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Abstract
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Keywords
Lovemark, brand equity, Korean consumer

Disciplines
Fashion Business | International Business | Marketing | Sales and Merchandising

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Testing an Expanded Consumer-Based Brand Equity Model in Korea: 
Addition of the Lovemark Concept

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Keywords: Lovemark, brand equity, Korean consumer

Introduction. Brand equity provides a sustainable and competitive advantage as it allows a firm to compete based on brand value rather than offering a lower price (Aaker, 1996; Keller, 1993). Keller’s (1993) consumer-based brand equity (CBBE), a validated theoretical model of brand equity, includes brand awareness, image, and loyalty concepts, but is devoid of emotional experience (i.e., love) and respect concepts, which have received recent attention from both academia and industry (Cho, 2011). In a pioneering study, Cho (2011) expanded Keller’s (1993) CBBE model by including both omitted concepts (i.e., love and respect). In Cho’s research, the expanded CBBE theory was empirically confirmed using a national U.S. consumer sample. Because cultural differences may influence consumer behavior, one should not attribute behavioral characteristics of U.S. consumers to non-U.S. consumers without empirical validation. Thus, the purpose of the present research is to examine the applicability of the expanded CBBE model to non-U.S. consumers (i.e., Korean consumers).

Theoretical model. Keller’s (1993) CBBE model proposes that a high level of brand awareness, a favorable brand image, and brand loyalty lead to brand equity. In the present study, this model was expanded by incorporating Roberts’ (2004) conceptualization of a “lovemark.” Kevin Roberts (2004), the CEO of a global branding/advertising firm, has proposed that a lovemark experience, which is a combination of high love and high respect, leads to brand loyalty. Empirical relationships between the variables (i.e., brand awareness, image, love, respect, loyalty, and overall brand equity) were proposed in this expanded model.

Method. An online survey was used for data collection. Employing a snowball sampling technique, a total of 188 South Korean residents (132 females and 56 males) between the ages of 19 and 35 participated in the study. A majority of respondents (95%) indicated that they really liked or loved at least one fashion brand. The sample was randomly assigned to one of two treatments; one treatment group (N=92) was asked to think of their favorite domestic fashion brand, whereas the other group (N=96) thought of their favorite Western fashion brand while completing the questionnaire. Reliable scales from past research were adopted and went through a process of translation (Korean)-back translation (English). Structural Equation Modeling (SEM) was performed to examine the factor structure of each variable and relationships between the variables.

Results. Using SEM, CFA established factor structures for the variables used in both (domestic and Western brand) models. Eigen values ≥ 1, and standardized factor loadings
above .50 on the factor, but below .30 on the other factors determined factor structures. Alpha values were all above .70, confirming reliability of the factors. Factors explained between 44-69% of the variance. The fit indices of both SEM measurement models showed fairly good fit of the data: domestic brand [$\chi^2 (230, N = 92) = 287.48, p \leq .001, CFI = .96, RMSEA = .05, SRMR = .07$] and Western brand [$\chi^2 (232, N = 96) = 333.7, p \leq .001, CFI = .94, RMSEA = .07, SRMR = .06$]. The fit indices of both SEM structural models also indicated fairly good fit of the data: domestic brand [$\chi^2 (239, N = 92) = 309.27, p \leq .001, CFI = .95, RMSEA = .06, SRMR = .09$] and Western brand [$\chi^2 (241, N = 96) = 355, p \leq .001, CFI = .93, RMSEA = .07, SRMR = 1.0$]. Although the RMSEA and SRMR estimates were above the cutoff of .05 (Browne & Cudeck, 1992), the main fit index (CFI) indicated a good fit. All proposed paths in the SEM models were statistically significant ($p \leq .001$), except for the path from brand respect to brand loyalty ($\gamma = -.14, t = -.82$) in the model for the Western brand. The negative direction could be a suppression effect due to collinearity between the model’s variables (Hair, Black, Babin, Anderson, & Tatham, 2006). Results confirmed the significant contribution of the lovemark experience (i.e., high brand love and respect) to CBBE for Korean consumers.

Conclusions and implications. Results of the present study confirmed that the expanded CBBE model is applicable to non-U.S. (Korean) consumer experiences with domestic and foreign brands. Cho’s research did not distinguish between these types of brands. As predicted, brand awareness positively influenced brand image. Brand image positively influenced both brand love and respect. Brand love had a positive influence on brand loyalty towards both domestic and Western fashion brands, but brand respect had a significant influence on brand loyalty for domestic fashion brands only. Brand loyalty positively influenced overall brand equity in both models. This study suggests that marketers should create a lovemark experience for consumers to build CBBE in Korea. To increase loyalty for Western fashion brand, techniques to build brand love (a deep emotional attachment) should be emphasized. To increase loyalty for domestic fashion brand, both brand love and respect should be created. To enhance generalizability of these research findings, the researchers will test the expanded CBBE model using a larger sample of Korean consumers in future research.


