CHAPTER 3. LITERATURE REVIEW IN A MICRO FRAMEWORK

3.1 Chronological Review of Literature in a Brand Extension Context

Brands and their management have occupied a central role in the scientific community as well as for the practitioners over the last 20 years. Brand extension as a development strategy is at the origin of sustained attention to the brand valuing (Milberg and Sinn, 2007, Cortinas et al., 2008). It consists of using a strong brand that has proved to penetrate a new product category. This strategy holds a dominant position in the behavioural logic of the consumer. This aspect of the research was at the origin of a stream that continues to reflect a growing interest in the subject as the recent publications show (Seltene and Brunei, 2007; Lee and Back, 2007; Volckner and Sattler, 2007). In a general way the academic research on consumer behaviour and its marketing applications have faced a considerable evolution over the last 20 years. The core of this evolution is the transition from a consumer-based approach on choice to a consumer-based approach on experiments. In fact it is no longer enough to look at the consumer preference for a brand, from the strict optic of purchasing, but to the mass of experiments conducted on a consumption perspective (Aurier and Jean, 2002).

Some of the key findings in recent years in the area of consumer evaluations of brand extensions are:

Hem, Chernatony & Iversen (2001) investigate the impact of category similarity, brand reputation, perceived risk and consumer innovativeness on the success of brand extensions in FMCG, durable goods and services sectors. A set of hypotheses were developed and tested in a study amongst 701 consumers and the hypothesis was tested by employing...
multiple regression analysis. The findings show that extensions into categories more similar to the original brand tend to be more readily accepted. Likewise, the reputation of the original brand is an important factor influencing the success of the extension. These findings are consistent across FMCG, durable goods and services brands. However, perceived risk about the extension category was only found to enhance acceptability of extensions for durable goods and services brands. Innovative consumers are more positively disposed towards service brand extensions than FMCG and durable goods brand extensions. The limitations of this study were that the measures of perceived risk appear to have little variability, especially the uncertainty measures. In future studies, manipulation of both the uncertainty and the consequences dimensions needs to be ensured. Increased variability in the perceived risk measures could also be obtained by manipulating different purchase goals or purchase situations (Kahneman and Tversky 1979). Other scales have been used in the literature to measure perceived risk. For example, Stone and Gronhaug (1993), Dholakia (1997) and Roselius (1971) used a risk taxonomy consisting of six dimensions (financial, performance, physical, psychological, social, and time loss). Other scales could be tested to evaluate the insight they provide about brand extensions evaluations. In the present study we used only one parent brand from the services sector (telecommunication). To allow a broader generalization, future research needs to be undertaken with a greater variety of brands.

Tapan Panda (2003) analyses the three key issues i.e. category similarity, image of the master brand and consumer innovativeness and their role in creating a favorable consumer evaluation of the brand extension in the case of a product brand, Rasna and service brand, HDFC in the Indian market using multiple regression analysis. The study demonstrated that perceived category similarity between the parent brand category and the category of the brand extension enhances the evaluations of brand extensions, brand image also has an almost equally strong impact across the brand extension evaluations while there is no substantial evidence to conclude that there is a significant correlation between consumer's favorable evaluations of a brand extension with his innovativeness. The limitation of the study was that only two brands were selected from the Indian market.
Tariq Jalees & Tahir Ali (2008) conducted a study whose objectives were to (1) Identify the factors that affect the consumer evaluation of brand extensions (2) Develop empirical models of the variable associated with consumer evaluation of brand extension. (3) Tests the validity of the empirical model While reviewing the literature several variables were found to have relationships on how consumers evaluate the brand extensions. The variables used in the empirical models are. (1) Similarity (2) Reputation (3) Innovativeness (4) Perceived risk (5) Multiple extensions (6) Parent brand characteristics (7) Concept and consistency (8) Brand extension fit. The conceptual definitions of different authors were used for identifying the determinants of the above variables. Based on these variables a questionnaire was developed that contained 24 questions. Nine questions were related to the personal data and the rest were related to the subject study. A sample size of 700 was selected for the survey. Stratified proportionate random sampling was used for drawing 700 samples. Results show that brands extension to "similar category" would have positive "consumer evaluation" as compared to those brands that have been extended to nonsimilar category. The consumer evaluation of brand extension would be positive for those brands whose parents' brands have stronger reputation as compared to those whose parents' brands who have weaker reputation. There is a positive relationship on how "consumer perceived risk" and "over all evaluation" of brand extension

