

The Comparative Study on the Extension Brands of Fashion Industry

– DKNY, Ak Anne Klein, it Michaa, O'2nd –

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Abstract

The purpose of this study is to compare and analyze the relationship among image, customer satisfaction and loyalty of fashion Extension brands. It is expected that this study will provide guidance to fashion companies that are planning to expand their brand in setting up marketing strategies and service strategies. The results of the study are the following.

First, women consumers in their 20s had an perception that second brands provided diverse and unique products at cheap prices. However, after purchasing the products, they recognized that the second companies' service level was not so satisfying. Second, consumers were satisfied with the brand awareness, reputation, image, design, color, and packing conditions of the second brands while being not satisfied with the pricing. Third, when the study examined brand loyalty of second brands, consumers have shown high loyalty to the four subsidiary brands. Fourth, the satisfaction level for the four second brands had a significant effect on the brand loyalty for each second brands.

Key Words : main brand, second brand, brand image, brand satisfaction, brand loyalty.

I . Introduction

Brands, in the fashion industry, isn't just the name of the product. Brands are complexes that include the company's image and the images that the product retains. In today's competitive atmosphere where various products are produced

and new brands arise each day, the importance of brands are only increasing.

As we have entered the 21st century, the global consumer demand for fashion has diverted even more. New trends arose in a very short period of time in which some focus on dignity and some on sensitivity. To meet this change,

the competition between firms are heating up, leading to increasing R&D costs and shortening of product lifespan.

Keeping up with the trend, fashion firms of our nation which recognized the importance of brands, since 1997's IMF crisis, attempted a brand Extension strategy launching second brands, utilizing their current brand to gain new costumers, instead of launching new brands. Second brand Extension has the advantages that it reduces the marketing cost required for launching new products and also reduces failure risk utilizing the pre-existing brand awareness to allure customers. However, while foreign fashion firms, such as Polo Ralph Lauren and Giorgio Armani, have actively worked on expanding their brands through second brands, domestic fashion firms weren't so interested in the brand Extension strategy using second brands.

In this period of time where the domestic economy is once again suffering because of the financial crisis of November 2008, which started from the United States, we can say that brand Extension using second brands, in which we can minimize costs and reduce failure risks, is the most desirable strategy.

Nowadays, even domestic fashion firms are on the watch seeking for opportunities to develop new markets through brand Extension. This is because the new brand's success rate is high from the halo effect using the existing brand's pre-imprinted brand awareness and brand power. However, not all brand Extensions turn out to be successful. In the case of Levi's, it was blockaded from entering a new market due to its erroneous Extension strategy. It is a well known fact that in order to establish an adequate and practical brand Extension strategy for a successful launching of a second brand, we would have to look over real examples of

successful second brand Extensions of fashion firms and study their image strategy, customer satisfaction strategy, and their loyal customers.

Although brand image in fashion is the most important factor that leads on to customer satisfaction and loyalty through emotional appeal, and also despite the fact that brand image acts as the reason why loyal customers stick with the brand, systematical research about brand image, satisfaction level, and loyalty level is missing. Furthermore, nonetheless the desperate need for research on second brands, there isn't any research on second brands conducted which covers all factors including brand image, satisfaction level, and loyalty level.

If we look over precedent studies on fashion brand Extensions, they are mostly researches on main brands, either researching about brand image strategies, studying about the similarities and suitability between the categories of two products, examining the influence of the properties of the main brand, or looking into the consumer awareness of brand Extensions; research focusing on second brands are near non-existent, in particular, there isn't a single case of empirical research comparing and analyzing different second brands.

Therefore, this research is a study that focuses on second brands in our fashion market that have 'main' brands. The purpose of this research is to examine second brands that are known as successful, DKNY, AK anne klein, it Michaa, and O'2nd, and look at their factors of preference and image and study their satisfaction and loyalty level to figure out the relationship between the factors.

The specific purpose of this research is the following.

First, after checking if a woman in her twenties have purchased second brands, we will

look into the image effect that second brands have and investigate about the factors that constitute the brand image of second brands.

Second, we will compare the consumer satisfaction and loyalty level of second brands.

Third, we will look at the influence that the satisfaction level has on consumer loyalty for the 4 second brands.

The result of this research has the significance that it focused on only second brands, out of the many factors that influence the evaluation of brands, and that it will provide guidance toward a successful brand launching as it is an empirical study of current fashion brands suggesting marketing strategies and services that can increase customer brand loyalty by determining customer appetite.

II. Theoretical Background

1. Brand Extension

Brand Extension is a marketing strategy that utilizes a pre-existing brand which is already successful in a particular market when entering a new product market. Brand Extension reduces the risk that might arise when introducing a new product in a new market and also immediately grabs customer attention. The meaning of brand Extension not only includes the use of the mother brands' names for a new product but also includes new brands that were created using a new brand name, which is similar to the name of the mother brand, so that customers can easily recognize them¹⁾²⁾.

