

Types of Brand Extension and Leverage Effects of Brand Image in the Korean Apparel Market*

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Abstract : This study examines apparel brand extensions in terms of types and leverage effects. The researchers identified types of apparel brand extensions based on recent data gathered from the Korean apparel market. Three hundred forty eight Korean female subjects in their 20's evaluated three hypothetically extended brands from a major casual brand which actually exists in the Korean market. Major findings of the study follow. First, apparel brands are extended to different product categories by adjusting mostly target profiles as well as product usage, product class, and distribution channel. Secondly, leverage effects, the extent of image transfer from the parent brand to extended brands, are different according to the extension types.

Key Words : apparel brand, brand image, leverage effect, types of brand extensions

I. Introduction

As competition becomes more severe in the marketplace, the value of a brand becomes more important than ever. The image associated with a brand is regarded as a critical differentiating factor for the brand and helps it gain a competitive edge in market competition. When consumers purchase apparel products, the prestige or credibility of a brand tend to be more influential than the product's quality (Rhee, 1999). In Korea, apparel consumers were found to use brand as a major surrogate for product quality from the many apparel product attributes used as evaluative

criteria (Lee and Burns, 1993).

According to literature (Aaker, 1991; Cobb-Walgren, Rubble, and Donthu, 1995), brand image is the core component of brand equity. It is defined as a cluster of attributes and associations that consumers connect to the brand name (Biel, 1993). These brand attributes and associations can be divided into two categories: (a) tangible/functional aspects such as associations with product categories, physical attributes of the product, and perceived quality; and (b) emotional aspects such as user image, feelings and experiences, and brand personality. In this study, the former aspect of brand image is termed "functional image." This

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* This research was partly supported by a grant from Research Institute of Human Ecology in Seoul National University.

aspect of brand image may be evaluated based on brand performance and is measured by an objective and reliable method. In turn, the latter aspect of brand image is termed “symbolic image” and is dependent on consumers’ evaluation; their evaluation is subject to personal emotions and psychological factors.

In the apparel industry over one third of a firm’s operational expenditures is spent on brand management (Chung, 1996). In accordance with the sizable expenditure on brand management and the understanding of the importance of the brand’s role, apparel firms encounter many risks in developing a new brand. The financial burdens and risks related to introducing a new brand to consumers lead apparel firms to consider extending their current brand name to a new product line. According to Romeo (1991), a brand extension benefits a firm by transferring brand equity that has already been well established to the extended brand. In this way, the firm can save the money, time, and effort involved in building a new brand image and, at the same time, increase consumers’ awareness level of the new brand. Sales of the parent brand product and the extended brand product can usually be expected to increase. Additionally, by extending the brand, a firm can take advantage of the distribution channels and advertising efficiency utilized by the parent brand and activate consumers’ purchase intention with little effort (Kim, 1996; Smith and Park, 1992).

Apparel brands are different from brands in other product categories. First, apparel products are proliferated: one brand name is attached to many sub-product-categories. Additionally, the number of apparel products under one brand name at stock

keeping unit level (SKU level) amounts to hundreds, sometimes thousands, according to color, style, and size for one selling season (Glock and Kunz, 1995). Under these conditions, brand, per se, has limitations; it indicates a certain level of functional performance for all products deployed under the same brand. Furthermore, brand is often used as an indicator of the symbolic power, such as style, and the prestige of the brand overall (Donnellan, 1996). Secondly, a “new product” in the apparel market actually requires few changes. In terms of its functional aspects, one product is much like the next. And although apparel firms create and introduce new apparel products every selling season, it does not mean that new apparel products are technologically or functionally upgraded and, therefore, require a new brand name. Consumers do not expect significant functional advancements from a new item of clothing. Rather they choose an apparel product because of the positive expectations they associate with the symbolic aspects of the brand.

Brand image is important especially for apparel products because apparel product adoption is usually dominated by fashion change (Sproles and Burns, 1994). As apparel products follow a fashion cycle, consumers inevitably experience a period when they feel more like obtaining newly introduced products. In this case, brand image can be a major selling point; it secures the uniqueness of the product and its effect does not easily deteriorate as time passes. Additionally, at an early stage in the fashion cycle, when information about a new apparel product is scarce, consumers are often afraid to take the psychological or financial risk of purchasing that new product. Consequently,

consumers tend to be more willing to accept a new product from a familiar brand name with an established image (Romeo, 1991). This happens because from a historical perspective, apparel products have their own unique characteristics associated with their symbolic value. The fame or credibility that a brand delivers to consumers exerts a significant influence on them when they are selecting apparel products or stores (Rhee, 1999).