Volckner & Sattler (2006) addresses the issue of the significance and relative importance of the determinants of extension success by simultaneously investigating ten success factors. The empirical analysis considers the direct relationships between success factors and extension success, the structural relationships among investigated factors, and moderating effects. The authors find that fit between the parent brand and an extension product is the most important driver of brand extension success, followed by marketing support, parent-brand conviction, retailer acceptance, and parent-brand experience. The authors also find several important structural relationships among the investigated success factors (e.g., marketing support → fit → retailer acceptance → extension success). Finally, the interaction
terms of fit with the quality of the parent brand and with parent-brand conviction are statistically significant, albeit of relatively low importance. But this work has provided limited insights into the relative importance of success factors because it has only analyzed a small fraction of success factors at one time. Against this background, the study is more appropriate for understanding relative importance. It synthesizes prior work and simultaneously examines the direct and indirect effects of a large number of potentially relevant success factors. The study analyzed only FMCGs. It would be interesting to investigate the extent to which the findings could be generalized to other fields, such as consumer durables or services. Further research is also needed to investigate the generalizability of the results across multiple categories in FMCG.

Volckner and Sattler (2005) discover evidence that important results of brand extension research generalize to a major extent across extension stimuli (hypothetical versus real extensions), parent brands, extension product categories, samples (student versus non-student samples) and success measures. However, there are differences concerning the effects of the success factors across consumer segments.

Volckner & Sattler (2004) find that the fit between the parent brand and the extension product, the involvement in the parent brand, the marketing support for the extension product, and its distribution have a substantial impact on brand extension success which can be generalized across different extension product categories.

Sattler, Volckner & Zatloukal (2002) investigates the significance and relative importance of factors affecting consumer evaluations of brand extensions. They found that on average the fit between the parent and extension categories as well as the quality of the parent brand are by far the most important factors. They further analyzed for differences of the significance and relative importance of the success factors across product categories, parent brands and consumer segments. While they found just little differences across product categories and parent brands, there turned out to be major difference between consumer segments.
Lahiri & Gupta (2009) identifies certain key attributes of extensions which, if ignored, may dilute the image of the family brand. Hypotheses are developed and tested in a consumer survey that included experimental and control groups. The study performed ANOVA using congruent/incongruent extension and extension success/failure as between subjects' factor. They find that the congruity of the extension with the family brand is an important factor, the absence of which increases the chances of dilution of the family brand. Perceived success/failure of the extension is a more important factor that also enhances or dilutes the image of the family brand. The implications of this research is that brand names can be hurt by brand extensions, which contain attributes incompatible with or negating favorable family brand beliefs. If managers feel the dilution is occurring because of an extension, they can increase perceptions that the extension is atypical of the family brand. More "separation" could be created between the family brand and the extension through co-brands, sub brands, creating a different positioning platform, and product packaging amplifying the difference between the extension and the parent brand. Since companies are concerned about their standing amongst industry participants such as financial analysts, shareholders, and consumers, a study which can look into brand equity effects of the extension having impact on the family brand from the perspective of the different stakeholders would be most welcome. This would combine the reputation of the company with that of family branding, allowing relationships between the two to be understood.

Montaner & Pina (2009) attempt to understand how companies can leverage brand image through brand extensions without harming their image. The study specifically seeks to analyse the influence of three variables: communication policy, brand breadth and extension-brand fit. The study examines the effect of different strategies in the consumer response toward extended brands. It focuses on variables that can be controlled by companies. The data were obtained from 599 individuals who took part in an experiment. The proposed hypotheses were tested by means of ANOVA methodology. The results show that brand...
extensions far from the current markets damage the brand associations, although the use of advertising focused on the new product can reduce this negative effect. Moreover, feedback effects are less negative when the brand has not been over-extended in the past. The limitations of the study were that non-fictitious products and ads should be analyzed with the aim of increasing the external validity of results. Moreover, the conceptual framework does not consider other communication tools like sponsorship or publicity. The results suggest how to manage the launching of brand extensions in order to protect the extended brand image. It shows what kind of advertising is more appropriate for marketing extensions as well as role of brand breadth and perceived fit.