For the types of brand Extension strategy, first, there is "Line extension," which extends and applies the main brand to a developed product when a main brand enters to a new market-segment, diverting from pre-established

product categories. Then, there is "Category Extension," which extends and applies the main brand to a new product category when a main brand enters in a completely different or new product category market, diverting from its existing products. Out of the two strategies, fashion firms prefer Line Extension. Line Extension is divided into, 'downward stretch' which launches second lines that are at a lower price-level compared to the main-brand, 'upward stretch' that adds product lines that have higher price-levels or that have higher quality within the same brand, and 'two-way stretch' in which a firm that is in the middle-level for both quality or price launches new products for both the high-price market and the low-price market³⁾. Currently, foreign fashion brands that moved into Korea are implementing downward stretch, by developing second brands, more vigorously than domestic fashion brands. Giorgio Armani's Emporio Armani, Calvin Klein's CK, Prada's Miu Miu, Burberry's Burberry Blue Label, Donna Karan's DKNY, ANNE KLEIN's AK Anne Klein, and Marc Jacobs's Marc by Marc Jacoba are some of the representative brands that are implementing downward stretch. Domestic fashion brands have also attempted brand Extension through second brands such as, Bean Paul's Bean Paul Lady, Time's System, E-Land's E-Land Junior, Michaa's it Michaa, and Obzee's O'2nd, however, like E-Land or Nasan which are continuously experiencing failures despite numerous attempts for brand Extension, domestic fashion brands are having difficulties in second line brand Extension unlike foreign fashion firms.

If we look at precedent studies on second brand Extension, Jung Minsoo⁴⁾ has revealed that Prada has a more successful line Extension than

Bean Paul through his research on brand Extension strategies comparing Bean Paul and Prada. He has also, in his research on the brand asset, brand awareness, and brand loyalty of the two brands' second brands, proven that the brand awareness of main brands are higher than that of the second brand, stated that the second brand's brand awareness increases proportionally to the brand awareness level of the main brand, and mentioned that brand Extension strategies should be implemented only after when the main brand has established a high brand awareness level and a high brand loyalty level instead of insisting on implementing Extensions without such backgrounds.

Song Jungmin⁵⁾, in his research on the influence that brand Extension products have on consumer behavior, has stated that second brands were recognized as more unique and better quality products the stronger the second brand's brand awareness as a brand-name product is. He also emphasized that, in case of second brand products, it is more important to maintain good customer-firm relationship through the main brand's brand Extension strategy and also to maintain a friendly relationship between the brand and the consumers through media, instead of marketing strategies focusing on selling products directly. Lee Yongwoo and Lee Minhoon⁶⁾ emphasized the importance the efficiency of advertisement as a factor that influences brand Extension, mentioning that, in their research investigating the efficiency of second brand products, when the concept of the brand is unanimous regardless of the similarities of the products, relational advertisement is always more efficient than elaborate advertisement, while when the concept of the brand is not unanimous, elaborate advertisement is more efficient in creating a

positive customer behavior on the second brand.

Sim Yoonji⁷⁾ has emphasized, in the second brand Extension of Nike and Pro-Specs's sportswear, the importance of a concrete establishment of brand awareness, as Nike brought a more favorable brand evaluation compared to Pro-Specs when expanding its brand as it has a higher brand awareness level. She also pointed out strengthening the association between the second brand and the factors that customers highly praise of the main brand is a crucial matter to deal with in second brand Extensions. Shin Sooyeon⁸⁾, in her research targeted on women in their 20s to their 40s, concluded that DKNY, a second brand, is a well known brand to women which has comforting fit, vigorous advertisement/sales promotion programs, and an adequate price-level.

2. Brand Image

Recently, as brand images are more and more emphasized in the fashion world, there is the tendency that the products themselves become the brand's image. Keller⁹⁾ has defined brand image as the "perception about a brand projected by the customer's memory," and Eum Kyunghee¹⁰⁾ has defined it as the positive/negative feeling that a customer has on the brand, things that the brand resembles, or just the overall impression of the brand created by a mixture of various associations related to the brand.

Lee Gyun¹¹⁾, after studying the relationship between brand Extension products and the customer, has concluded that customers give positive evaluations to the Extension brand with the brand image of the main brand as a basis, and Hong Yoonshik¹²⁾ has said that good brand images have positive effects on brand Extension

and customers have positive opinions for such cases.

Jung Ilrye stated that brand images, by providing high margin and low price elasticity, increases the customer preference on a particular brand and, consequently, loyal customers show a characteristic that they are advocates of the firm, are providers of information, and are less sensitive to price¹³⁾¹⁴⁾.