The purpose of the study was two-fold: (a) to identify types of apparel brand extensions in the Korean Apparel Market, and (b) to determine their leverage effects. To achieve the first purpose, existing extended brands in the Korean apparel market were reviewed and categorized according to the relationships between the parent brands and the extended brands. To achieve the second purpose, an empirical study was conducted to find out the magnitude of image transfer of the parent brand to the extended brands by analyzing consumer responses to hypothetically extended brands. This study will establish grounds for brand extension strategies by providing empirical results specific to apparel brands.

1. Study 1: Taxonomy of brand extensions in the Korean apparel market

In order to identify types of apparel brand extensions, two major sources were used: the Fashion Brand Yearbook of Korea, and the other was Textiles Journal (a.k.a. Fashion Biz). The latter is one of the leading trade magazines in Korea. All of the extended brands listed in the Fashion Brand

Yearbook of Korea in 1999 and all of the new brands introduced in the Textiles Journal during the period between 1995 and 1999 were listed and classified according to the adjustments that the original apparel brands made for their brand extensions. As a result, four major types of brand extensions were identified: target adjustment, usage adjustment, product class adjustment, and distribution channel adjustment.

1) Brand extensions for target adjustment

This type of brand extension is found when a brand is extended to target and encompass more diverse groups of consumers. This type is classified into four subcategories which are based on the adjustments made for the extended brands.

(1) Adjustment of fashion image

The first subcategory is an adjustment of the fashion image from the adult target group to a more trendy youthful target group. This type of extension aims at a slightly younger age group than the parent brand's target group. It intends to transfer the current brand equity to the new one, but tinges the brand with a younger and fresher image. It increases compatibility between the parent and extended brands by targeting consumers who are smaller in size and more homogeneous in taste. However, cannibalization may occur due to the overlapping between the targets of parent and extended brands.

Since this is little change in the assortment of product items and usage situation compared to the parent brand, the age range of the target group is discernable mainly by differences in product design. As the target group consists of younger

people, who presumably have less buying power, price adjustment is usually and accordingly accompanied. Michel Klein to MK, and System to SJ are examples of this subcategory.

(2) Adjustment of target generation

The second subcategory is an adjustment of the target age from that of adults to the younger generation, for example, the introduction of children's wear from a men's or women's wear brand. In this type of extension, there is no overlapping of product users between the parent and extended brands. Considering the fact that most children's clothes are purchased by adults in the family, the brand equity of the parent brand can be expected to transfer to the extended brands. Guess to Guess Jr., and Adidas to Adidas Kids are examples of this subcategory.

(3) Adjustment of target gender

In the third subcategory, a brand is extended to attract consumers of the opposite gender to the new product. Almost identical marketing strategies in use for the current brand are adopted to the extended brand: assortment of product line, price zone, and brand image. The only difference is that the extended brand is aimed at the opposite gender. Examples of this subcategory include Esprit to Esprit Man, Peacock Dress Shirts to Peacock Blouses, and Kenzo to Kenzo Homme.

(4) Adjustment for special needs

In the last subcategory, a brand is extended to serve consumers with special needs. Consumers may have special needs related to health problems or body types which deviate from the average consumer's. Markets for large-sized or petite-sized

consumers can fall into this type and are assumed to have the potential for expansion in the future. This type of extension can meet the functional needs of consumers better than emotional ones; thus, it should be treated independently of the brand extension for usage adjustment which we will discuss later. Applicable examples are Soda (general shoes) to Soda Health Shoes, and Orfa (innerwear) to Orfa Motherpia (maternity inner wear).

2) Brand extensions for usage adjustment

This type of extension is easily found in apparel brand extensions. Apparel products from the extended brand are designed to be worn in obviously different situations (i.e., time, place, occasion) than products from the parent brand. Brand extensions, therefore, can take advantage of the fact that consumers need various kinds of apparel products for various types of social and physical activities. When a normal women's wear brand is extended to a sportswear brand (e.g., Kenzo to Kenzo Golf, Elle to Elle Sports) or an outerwear brand is extended to an innerwear or vice versa (e.g., Fila to Fila Intimo), this is an example of brand extension for usage adjustment. The extension is intended to cover a wider range of adjusting the target profiles.