Liu and Choi (2009) explores, via a consumer survey and a company interview, the difference in consumer attitudes towards fashion brand extensions (FBEs) between designer labels (DLs) and mass-market labels (MLs) in Hong Kong. The authors investigate in depth the factors that would affect consumers' evaluations towards FBEs with respect to the two target groups of fashion brands. In addition, comparisons between the attitudes of male and female consumers are also conducted. An empirical research methodology was adopted and quantitative research was conducted. A random sampling approach was employed. A consumer survey with a respondent size of 211 and an interview with a brand operations manager of an international designer label in Hong Kong are conducted. Pearson correlation and linear regression are employed to test the data. The results reveal that consumers possess more complicated attitudes when they evaluate brand extensions of DLs. To be specific, the findings reveal that consumers' intention to evaluate the extended products in DLs is not significantly affected by the product quality perception. For MLs, the concept consistency of the extended category does not significantly influence the consumers' attitudes in terms of their evaluations of the new product. On the other hand, image projection and product quality appear to be more important in affecting female consumers than male consumers with respect to their attitudes towards DLs and MLs. The sample size, which is relatively small, is a major limitation for this research. The authors propose some managerial insights and suggestions to fashion marketers in terms of establishing proper brand extension.
Bull, Chernatony and Hern (2009) examine the impact of perceived fit, brand type and country's culture on the consumers' attitude towards brand extensions and on the parent brand equity. The study focuses, not only on consumer evaluations of extensions, but also on the effects of extensions on the parent brand equity. Furthermore, this paper is one of the first to empirically examine and show that consumer evaluations of extensions and feedback effects on parent brand equity differ across countries. Data were collected in three European countries: Spain, UK, and Norway. A series of analyses of variance (ANOVA) were conducted to test the hypotheses. Results show that brand extensions with high fit receive more favorable consumer evaluations and decrease the negative feedback effects of extensions on parent brand equity. Results also reveal that parent brand equity dilution is higher when the brand used to launch the extension has high equity. Finally, findings indicate different consumers' responses to extensions and effects on parent brand equity across countries. The study recommends that managers should launch extensions with high perceived fit. In addition, greater effort is needed to extend high equity brands, due to their greater dilution. Finally, managers need to understand that consumer evaluations and feedback effects of the same brand extensions can vary due to cultural differences between consumers. Therefore, standardized brand extension strategies should be carefully considered. Important directions for future research would be to include other countries and carry out a more in-depth analysis to understand the effect of culture.

Shwu-Ing Wu & Chen-Lien Lo (2009) aims to determine and discuss relevant factors and relationship models affecting consumers' purchase intention towards the extended product, PC for Microsoft. The results are to serve as a reference for managers when implementing brand extension strategies. The study proposes an effective structural model and notes significant influence factors for consumers' purchase intention towards extended products. The two major factors, "core-brand attitude" and "consumer perception fit", have been

strategies for DLs and MLs. The interview with a local company's brand manager further provides some additional industry insights.
included in studying their influence on consumer purchase intention towards extended products. Of the questionnaire surveys distributed to PC users in Taiwan, 667 valid samples were returned. Structural equation modeling (SEM) was used to establish the relationship model. Brand awareness has a significant influence on core-brand image (parent-brand image), thus indirectly affecting core-brand attitude and causing impacts on consumer purchase intention towards extended products. On the other hand, consumer perception fit has greater influence than core-brand attitude, denoting that both the brand association and product connection have a remarkable influence on consumer purchase intention towards extended products. Although the relational structure of measuring indicators and the affected dimensions of product extension can be found accordingly, our research was conducted for a strong brand only (Microsoft) and thus the usefulness of our model for firms and extended products may be hindered. Researchers may extend the scope of extended products or brands for future experimentations. The influential effects under the variables or scenarios can be studied, which may make the model more useful and general. In further, the future research can use both far-extension and near-extension for example, and then compare the effect of brand extensions between these two extension strategies. The testing methods for virtual extension provided by this research are for the reference of firms when setting up brand extensions strategies. However, there are several other marketing factors may influence on the success of brand extensions, such as professional areas, markets, competition from other extended brands, emphasis and efforts made by firms, etc. The above mentioned factors will probably determine the success or not of brand extension strategies, which can be the research variables for future research.