Kim Youngil, Yoon Chayoung, Kim Hyunjong¹⁵⁾ have mentioned about the importance of brand images saying that brand images represent the quality of the product and reduce the effort required to compare the product maintainability/efficiency for the customer in their decision process, and that it can even increase the customer interest. Also, Song Jonghwan¹⁶⁾ has explained that brand images not only affect market share of the product, but also has other multiple effects such as the positive effect that influences other products of the firm, the business image as a whole, and other related companies, the competition effect in which products that have good brand images have the competitive edge in a competitive situation, and the elasticity effect in which customers generously overlooks a few accidental problems.

It is important to make customers have a positive and consistent image about the brand, this is because brand images can be the decisive factor creating customer loyalty. Lee Seongnam¹⁷⁾ has stated that the brand image of an apparel shop influences the brand loyalty of customers.

Brand images are constituted of not only product quality factors such as design and color, packaging, price, advertisement, and the sellers, but also the reputation of the service firm, marketing efforts, rate of self-display, and logos. If we look over precedent studies about

the factors that constitute fashion brand images, Park Hyewon and Lim Sookja¹⁸⁾ has defined the composition factor of brand images, in their research about a formal dress brand centered on women in their 20s, as price, style, appeal to others/men, fashion trend, rate of self-expression, brand reputation, color, durability, reputation among people around them, dignity, classiness, pleasantness, and ease to wear, and Kim Misook and Kim Taeyeon¹⁹⁾ have defined the factors that compose brands, in their research on purchasing behavior of foreign formal wear brands, as product composition, style, harmony/suitability to their everyday lives, fashion trend, color, material, comfort, manufacturer, brand name, fit, maintenance/washing method, balance with other clothing, sexual appeal, and dignity. Other factors that repeatedly came up in other precedent studies are price, color, brand reputation and design, quality, sales promotion, and trend.

Brand image isn't simply created in a short period time; a luxurious or positive image toward product quality is only created over a long period of time deep inside the costumers. We should be aware that a fixed image is created more so by reputation than the product's characteristics to differ from other brands.

3. Brand Satisfaction

Since a long time ago, the concept of customer satisfaction has been emphasized as a very important concept in marketing. The concept has become even more important nowadays and many fashion firms are trying their best to maximize customer satisfaction.

There are various definitions about brand customer satisfaction. Hong Sangtae²⁰⁾ has defined customer satisfaction as "the status of

meeting the customer's desires and expectations to the most, in which repetition of purchases occur and consumer's credibility toward the brand sustains." According to Park Myungho, Cho Hyungji's theory on customer satisfaction, customer satisfaction is constituted of 4 stages which are, recognition of product, customer evaluation after recognition, emotional response, and evaluation of satisfaction which combined cognitive/emotional response. The details of each stage are explained in the following.

Howard and Sheth defined customer satisfaction as the situation where the customer feels that they are appropriately/inappropriately compensated for the price they have paid, and Engel and Blackwell have stated it as a stage of evaluation on whether the prior-belief and the choice conforms. Babin and Griffin have seen customer satisfaction as the emotional response after evaluations on a series of experiences, Oliver has defined customer satisfaction as a judgment on how fulfilling the product or service is to the purchase and whether it was provided enjoyably, seeing it as a judgment on satisfaction combining cognitive decisions and emotional responses²¹⁾.

Precedent studies on brand customer satisfaction have been conducted on various fields. Iacobucci²²⁾ stated that timeliness, service recovery, and physical environment affects customer satisfaction. Voss²³⁾ claimed that the most important factor to customer satisfaction is price and said that performance and expectations are also important factors of customer satisfaction.

Anderson and Sullivan²⁴⁾ depicted that the higher the level of customer satisfaction is, the higher is the customer loyalty. They also said that customers deviate from the brand if the quality of products deteriorate. Fornell and

Wernerfelt²⁵⁾ mentioned that repair costs for product/service defects are reduced when customer satisfaction is high. Also, Fornell²⁶⁾, in his research on the customer satisfaction index of U.S. citizens, stated that recognized quality acts as a huge factor for customer satisfaction, that customer satisfaction and loyalty are closely related, and that word-of-mouth from satisfied customers not only reduces the costs to gain new customers but also strengthens the brand's overall reputation. Gronroos²⁷⁾ asserts that it is easier to induce customer satisfaction when a brand has a positive image, as customers become lenient to low quality services compared to other brands, while on the other hand, negative brand images are hard to recover even with superb quality service. Aaker and Jacobson²⁸⁾ reported that the customer's satisfaction on quality has a positive relationship with the stock prices. As brand products in fashion identifies everyone starting from the designer to the shop, reputation and credibility are important factors in brands.

Lee Sookyung²⁹⁾, after researching about brand satisfaction of customers in their 20s~30s, stated that the most influential factor in customer satisfaction is the psychological factor, that customer satisfaction has a close relationship with customer loyalty, and that customer satisfaction has a positive effect on customer loyalty. Ahn Hyunjeong³⁰⁾ declared that as satisfaction based repetition of purchases have close relationships to future purchases, brands should improve their service quality and save no efforts to increase the intention to repeat purchases by increasing customer satisfaction.