3) Brand extensions for product class adjustment

Apparel brands are often extended to cover other product classes such as leather goods, accessories, perfumes, or home furnishings. Although the product classes are different, brand image transfer from apparel to other product classes is an

important part of brand extension. The products from these different classes can be used to compliment the apparel products of the parent brand. These products, though, most have characteristics that the consumer associates with fashionability. Ssamzi (leather goods) to Ssamzi sports (sport wear) is an example of this category.

4) Brand extensions for distribution channel adjustment

Apparel brands have been recently extended in order to utilize new distribution channels such as discount stores, direct mail, or on-line shopping.

When a firm wants to open up a new channel such as a discount store and avoid conflicts between channels (e.g., department stores and discount stores), a newly introduced brand should be priced lower than its parent brand but still maintain its image of good quality. Furthermore, changes in consumers' shopping behavior relevant to store selection have caused apparel companies to consider diversifying their distribution channels. Currently, consumers do not have to visit a brick and mortar store in person, they have access to apparel products via the mail or the Internet. As product trial is almost impossible in this type of

<Table 1> Examples of each type of brand extension

Type of brand extension	Criteria	Parent brand	Product	Extended brand	Product
Target Adjustment	Image	Michel Klein Boticelli System Obzee	Women's wear Women's wear Women's wear Women's wear	MK G. Boticelli SJ O's Second	Women's wear Women's wear Women's wear Women's wear
	Generation	Guess Renoma Adidas	Casual wear Casual wear Sports wear	Guess Jr. Renoma Jr. Adidas Kids	Jr. casual wear Jr. casual wear Children's wear
	Gender	Esprit Peacock Dress Shirts Kenzo	Women's wear Men's wear Women's wear	Esprit Man Peacock Blouse Kenzo Homme	Men's wear Women's wear Men's wear
	Special Needs	Soda Orfa	Shoes Underwear	Soda Health Shoes Orfa Motherpia	Shoes Maternity underwear
Usage Adjustment	Usage	Fila Lollol James Dean	Sports wear Women's wear Underwear	Fila Intimo Lol Underwear James Dean Jean	Underwear Underwear Casual wear
Product Class Adjustment	Product Class	Ssamzi Renoir	Leather goods Leather goods	Ssamzi Sports Renoir Classic	Sports wear Women's wear
Distribution Channel Adjustment	Distribution Channel	J-Shield	Casual wear	J-Option	Casual wear: discount store only
		OX	Underwear: off-line only	OX Mhohm	Underwear: on-, off-line

shopping, assuring consumers of the quality and credibility of the products they see displayed on the computer monitor or in a mail catalogue is an important issue. For these reasons, apparel brands are extended with a slightly modified name of the parent brand.

5) Summary

To sum up, apparel brand extensions are easily found in the Korean apparel market. Brands have been extended to apparel to more consumers by adjusting target groups; the criteria used to appeal to new target groups are image, generation, gender, and special needs. Furthermore, in order to attract more consumers or to increase sales from current consumers, newly introduced brands are geared towards consumers for different usage situations (i.e., formal wear, sports wear, innerwear) and other product classes (i.e., accessories, leather goods). Brands have also been extended to apparel to consumers who patronize other distribution channels, such as discount stores or on-line shopping malls. Examples of the four types of brand extensions are summarized in <Table 1>.

2. Study 2: Empirical tests of brand image leverage effects by brand extension

The major leverage effect of a brand extension is the transfer of brand image from the parent brand to the extended brand. In this section, the effects of brand extension are evaluated empirically by quantitative survey research with a written questionnaire concerning the three different types of brand extensions. The three types of brand

extensions are target adjustment, usage adjustment, and product class adjustment. All three types are commonly practiced in Korea. Brand extension for distribution channel adjustment, however, was excluded in this study. The history of distribution channel diversification in Korea is not long enough to find representative brands that achieved success in every related channel. Also, new distribution channels such as the Internet have not yet been fully utilized by many Korean apparel consumers. That is, despite the recent Internet surge in Korea, there is still not a sizable amount of Internet users who have had a clothing purchase experience via the Internet. (Distribution Research, 1999; Hwang, 2003).

