship between elements of brand equity (i.e. perceived quality, brand loyalty, and brand awareness/association) and purchase intention, brand loyalty showed positively significant relationships with purchase intention across all three cultural groups. This implies that the more consumers are loyal towards a particular brand, the more likely they are to purchase apparel products from that brand. Also, significant differences found across three groups in the relationship between elements of brand equity and purchase intention could be used by marketers to set up more effective marketing strategies that are culture specific. Both product attributes (e.g. design, color) and non-product attributes (e.g. price, store image) should be carefully examined to synchronize with local perceptions and values.

Consistent with the findings from previous studies (e.g., Cobby-Walgren *et al.*, 1995; Yoo *et al.*, 2000), there was a significant relationship between purchase intention and brand equity. Therefore, marketing managers should be concerned with creating brand equity for consumers as it has direct relationships with sales volume. Using the results of the South Koreans' perceptions (in both Korea and the USA) toward brand loyalty, which was the most important brand equity element in these groups with the positive influence on purchase intention, firms should work on creating loyalty towards their brands in these consumer groups. Investment in advertising and improved services in retailing may help in building brand equity elements in the long run. With heightened interest in the effects of marketing communications via the

internet, electronic commerce is considered as a significant retail business in building brand equity for the apparel industry. Since building brand equity requires long-term investments, firms need to set up marketing strategies for the extended period of time.

Limitations and recommendations for further research

Despite the significant contribution made by the present study in the area of brand equity, some elements of the present study should be considered for improvement in an attempt to replicate this study. First, the number of males and females in the American sample was very unbalanced (95 per cent were female and 5 per cent were male) compared to two South Korean samples. Thus, responses by this group were based mostly on females' perception. This means that if more males participated, the result may well be different. Second, although it is possible for South Koreans in the USA to have changed perceptions of brand equity due to being acculturated in the USA, no such consideration was made when making comparisons between South Koreans in South Korea and South Koreans in the USA. Because there was no data from the South Koreans living in the USA that establishes their brand equity prior to coming to the USA, conclusions about changes due to living in a new country could not clearly be established. Also, South Korean students who are studying in the USA may have different economic backgrounds; for instance, they may be from wealthy families, and this may affect their perceptions of brand equity. Therefore, their purchasing behavior for apparel brands in the USA might be different from South Korean students who have studied only in South Korea. However, South Koreans in the USA and South Koreans in Korea are of the same nationality and more importantly, they share similar cultural buying views than Americans. Thus, further research is recommended to use the level of acculturation as a variable factor in accessing brand equity when studying the same nationality samples residing in different countries.

Finally, further research might compare price points of well-known apparel brands across different countries. An investigation of the prices of various apparel brands in different countries will be useful for cross-cultural comparisons such as this study because the price of well-known American apparel brands is often higher in other countries.

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