We should always consider that while short-term dissatisfaction of brands is the reason why customers have negative images on the

brand, long-term dissatisfaction can even drive customer away from the brand, causing enormous losses to the firm.

4. Brand Loyalty

Brand loyalty is the mentality in which the customer uses and prefers a specific brand under conventional behavior, in other words, customer preference in which the customer repeatedly purchases a specific brand³¹⁾

The notion of brand loyalty diverts greatly. Kim Junghwa³²⁾ defines brand loyalty as purchasing a certain brand based on repeated satisfaction. Day³³⁾ and Jones & Sasser³⁴⁾ sees brand loyalty as a broader concept including not only repeated purchases but also friendly-attitudes toward the brand. Oliver³⁵⁾ goes in a little more specifically as "a deep immersion to a brand in which the customer repurchases or re-prefers the continuously preferred product or service in the future," defining brand loyalty as preference to a product or service in a lump; if customer satisfaction is a temporary preference status, loyalty is a continuous preference.

Brand loyalty is divided into behavioral-theory which focuses on the act of purchasing and attitude-theory which adds psychological aspects. Attitude theory, create to supplement the limitations of behavioral-theory which only focuses on the act of purchasing, emphasizes that acquiring the customers' minds is important than just seeking for market share when creating a strong brand equity³⁶⁾.

In the attitude-theory approach, all elements including the cognitive factor, which is the information of the product/brand, the affective factor, which is the attachment to a brand, and the conative factor, which is the intention to keep on using the brand in the future, are dealt with. Also, situations other than repeatedly

purchasing the product such as, having a good feeling toward the brand than others, using the brand just because of the point-system of mileage cards, or the potential loyalty in which the customer can't purchase the product due to costs but still prefers the brand, can all be said as brand loyalty.

Reichheld & Sasser³⁷⁾ said that customers that are satisfied by the product/brand have the intention to pay high prices and allow the firm to easily increase their product prices so that the firms can get high profits and loyal customers. This suggests to us a possibility of a potential creation of high-profit in the long run. Furthermore, customers who have loyalty towards a specific brand show a high tendency to choose the same brand when purchasing a new product without hesitation³⁸⁾.

Lee Minkyung stated that customers have higher loyalty for brand-name products or designer brands and that brand loyalty is higher as older the customer is³⁹⁾. Cho Yoonki and Lee Sangmin⁴⁰⁾, in their research on the relationship between luxury brands and customer loyalty, show the same opinion as Lee Minkyung as they assert that customers who have experience of purchasing luxury brands have higher brand loyalty. Lee Yujae and La Sunah⁴¹⁾ claims that loyal customers show preference to a certain brand and have a high likeliness to spread positive stories about the product.

III. Research Method

1. Research Question

The purpose of this research is to compare and contrast the difference in customer image, customer satisfaction, and customer loyalty to second brands that are the most well known to

customers in the domestic fashion market in order to provide assistance in creating second brand extension strategies.

First: Recognizing the image that the customers have on fashion second brands.

Second: Comparing the customer satisfaction and loyalty level toward fashion second brands.

Third: Evaluating the influence that customer satisfaction has on brand loyalty toward fashion second brands.

2. Measurement Tool

The brand that this research deals with are DKNY, AK anne klein, it Mmichaa, O'2nd, which turned out to be the 4 most famous second brands after two surveys about second brands that are participating in the domestic fashion market.

The brands that are used on the survey sheet were chosen by having university/grad students majoring in clothing and textiles write 10 or more second brands. Then we sorted out 7 brands that were mentioned the most then once again made the university students to choose out 3 brands that they are most familiar with. The 4 most well recognized second brands were chosen.

To investigate the research subject practically, we used questionnaires that were modified and developed from that of precedent studies of Jung Chanjin, Kim Jongsung, Jung Minsoo, and Cho Eunseong. The questionnaires were constituted of 5 sections. The first section was constituted of 12 questions about whether if he/she has bought a second brand or not and factors that create brand images. The second section was created of 8 questions about images of brands. The third section was composed of 48 questions on brand satisfaction, the fourth made out of 16 questions

on brand loyalty, and finally, the fifth section was filled with 4 questions about demographical factors. The total number of questions on the survey were 88 and other than the 4 questions in the 5th section, all questions utilized the 5 point Likert Scale in which the subject marks between "Strongly Disagree" and "Strongly Agree."

3. Data Collection and Analysis

This research gave out surveys to female university students who major in fashion and females who are in their twenties working in fashion-related businesses in Seoul. The first survey was conducted in May, 2008 and after evaluating the credibility of the questions, the questionnaires were modified · supplemented to conduct this survey in June, 2008. 217 survey responses were chosen, excluding surveys that lacked sincerity, and using SPSS for Window 12.0, data analysis was made using percentage, frequency analysis, and factor analysis, t-test, ANOVA and multiple regression analysis.