The following null hypotheses directed the empirical study:

H1₀: There is no difference between functional brand image evaluations of parent brand and extended brand.

H2₀: There is no difference between symbolic brand image evaluations of parent brand and extended brand.

1) Stimuli

Respondents were presented with the brand name, Giordano, which actually exists in the Korean apparel market. Giordano offers varied products in its basic casual wear line and targets young consumers. This brand was selected because of its high brand awareness and consumer familiarity. Additionally, Giordano has reported the highest market share in Korean casual wear since 1997 (Apparel News, 2001). It can therefore be assumed that consumers have established a set of brand images that are unique to Giordano. These

<Table 2> Stimuli brand names used in the questionnaire

Parent brand	Product Category	Modifier	Hypothetical Extended Brand Name
Giordano	Children's Wear	Kids	Giordano Kids
	Formal Wear	Formal	Giordano Formal
	Home Furnishing Goods	Home Interior	Giordano Home Interior

are the reasons this brand was chosen as the parent brand in the questionnaire. Together with the actual brand name, Giordano, three hypothetical brand names were created and presented as extended brands. Each hypothetical brand name was made up of the family brand name, Giordano, and a modifier. Three modifiers to specify the extended product categories were, Kids, Formal, and Home Interior. The extension to children's wear, "Giordano Kids," is an example of target adjustment with an age only criterion. The extension to formal wear, "Giordano Formal," is an example of usage adjustment. The extension to home furnishings, "Giordano Home Interior," is an example of product class adjustment. The brand names used in the questionnaire are shown in <Table 2>. Giordano actually launched Giordano Junior in January, 2000; however, because this study was conducted before 2000, Giordano Kids should be still regarded as a hypothetical. The new line had not been revealed and a specific brand image had not been profiled publicly (Apparel News, 2000).

2) Measure

The brand image of the parent and extended brands were measured in terms of functional aspects and symbolic aspects. Three versions of the questionnaire used identical questions except for those questions evaluating the extended brand.

These were modified to make them appropriate to the characteristics of the product category (i.e., children's wear, formal wear, home furnishing goods). The items were adopted from a previous study which reported on apparel product evaluation criteria in the Korean apparel market (Kim and Rhee, 1989; Chung and Rhee, 1992; Lime and Lee, 1997).

Three versions of the questionnaire were developed to measure each type of apparel brand extension effect. Each questionnaire consisted of four sections containing a series of questions devised to measure the brand image of the parent brand Giordano, the brand image of the hypothetically extended brand, the consumers' brand involvement level, and demographics.

Whether respondents evaluated aspect as similar to the parent brand or not was tested by the use of independent two samples t-test for the three types of brand extensions: target adjustment (i.e., children's wear), usage adjustment (i.e., formal wear), and product class adjustment (i.e., home furnishings). The functional aspect of brand image was measured with five 6-point Likert-type scales with (1) indicating "strongly agree" and (6) indicating "strongly disagree." The functional aspect of brand image consisted of five items: "ease of care and laundry," "quality for price," "reasonable price," "good fit," and "easy to match with other apparel items." The last two items were

not used for the home furnishings category because they were relevant to the apparel items only.

Whether respondents rated the symbolic image of the extended brand as similar to the parent brand or not was tested by use of independent two samples t-test for the three types of brand extensions as done for the evaluations of the functional brand image transfer (i.e., children's wear, formal wear, home furnishings). The symbolic brand image was measured by 15 semantic differential items that had a pair of adjectives at the extreme ends of 7-point items (i.e., 0 to 6).

3) Sampling and data collection

The convenience sample consisted of female consumers in their 20's who were likely consumers of the brand, Giordano. The majority of the women who participated in this study were non-married (94.3%). Females in this age group are known to have a higher brand involvement than other female age groups or males. Therefore, they can appropriately evaluate a currently existing brand and its hypothetically extended brands. A similar study that has examined the brand extension effect of casual wear has also used this age group (Hwang, Song, & Lee, 2003). Of the sample, 40.2% of the women spent, on a monthly basis, between 50,000 and 100,000 Korean Won on clothing; 34.8% of the sample spent more than 100,000 Won. The questionnaires were deliberately distributed so that every respondent could answer only one version of the questionnaire; the number of completed questionnaires per version were of a relatively equal size. Four hundred-fifteen questionnaires

were completed during September and October in 1999. After eliminating any incomplete forms, a total of 348 questionnaires were finally used for the data analyses. The same number of respondents (i.e., 116) completed each type of questionnaire. Data analyses were done using descriptive statistics and t-test.