Muzellec and Lambkin (2009) has introduced the concept of 'ascending and descending brand extension', which leverages the strong image of the corporate brand to enhance the image and credibility of the product brand and vice versa.
Najam Saqib, Rajesh V. Manchanda (2008) seeks to establish the importance of studying the effects of licensing brand alliances from a customer’s standpoint, to investigate the effectiveness of licensing as a strategy by comparing it with a brand extension of a well-known parent brand, and to provide a theoretical explanation for the licensing effects. In Study 1, subjects’ attitudes were measured towards a lesser known brand with and without licensing by Sony, and Sony alone in a three-factor (licensing, no licensing, and Sony) between-subjects design. Study 2 compared a licensed brand with a brand extension of a well-known brand using the Chow test. A brand “licensed by Sony” was evaluated higher than without licensing. Moreover, no difference was found between evaluation of a brand licensed by Sony and Sony alone. Study 2 revealed no significant difference between the data collected from a licensed brand and a well-known brand extension, suggesting that being a licensed brand in some cases may be as effective as being an extension of a well-known brand. The research examined the effects of strong brand names (e.g. Sony). It would be interesting to extend the findings by examining the brand names that are perhaps less strong (e.g. Samsung) to test the generalizability of the research. For lesser-known brands, licensing could be a viable strategy to increase their brand evaluation. For new brands, this paper provides evidence that licensing is a viable strategy, and also provides a theoretical explanation for the licensing effects.

Seltene and Brunei (2008) evaluate brand extension from a consumer consumption perspective. The most relevant entity becomes both the product and the choice vector. This provides a different aspect of the heterogeneity as it concerns brand extension. Nestle’ was selected as the brand to be studied and two qualitative studies were carried out on students based on open-ended interviews. After a pre-test, two groups of 400 students were selected. The first group was exposed to the diet biscuits in the context of “nibbling” and the second group exposed to the lip applications in the context “protecting my lips”. Simple linear regression was used to test the data. The results confirm the importance of the consumption.
context in terms of evaluating a brand extension. The study shows that the effects of the context fit and the typicality are more important when the category to which the brand extension is found is sensitive to the consumption context. In contrast, the effect of the association fit is more important when the category to which the brand extension is found is less sensitive to the consumption context. The research shows that the category to which the brand extension is found can be defined by its degree of heterogeneity with regard to the consumption context. This research must also be considered within the framework of its limits. To put into practice the brand extension in terms heterogeneous of the category to which the extension belongs to be added should be improved in order to lead to a construction of a more reliable scale. The research does not escape from the lack of external validity that characterizes most studies on the evaluation of brand extension. In addition the samples could be extended other domains such as services, leisure and cultural products.

Polo & Chernatony (2008) propose and test a model that shows how extending a brand affects the overall brand image. The relations between the relevant variables in brand extension strategies in the UK and Spanish markets are analyzed to determine if the brand extension strategies have the same effect on brand image. An empirical study was conducted in the UK and Spain using structural equation analysis. Two pre-tests were conducted to select the brands and the extensions. The hypotheses relating to the two proposed models in the two markets are next tested employing a structural equation analysis considering the two models (General Brand Image and Parent Brand Image). Results show that the brand extension strategy dilutes the brand image in both markets. It is found that brand image before extension and fit has positive effects on brand image after extension. The concurrence between the models studied in the two markets suggests that UK and Spanish consumers respond similarly to brand extensions. The limitation of the research was that the study was only conducted in two countries. Researchers are encouraged to test the model in more countries. Results suggest that a firm which has a good brand image before the extension will be less at risk when it launches a new product onto the market with the same brand name. Its best market will be those consumers who already know the brand's products and who at the
same time perceive a better image of it. The firm should not forget that the closer the extended product is to its core market, the more positive will be its acceptance by consumers, which will translate into a better image evaluation.

Yu Henry Xie (2008) attempts to examine the relationship between consumer innovativeness and consumers’ acceptance of brand extensions. The conceptual research builds upon the extant literature of consumer innovativeness and brand extensions. A number of research propositions are developed in this thought-provoking work. It is proposed that consumer innovativeness exerts considerable influence on consumers’ acceptance of brand extensions when extension distance and types of extensions are examined. In addition, product information availability and interpersonal communication/influence (i.e., informative and normative) moderate the relationship between consumer innovativeness and consumers’ acceptance of brand extensions. As the use of brand extensions intensifies in the marketplace, it is imperative to understand how consumer innovativeness exerts influence on acceptance of brand extensions. This study fills the research void in the literature and contributes to the extant literature by analyzing the relationship between consumer innovativeness and consumers’ acceptance of brand extensions. The study can help marketers develop appropriate and effective marketing strategies to influence consumers’ acceptance of brand extensions. It serves to provide guidance for brand managers and marketers alike in evaluating the potential success of their extended brands. On the other hand, the paper draws from the extant literature and theoretical discussion to develop research propositions. This approach might limit its depth and scope.