4. Demographical Characteristic

The demographical characteristic of the research subjects is shown in <Table 1>. This research was targeted on females in their twenties and the ratio between university students and office workers were almost identical. The group who spent 100 Thousand to 300 Thousand Won monthly on purchasing clothing was the majority, representing 57.20%(124 people). The most frequently used location of purchase was department stores by far and internet shopping malls followed on. This coincides with other research results showing that females in their twenties prefer department stores when they purchase clothing and also

coincided with researches depicting that purchases through internet shopping are increasing in female university students.

IV. Research Result and Discussion

1. Images of Second Brands and purchasing experience

The results of the frequency analysis conducted to investigate whether if the research subjects have bought second brands(DKNY, it Michaa, AK anne klein, O'2nd) before are shown in <Table 2>.

<Table 1> Demographical Characteristic

	group	N=217	%		group	N=217	%
ages	Early 20s	159	73.30	Places of clothing purchase	Department store	125	57.60
	Late 20s	58	26.70		Internet & Home shopping	39	18.00
occupati ons	university students	110	50.70		street shops	21	9.70
	job candidates	4	1.80		fashion discount store	15	7.00
	occupation	103	47.50		fashion shopping malls	14	6.40
Monthly cost of clothing purchase	less than 100,000 won	39	18.00		other.	3	1.40
	100,000-299,999 won	124	57.20				
	300,000-499,999 won	37	17.10				
	500,000-999,999 won	16	7.40				
	more than 1,000,000 won	1	0.50				

<Table 2> purchasing experience of second brands

	DKNY		it Michaa		AK anne klein		O'2nd	
	frequency	%	frequency	%	frequency	%	frequency	%
purchasing experience	154	71	82	37.8	76	35	96	44.2
no-purchasing experience	63	29	135	62.2	141	65	121	55.8
Total	217	100%	217	100%	217	100%	217	100%

Most of the research subjects had experiences purchasing second brands. The number of people who had experience of buying DKNY shown 165, 71% out of the total, O'2nd shown 44.2%, it Michaa 37.8%, and AK anne klein projected 76, the lowest percentage of 35%.

The result of the frequency analysis which attempted to figure out the brand image that customers have on second brands created by brand extension is shown in <Table 3>. For females in their twenties, second brands were recognized as distinctive brands which have inexpensive price levels and have a more younger-age customer base than its main brand. However, second brands were also seen as not so classy as their main brands and seriously lacking a good enough customer service after the purchase.

To define the dimensions of factors that compose the image of second brands, 11 questionnaires were analyzed by Varimax rotation using Factor Analysis. The results summed up to the 2 factors shown in <Table 4>. According to <Table 4>, Factor 1 was related to the second brand's own properties such as Design, Color, Style, Image, Display and Coordination, Brand

awareness, Product quality, and Price, so, it was named as 'Second Brand's Own Image Factors'. Factor 2 was related to the mother brands' Image, Brand Reputation, Customer Satisfaction after purchase, and Credibility toward the manufacturer, so, it was named as 'Main Brand's Image Factors'.

The analysis results of a t-test, conducted to find out any differences caused by purchase experiences on the image creating factors of the 4 brands, showed that only AK Anne Klein had projected differences in 2 factors between those who have purchased and those who have never purchased before<Table 5>. Both 'Second Brand's Own Image Factors($t=2.551, p<.05$)' and 'Main Brand's Image Factors($t=2.169, p<.05$)' for AK Anne Klein displayed statistically significant difference at a significance level of 5%. On the other hand, DKNY, it Michaa, O'2nd didn't show any significance differences between the image creating factors depending on whether the customer had previous purchasing experience.

2. Customer Satisfaction of Second Brands

To define the dimensions of factors that compose

<Table 3> Image of second brand

a second brand is.....	Mean	S. D
more classy than its main brand.	2.60	0.67
less expensive than its a main brand.	3.74	0.69
more distinctive than its main brand.	3.18	0.79
more variety .than its main brand	3.40	0.71
similar to its main brand in style.	3.29	0.77
better enough after purchase service than a main brand	2.87	0.65
faster than it main brand in trend.	3.64	0.75
more younger age costumers than its main brand.	4.04	0.72

<Table 4> constitute factors of second brand

Variable	Item	Factor Loading	Eigen Value	Percentage of Variance (%)	Cronbach 'α
Factor 1 Second Brand's Own Image Factors	design and color of second brand	.792	4.296	31.835	.75
	actual style of second brand	.763			
	image of second brand	.706			
	display and coordination of second brand	.700			
	awareness of second brand	.683			
	product quality of second brand	.663			
	less inexpensive than main brand	.522			
Factor 2 Main Brand's Image Factors	image of second brand	.88	1.97	25.122	.72
	reputation of main brand	.864			
	satisfaction after purchasing of main brand	.794			
	reliance on fashion company	.542			