4) Manipulation check

Before evaluating the leverage effect of brand image of the parent brand Giordano to the three hypothetically extended brands, mean scores and standard deviation scores of the parent brand image were compared among the three respondent groups who answered to the three different versions of the questionnaire. As a result, three groups showed no statistically significant differences in rating the image of Giordano for both the functional and symbolic aspects, which suggest that three groups responding to different extended brands are homogeneous in terms of brand image evaluation.

5) Findings: Leverage effects of functional brand image

<Table 3> reveals that consumers perceived Giordano positively on all five dimensions of the functional brand image and that most of these positive evaluations transferred to the extended brands. However, these consumers did not evaluate the extended brand as equal to the parent brand. Out of 13 items, five items showed statistically significant mean differences. Some properties of the functional image of the parent brand were reinforced or diluted when extended. The properties that are likely to be affected by brand extension

<Table 3> t-test results for evaluation of functional brand image transfer

Functional Brand Image	Children's Wear			Formal Wear			Home Furnishings		
	G	G Kids	D ^a	G	G Formal	D	G	G Home Interior	D
Easy for care and laundry	2.40 ^b	2.21	.19**	2.38	2.63	-.25**	2.41	2.29	.12
Price is reasonable	2.21	2.47	-.16***	2.33	2.53	-.20*	2.29	2.43	-.14
Has good fit	2.77	2.66	.11	2.80	2.94	-.14			
Has good quality for price	2.57	2.55	.02	2.69	2.78	-.09	2.73	2.77	-.04
Easy to mix and match with other apparel items	2.52	2.56	-.04	2.45	2.61	-.16*			

* p<0.05, ** p<0.01, ***p<0.001 : statistically significant difference at each significance level

a: mean difference between the brand Giordano and the extended brands Giordano Kids, Giordano Formal, and Giordano Home Interior

b: mean scores measured on 6-point item (1: strongly agree; 6: strongly disagree)
scores less than 3.5 indicate a positive evaluation of the image

vary with the type of brand extension. The extension to formal wear showed the most undesirable leverage effect for the functional aspect of brand image, whereas the extension to home furnishings showed the most positive level. The respondents rated the functional aspect of the brand image for home furnishings as quite similar to that of the parent brand. Therefore, H1₀ was rejected.

As shown in <Table 3>, respondents rated the functional aspect of brand image differently according to the type of extension. For example, when Giordano also extended to children's wear, respondents expected that "the ease of care and laundry" would increase and the "price is reasonable" would dilute. The diluted image of "reasonable price" can be attributed to the Korean consumers' buying patterns for children's wear. In Korea, many children's wear companies offer their products at a fairly low price; these companies do not focus on brand names. Therefore, consumers believe that attaching a well-known brand name such as Giordano to children's wear would very

likely raise the price level.

Respondents expected that Giordano Formal would not have a desirable image in the category of ease of care and laundry as compared to the parent brand, Giordano. Furthermore, the image relating to reasonable prices deteriorated. Thirdly, the extended formal wear line generated less flexibility in terms of mixing and matching with other apparel items. The respondents also associated a higher price level with Giordano Formal. This result seems reasonable since formal wear is usually priced higher than casual wear. Also, considering that the brand Giordano is a popular casual wear line for adults and that it is known for its economical price zone, extending it to other apparel product categories such as children's wear or formal wear would conceivably dilute the well-established image associated with the price ranges.

Lastly, no statistically significant image difference was found between the parent brand Giordano and the extended brand Giordano Home

Interior in terms of the three functional items. This finding implies that as it concerns functional image, an extension to home furnishings might take the most advantage of the well-established brand image. This extension would require the least amount of effort because consumers would not expect that the distinctive brand image transfer between home furnishings and the casual wear.