Rohini Ahluwalia (2008) examines the role of an individual difference variable (self-construal) in enhancing a brand’s stretchability potential. It is postulated that an interdependent self-construal leads to a superior ability to uncover relationships among stimuli (e.g., an extension and its parent brand) and thus is likely to enhance the perceived fit of an extension and the likelihood of its acceptance. However, these beneficial effects are likely to emerge only under conditions in which the interdependent consumer is motivated to elaborate extensively on the
extension information Five experiments test the underlying mechanism, its implications for different levels of brand stretch (varying from close to far), and the marketing strategy implications of the proposed theoretical framework. Further research could also examine whether copy strategies focused on enhancing the relational processing ability of these consumers (e.g., priming interdependence through ad copy, providing explicit relational links in the advertising) are likely to be more effective (than motivational attempts) in enhancing their acceptability of farther extensions.

2007

Consumers evaluate brand extensions by judging how well they fit with the parent brand. Monga and John (2007) examine this process across cultures. They predict that consumers from Eastern cultures, characterized by holistic thinking, perceive higher brand extension fit and evaluate brand extensions more favorably than do Western consumers, characterized by analytic thinking. Study 1 supports the existence of these cultural differences, with study 2 providing support for styles of thinking (analytic vs. holistic) as the drivers of cultural differences in brand extension evaluations. The findings that emerged using the ANOVA technique confirm the existence of cultural differences in brand extension response. Easterners (Indians) perceived higher fit and had more favorable evaluations than Westerners (Americans). Differences were expected to emerge as a result of cultural differences in styles of thinking, with Easterners portrayed as holistic thinkers more likely to see relationships between brand extensions and parent brands. A median split analysis, comparing analytic and holistic thinkers irrespective of culture, produced the same pattern of results, lending further support for styles of thinking being associated with cultural differences in brand extension response. Extending our theorizing to other branding issues may uncover a host of interesting cultural differences in the way consumers around the globe respond to brands.

Astous, Colbert & Fournier, (2007) examine the impact of two different extension strategies, namely brand extension and co-branding, on consumer attitude toward an extension in the context of the arts. An experiment was conducted in which the type of extension strategy, as
well as other variables identified as potentially having an impact on consumer attitudes, was manipulated. The data were analyzed using pair wise comparisons between means. The results showed that, whatever extension strategy is chosen, the new product should be congruent with the arts organization's activities and should be of low complexity. If these conditions are met, a co-branding strategy appears to be preferable. Because only two arts organizations were analyzed in this study, i.e., museums and symphonic orchestras, future studies should consider other domains of the arts. New products introduced as brand extensions should be simple and congruent with the business activities of the arts organization. If the product is not congruent with the organization's activities, then simple brand extension appears to be a better strategy. This study has examined the extent to which marketing strategies that work for conventional goods and services may succeed in the case of artistic and cultural products. It brings valuable knowledge to managers of arts organizations and marketing researchers with respect to the impact of brand extension strategies in the arts.

Shine, Park and Wyer (2007) conduct three experiments to demonstrate that the simultaneous introduction of two brand extensions can have a positive influence on their evaluations independently of parent–extension similarity. This "synergy" effect occurs when the extensions are complementary (e.g., a digital camera and a digital photo printer) but is not evident when they belong to the same category (two models of digital cameras) or to unrelated categories (a digital camera and a snowboard). In addition, the effect is restricted to extension products that are introduced by the same manufacturer. Finally, it occurs only among participants who are promotion focused and therefore are disposed to consider the benefits of owning the extensions rather than the disadvantages of doing so. These and other results suggest that the synergy effect is due to the appeal of completing a set of related products from the same manufacturer rather than the physical or functional similarity of their features to those of either the parent or each other. The evidence that complementary product extensions can have a substantial impact on evaluations of each other, even when they are outside the range of apparent expertise of the company that manufactures them is of both
theoretical and practical importance. Further implications of this possibility are worth investigating.