<Table 5> Comparison between image creating factors depending on whether the customer has previous purchase experiences.

brand	constitute factors	purchasing experience	N	Mean	S. D	t
DKNY	Second Brand's Own Image Factors	purchasing experience	154	3.687	0.558	2.551
		no-purchasing experience	63	3.535	0.576	
	Main Brand's Image Factors	purchasing experience	154	3.557	0.671	2.169
		no-purchasing experience	63	3.484	0.650	
AK Anne Klein	Second Brand's Own Image Factors	purchasing experience	76	3.774	0.533	2.551*
		no-purchasing experience	141	3.571	0.573	
	Main Brand's Image Factors	purchasing experience	76	3.668	0.647	2.169*
		no-purchasing experience	141	3.465	0.665	
it Michaa	Second Brand's Own Image Factors	purchasing experience	82	3.714	0.546	1.459
		no-purchasing experience	135	3.599	0.576	
	Main Brand's Image Factors	purchasing experience	82	3.564	0.610	0.488
		no-purchasing experience	135	3.519	0.697	
O'2nd	Second Brand's Own Image Factors	purchasing experience	96	3.722	0.558	1.845
		no-purchasing experience	121	3.580	0.567	
	Main Brand's Image Factors	purchasing experience	96	3.534	0.673	-0.037
		no-purchasing experience	121	3.537	0.660	

*p<0.5

the brand's customer satisfaction, 12 questionnaires were analyzed by Varimax rotation using Factor Analysis. The results summed up to the 2 factors shown in <Table 6>. Factor 1 was mainly constituted of elements related to the product's quality or the brand image, such as Product Display/Display, Brand Awareness and Reputation, Image, Product Quality, Customer Service after purchase, Employee Kindness, Packaging, Design, and Color, so it was named as "Satisfaction level on Quality and Image." Factor 2 was related to the Price, Trend, and Product Experience, so it was named as "Satisfaction level on Price and Trend."

The analysis results of a one-way ANOVA, conducted on the difference in brand satisfaction levels of each brand, shown that both "Satisfaction level on Quality and Image ($F=36.841, p<.001$)" and "Satisfaction level on Price and Trend ($F=15.428, p<.001$)" had statistical significance at a 5% significance level<Table 7>. Both 'Satisfaction level on Quality

and Image' and 'Satisfaction level on Price and Trend' were highest for DKNY($m=3.664, 3.393$), followed by O'2nd($m=3.515, 3.338$), it Michaa ($m=3.328, 3.150$), and AK Anne Klein($m=3.148, 3.058$). In general, consumers of second brands presented a tendency to be more satisfied with quality and image than price and trend.

All four brands have shown high satisfaction for Image and Brand awareness and reputation, coinciding with Day(1969)'s research on how brand satisfaction is closely related to reputation and credibility, and also with Soo-Kyung Lee's research on how psychological aspects have strong influence on brand satisfaction.

3. Brand Loyalty toward Second Brands.

The results of examining brand loyalty toward second brands is illustrated in <Table 8>. If we look in detail, all 4 brands have shown that customers were willing to purchase them, in particular, DKNY has shown 3.78 for intention to

<Table 6> customer satisfaction factors of second brand

Variable	Item	Factor Loading	Eigen Value	Percentage of Variance (%)	Cronbach' α
Factor 1 Satisfaction level on Quality and Image	Display and coordination	.810	6.195	39.007	.79
	Brand awareness and reputation	.808			
	Image	.801			
	Product quality	.768			
	Customer Service	.712			
	Packing condition	.694			
	Design/Color	.680			
Factor 2 Satisfaction level on Price and Trend	Kindness	.499	1.11	21.865	.71
	Price	.798			
	Trend	.724			
	Product experience	.663			
	variety of product	.528			

<Table 7> Satisfaction comparison of Second Brand

Variable	brand	N	Mean	S. D	Scheffe	F
Factor 1 Satisfaction level on Quality and Image	DKNY	217	3.664	0.492	d	36.841***
	AK Anne Klein	217	3.148	0.544	b	
	it Michaa	216	3.328	0.580	a	
	O'2nd	217	3.515	0.555	c	
	total	867	3.414	0.577		
Factor 2 Satisfaction level on Price and Trend	DKNY	217	3.393	0.569	b	15.428***
	AK Anne Klein	217	3.058	0.590	a	
	it Michaa	217	3.150	0.635	a	
	O'2nd	217	3.338	0.562	b	
	total	868	3.234	0.604		

*** $p < 0.001$

<Table 8> Loyalty of Second Brand

	Mean			
	DKNY	it Michaa	AK anne klein	O'2nd
I will purchase this brand.	3.78	3.32	3.10	3.56
I will purchase this brand even if the price is the high.	3.86	3.36	3.12	3.60
I'll talk positively about the product to surrounding people.	3.70	3.31	3.11	3.65
I'll credit this brand.	3.70	3.36	3.20	3.49
total	3.75	3.34	3.13	3.58

purchase, the highest, while AK anne klein recorded 3.10, scoring lowest. For the questionnaire asking whether if the customers will purchase the brand despite expensive prices, DKNY has shown an aerial 3.86, coinciding with the research of Reichheld & Sasser(1990) which stated that customers who have been satisfied with a brand have the willingness to pay high prices and will easily accept price increases. Also, the tendency to

talk positively about the product to surrounding people was seen in the order of DKNY, O'2nd, it Michaa, and AK anne klein. Moreover, we can see that DKNY has high brand loyalty level as well as a high customer satisfaction level.