The comparison of the three difference scores on the first three functional image items in <Table 3> suggests that consumers rated the functional aspects of the brand image of home furnishings, Giordano Home Interior, as more similar to that of the existing brand, Giordano. This result implies

that although children’s wear and formal wear are more similar to casual wear than home furnishings (formal wear, children’s wear, and casual wear are all worn by people), those similarities may not be salient associations. Rather, dissimilarities in benefits sought and usage of each product category are salient, which requires that the three product categories have their own unique brand image.

6) Findings: Leverage effects of symbolic brand image

<Table 4> presents the detailed adjectives used in the questionnaire and the mean scores of each item. In addition, difference scores in the table

<Table 4> t-test results for evaluation of symbolic brand image transfer

Symbolic Aspect Brand Image	Children’s Wear			Formal Wear			Home Interior		
	G	G Kids	D ^b	G	G Formal	D	G	G Home Interior	D
Modern	3.58 ^a	3.84	.26**	3.55	3.79	.24*	3.58	3.88	.30**
Attractive	2.65	3.24	.59***	2.65	3.39	.74***	2.56	3.24	.68***
Luxurious	2.49	2.94	.45***	2.65	3.17	.52***	2.50	3.15	.65***
Unique	1.79	2.46	.67***	1.75	2.52	.77***	1.59	2.56	.97***
Gorgeous	1.39	2.04	.65***	1.32	1.76	.44**	1.20	1.66	.46***
Decorative	1.07	1.52	.45***	.91	1.46	.55***	.97	1.57	.60***
Colorless	3.57	2.96	-.61***	3.41	3.91	.50***	3.59	3.45	-.14
Gentle	3.18	2.53	-.65***	2.99	3.64	.65***	2.96	3.09	.13
Simple	4.82	4.73	-.09	4.83	4.54	-.29**	4.97	4.74	-.23*
Sporty	4.26	4.40	.14	4.37	3.29	-1.08***	4.41	3.81	-.60***
Manish	3.78	3.67	-.11	3.74	3.43	-.31**	3.71	3.18	-.53***
Comfortable	5.05	5.05	.00	5.19	4.63	-.56***	5.10	4.96	-.14
Neat	4.61 ^a	4.49	-.12	4.58	4.66	.08	4.58	4.63	.05
Soft	3.96	4.09	.15	3.96	3.79	-.17	3.92	4.09	.17
Fashionable	2.91	3.03	.12	2.93	3.16	.23	2.92	3.10	.18

* p<0.05, ** p<0.01, ***p<0.001 : statistically significant difference at each significance level

a: as the score is closer to 6, the brand has a stronger image of what the adjective denotes.

b: mean difference between the brand Giordano and the extended brand Giordano Kids, Giordano Formal, and Giordano Home Interior. A higher difference score means the extended brand has a stronger image of what the adjective denotes than the brand Giordano.

denote the magnitude of the image transfer of the parent brand, Giordano. The results in <Table 4> revealed that consumers did not evaluate the symbolic image of the extended brand and the parent brand as being similar. Some properties of the symbolic image of the parent brand were either reinforced or diluted when extended. The properties that are likely to be affected by brand extension vary with the type of brand extension. Therefore, H20 was rejected.

After comparing the difference scores of each measure across the three types of brand extensions, we can identify which product category would be expected to have a more consistent image with the parent brand. Out of the list of 15 adjectives, 8 items, 12 items, and 9 items showed statistically significant difference scores for the three extended brands respectively. This result implies that when a parent brand is extended to different product categories, consumers expect different images in accordance with the unique characteristics specific to the product categories. For example, in the case of children's wear, consumers would expect Giordano Kids to be more "attractive," "luxurious," "decorative," "colorful," "gorgeous," "unique," and "modern" than the parent brand, Giordano. And they would expect that the children's wear would be much less "gentle" than the casual wear made for adults. Furthermore, some of the key brand images associated with the parent brand, such as "neat," "fashionable," "mannish," "sporty," "simple," "comfortable," and "soft," were expected to remain in the children's wear. Among the three types of brand extensions, extension to children's wear by target adjustment revealed the most symbolic image attributes; 7 out

of 15 were expected to be consistent with the parent brand.