The overall loyalty for second brands has projected DKNY(m=3.75), O'2nd(m=3.58), it Michaa (m=3.34), and AK anne klein(m=3.13), showing that DKNY has the relatively highest brand loyalty as well as customer satisfaction

level. This goes along with Soo Kyung Lee(2007)'s research which stated that customer satisfaction has a close relationship with customer loyalty and the researches of Min Kyung Lee(2000) and Yoon Ki Cho · Sang Min Lee's which stated that customer loyalty is higher as the more luxurious the brand is.

4. The influence of Customer Satisfaction on Brand Loyalty for Second Brands

The results of the multiple regression analysis conducted to study the effects of customer satisfaction on brand loyalty for each brand are

shown in <Table 9> and <Table 10>. All 4 brands have shown that brand satisfaction has notable effects on brand loyalty.

In <Table 9>, DKNY's individual brand satisfaction factors have affected DKNY's brand loyalty level($F=16.09$, $R^2=.49$, $p<.001$). To be more specific, DKNY's satisfaction level on Design and Color($t=3.70$, $p<.001$), Image($t=3.10$, $p<.01$), and Price($t=2.68$, $p<.01$) had influences on brand loyalty. In it Michaa's case($F=16.97$, $R^2=.50$, $p<.001$), it Michaa's Image($t=4.84$, $p<.001$), and Product quality($t=2.64$, $p<.01$) had effects on brand loyalty.

<Table 9> influence of Satisfaction on Brand Loyalty -DKNY, it Michaa

independent variable \ dependent variable	DKNY			it Michaa		
	B	β	t	B	β	t
(constant)	0.35		0.33	2.25		2.6
image	1.02	0.25	3.10**	1.54	0.40	4.84***
awareness and reputation	0.55	0.14	1.60	0.14	0.04	0.49
exhibition and display	-0.33	-0.09	-1.32	0.15	0.04	0.51
the quality of product	0.21	0.05	0.72	0.85	0.23	2.64**
customer service	0.45	0.11	1.44	-0.48	-0.12	-1.49
packing condition	0.18	0.04	0.56	0.21	0.05	0.63
design and color	0.99	0.27	3.71***	0.31	0.09	1.27
the variety of products	-0.19	-0.05	-0.73	-0.05	-0.02	-.023
price	0.54	0.16	2.68**	0.04	0.01	0.16
trend	-0.15	-0.04	-0.58	-0.34	-0.09	-1.27
product experience	0.19	0.06	0.99	0.24	0.08	1.28
kindness of employee	0.34	0.08	1.17	0.40	0.11	1.39
R^2	.49			.50		
adj R^2	.392			.478		
F	16.09***			16.98***		

** $p<0.01$, *** $p<0.001$

<Table 10> influence of Satisfaction on Brand Loyalty –AK anne klein, O'2nd

independent variable \ dependent variable	AK anne klein			O'2nd		
	B	β	<i>t</i>	B	β	<i>t</i>
(constant)	1.55		1.57	0.62		0.66
image	0.78	0.20	2.34*	1.11	0.27	3.37**
awareness and reputation	0.16	0.04	0.49	0.36	0.10	1.22
exhibition and display	0.47	0.12	1.40	0.38	0.10	1.31
the quality of product	0.64	0.16	1.96	-0.22	-0.06	-0.71
customer service	0.32	0.08	0.97	-0.28	-0.07	-0.90
packing condition	-0.62	-0.14	-1.91	0.34	0.08	0.97
design and color	0.68	0.19	2.15*	0.26	0.07	0.90
the variety of products	0.21	0.06	0.70	0.79	0.20	2.67**
price	0.43	0.12	1.86	0.49	0.13	2.26*
trend	-0.11	-0.03	-0.43	-0.17	-0.04	-0.60
product experience	0.22	0.07	1.17	0.59	0.18	3.00**
kindness of employee	0.04	0.01	0.15	0.03	0.01	0.09
R^2	.44			.54		
adj R^2	.37			.519		
<i>F</i>	13.37***			19.75***		

** $p < 0.01$, *** $p < 0.001$

According to <Table 9> and <Table 10>, all 4 brands have shown that the satisfaction level of brand images had positive effects on brand loyalty, conforming to the research results of Fornell and Anderson · Sullivan, and Shin Ji yeon which have stated that customer satisfaction on brand images have influences on brand loyalty. The second brands that have been examined in this research are brands that have successfully accomplished brand Extension

in our domestic fashion market and it can be said that they were influenced by the brand image of 'main' brands. Positive brand image of the 'main' brand can improve the brand image of the second brand, and a good brand image of the second brand can be said that it is drawing out the customer's brand loyalty toward second brands.