In case of formal wear, consumers expected that Giordano Formal would have a very different image than that of the casual brand, Giordano. This result may be attributed to the fact that these two products (i.e., casual wear vs. formal wear) are worn in totally different situations. Compared to formal wear, home furnishings were expected to have a more consistent image with the parent brand, Giordano, in terms of "colorless," "gentle," and "comfortable." Although formal wear would seem to be more similar to the parent brand product (both share physical features as apparel items), these similarities did not appear to be salient to consumers. Instead of physical similarities between formal wear and casual wear, similarities in benefits sought between casual wear and home furnishings seem to be more influential when consumers perceive brand images of the parent brand and the extended brand. Therefore, we can assume that when a company extends an apparel brand within apparel product categories - with the intention of transferring the established image of the parent brand to the extended one - similarities and salience of associations should be considered in various ways. Previous research has indicated this as well (Chakravati, Macinnis, and Nakamoto, 1990). In other words, much consideration should be paid to the distinctive image establishment for the new brand according to the types of brand extensions.

3. Conclusion

Through our literature review and our empirical

study results of brand extension in the Korean apparel market, we have reached the following conclusions. First, apparel brands are extended based on several adjustment criteria; these occur within the apparel product category as well as outside the apparel product category. Within the same apparel product category, target adjustment, usage adjustment, and distribution channel adjustment were the incentives for executing a brand extension.

Secondly, the extent of brand image transfer from the parent brand to the extended one is dependent on the types of brand extension. When extended to another product category, the functional or symbolic brand image of the parent brand is supposed to be transferred to a various extent according to the type of brand extension. The various extent of the leverage effect of brand image in apparel brand extension is dependent on the extent of its similarities and the salience of associations between the parent and extended brands, as Chakravati et al. (1990) have indicated.

To be more specific, consumers may want a certain product category to sustain consistent functional image but also maintain a distinctive symbolic image from the parent brand or vice versa. In this study, the extension of a casual wear brand to a formal wear brand did not sustain the existing brand image in terms of both functional and symbolic aspects. In other words, the extended brand needs an independent and clearly differentiated brand image compared to the parent brand. Therefore extending a product line under the same brand name is not recommend. But, for certain categories, such as extending casual wear to children's wear, the functional aspect of the brand

image can be differentiated while sustaining some of its symbolic image. In the category of home furnishings, provided that the benefits sought are perceived to be similar, the extension from a casual wear brand can require less effort to build a brand image than the extension to a formal wear brand.

When a company considers extending a brand in order to enjoy more market coverage and to increase sales volume by taking advantage of a well-established brand image, they expect that the positive brand image will transfer to the extended brand. An extension, the company believes, can help launch a new brand and save time, effort, and money. However, in the apparel market, sustaining the already established brand image for the extended product category is not always recommended. More investment than previously thought may be needed for an apparel brand extension to build a wholly different image. This can be further complicated by the type of brand extension and related product characteristics.

To sum up, more fragmented marketing strategies in relation to brand image transfer are required for apparel brand extensions. Which type of brand extension (i.e., target, usage, distribution channel, product class) a company is considering should determine whether sustaining the current brand image is appropriate or not. If, it is sustaining, which aspect of the brand image it should be is also an important consideration.

This study implies further studies in brand extension. A study which researches brand image transfer is recommended to include the effect of the parent brands' unique characteristics specific to apparel products. And similarities between parent and extended brands should be defined more

multidimensionally. As found in this study, the extent of consistent brand image transfer, for instance, casual wear to formal wear showed more disparate results than extensions from casual wear to children's wear or casual wear to home furnishings.

This study, however, has several limitations to generalize the results. First, the respondents were likely consumers of currently existing Giordano products, and they were all females in their 20s. They would not necessarily be the main target of our hypothetical brand categories for children's wear and home furnishings. When a brand is extended, it certainly might target a market of similar profiles; however, this is not always the case. It was also difficult to find respondents who would be considered targets of the current Giordano casual wear line and the hypothetical Giordano Kids or Giordano Home Interior line. Secondly, as a stimuli we selected a specific brand, Giordano, because more young Korean consumers are familiar with it. Thus, the results of this study may be limited to this brand only. Lastly, this study used hypothetically extended brands and respondents were asked to evaluate the brand image based on their expectations.

Future study is recommended to adopt another research design to help overcome these limitations. For example, Giordano Junior, which truly exists now, should be studied and compared with the results of this study. Also future brand extension studies need to be conducted to investigate the relationships between brand image transfers and other extension types such as distribution channel adjustment.

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Received November 27, 2002

Accepted March 21, 2003