V. Conclusion and Suggestion

This research is a study that compared and analyzed the relationships between brand images, customer satisfaction, and brand loyalty of fashion second brands targeting females in their twenties, conducted to provide assistance in creating marketing strategies and service strategies for fashion firms that are planning to expand their brand.

This research was made to enhance the customers' satisfaction toward brands and improve brand loyalty through a positive brand image of second brands when expanding to a second brand.

Empirical research was held in June, 2008 on females in their twenties living in Seoul. A total of 217 survey responses were used for the research excluding out responses that lack sincerity. The collected data was analyzed using percentages, frequency analysis, and multiple regression analysis.

It is shown that the brand image of second brands have influences on the brand satisfaction, and that brand satisfaction of second brand have influences on brand loyalty. The specific results of the research and suggestions are the following.

First of all, most female customers in their twenties had experiences of purchasing second brands. In particular, 71% of the research subjects had experiences of purchasing DKNY, 44.2% for O'2nd, 37.8% for it Michaa, and 35% for AK anne klein. While second brands had the recognition that they provide diverse and distinctive products at a inexpensive price level as they target a younger customer base than that of their 'main' brands, customers also had the recognition that the product quality and customer care after purchases of second brands

weren't good. The most important contributing factors to the brand image of second brands turned out to be Design and Color, and Style. As the perception that second brands have bad product quality and insufficient customer care compared to main brands is quite omnipresent, firms should focus on appropriate advertisement strategies and customer care services to acknowledge customers that second brand products are, although they are inexpensive, as good as main brand products.

Second, the brand's customer satisfaction summed up to the 2 factors: "Satisfaction level on Quality and Image" and "Satisfaction level on Price and Trend". Both 'Satisfaction level on Quality and Image' and 'Satisfaction level on Price and Trend' were highest for DKNY, followed by O'2nd, it Michaa, and AK Anne Klein. In general, consumers of second brands presented a tendency to be more satisfied with quality and image than price and trend.

Despite the fact that the price of second brand products are lower than that of main brands, consumers have shown lower satisfaction toward price than their satisfaction toward quality and image. This is thought to be caused by the fact that the current price of second brands is set too high. Thus, a supplement policy toward pricing is in immediate need. Moreover, as people in their 20s, the main customers of second brands, are in an young age group which is sensitive to price, firms should focus even more in their pricing strategies.

Third, when looking at brand loyalty to second brands, the research subjects had intentions to purchase the 4 second brands, and there was an overall positive response toward the questionnaire asking if they would repurchase the brand despite expensive prices. DKNY

showed the highest brand loyalty with 3.75 followed by O'2nd and it Michaa. AK anne klein, on the other hand, showed a relatively low 3.13. As we can see that the ranking of satisfaction level and brand loyalty level for the second brands conform, we can assume that there is a high correlation between satisfaction level and brand loyalty.

Fourth, the individual satisfaction levels of the 4 second brands have shown that they have notable effects on the brand loyalty. For DKNY, satisfaction on Design and color, Image, and Price had influences on brand loyalty. For it Michaa, satisfaction on Image, and Product Quality, for AK anne klein, satisfaction on Image, Design and color, and for O'2nd, satisfaction on Image, Product experience, Product diversity, and price had influences on brand loyalties. As satisfaction levels have notable influences on brand loyalty, brands should focus on considering the individual character of the customer that has visited, which leads on to customer satisfaction creating return visits, rather than focusing on events to attract new customers.

As a result of looking over the satisfaction level and brand loyalty of second brands, we feel the need of a marketing strategy that emphasizes inexpensive prices, various designs, and cutting edge trends, and as, unlike main brands, customers hesitate from purchasing second brands if the price is too high, price should be the most important agenda to increase competitiveness. Therefore, we believe that the most imminent issue for second brands is to create a product strategy that can represent popular trends at an inexpensive price level by utilizing the reputation and credibility of the 'main' brand as a basis.

As the brands presented in the research are

somewhat too expensive for the research subjects, and as the research subjects were restricted to women in their twenties only despite the fact that the brands presented in the research are used by women in their thirties also, further research should be conducted on a more diverse age group. Also as there is a limitation to generalize the research results as the research was focused on people who are related to the fashion industry, a follow-up research on a more diverse group of people should be conducted. We believe that research on the 4 main brands which compares and contrasts the main brands and the second brands, instead of focusing on second brands only, would be valuable as a follow-up research.

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