Greifeneder, Bless and Kuschmann (2007) investigate the influence of mood and brand favorability on the evaluation of brand extensions. It is argued that affective states have an impact on the likelihood that the evaluation of a new product is based on the implications of the brand rather than on the implications of the features of the new product. Specifically, participants reported more positive evaluations of a new product when it was introduced by a positive rather than a negative brand - and this differential impact of category information was more pronounced for participants in a positive compared to a neutral or a negative mood.

Three further issues seem worth to be pursued in future research. First, the processes underlying the reported effects should be more closely examined. Second, while the current research addressed the role of incidental mood states, future research might focus on integral affective states (for the difference between the two constructs, Bodenhausen, 1993), too. Finally, it appears worth to understand whether and how the observed effects on attitude judgments translate into actual product purchasing behavior. This latter aspect seems particularly interesting for the practitioners' world.

Laforet (2007) examines consumer fit perception, risks and brand trust in retail brand extension in financial services. A total of 324 respondents living in Sheffield, UK were involved in the survey. The survey was conducted on three major British supermarkets. Mean scores for each supermarket were compared between four groups of respondents: store loyal vs. non-loyal, users vs. non-users of the store's financial services, aware vs. non-aware and intend-to-buy vs. no-intention-to-buy groups on fit, risks, trust dimensions. A factor analysis was performed on the dimensions' items. Discriminant analysis was used to determine the dimension(s) distinguishing the retailers. The study found that retailers A and B were perceived as trusted brands with respect to financial services. Retailer A was perceived as a trusted brand regardless of the product category. Retailer B was seen as a trusted brand when product performance and financial risks were low. In contrast, retailer C was perceived unfit and risky by the non-users and no-intention-to-buy groups. Age, gender, income
influenced fit, risks and trust perception. Existing customers, including those aware and intending to buy the store's financial services, tended to trust the store, whereas those new to the store and its products perceived no fit and lacked confidence in the store's expertise in their brand extensions. The study assists retailers and the like in their brand extension decision making and implementations. It contributes to retail/brand extension/corporate branding literature, brand extension in high/low-involvement product, perceived fit, risks and trust relationship in brand extension. Further studies are now required to examine returns of retail brand extensions, especially in the non-food categories or the financial services.

Wu & Yen (2007) explore how the strength of brand associations, different brand breadths, and the similarity between a parent brand's product categories and its extension product categories influence consumers' attitudes toward brand extensions. An experimental research design was applied to testing the set of hypotheses. A total of 384 respondents participated in the main study. This study analyzed experimental results using analysis of variance (ANOVA). Results show that when a brand is extended to similar product categories, only when the association is strong (trust or affect) will consumers prefer the extension of the narrow brand to that of the broad brand. Conversely, when a brand is extended to dissimilar product categories, regardless of the brand associations (trust or affect), consumers prefer the extension of the favorable broad brand to that of the narrow brand. For corporations that operate within a narrow brand, brand extension strategies must be based on parent brand associations (trust or affect) that are very strong. In addition, the extension must only be to extremely similar product categories. In contrast, for corporations operating a broad brand, although the chance of brand extension success is better, favorability of consumer brand association (trust or affect) must never be ignored. The results reemphasize the importance of brand breadth effects when launching category extensions. Also, the research provides new insight into the strength of parent brand associations when evaluating consumers' brand attitude on brand extension. Future research could therefore take the following directions. First, a study of whether different levels of consumer product involvement or risk perception would lead to different evaluations of brand extensions. Second, future study could determine
whether consumer attitudes toward brand extensions into functional products and hedonic products are influenced differently by parent brand trust (or affect). Third, the variety of similarities could be considered.

Essoussi and Merunka (2007) investigate, in an emerging market, the simultaneous effects of country of design (COD), country of manufacture (COM), and brand image on consumers’ perceptions of bi-national products. A comprehensive model broadens country-of-origin literature by incorporating brand image and the concepts of fit and congruity borrowed from brand extension research. Perceptual (in)coherences that might exist among COD, COM, and the brand are incorporated. Tunisia is the emerging market studied. A total of 389 respondents evaluated different product combinations (COD/COM/brand) in two categories. Relationships between constructs are tested using structural equation modeling. Consumers are sensitive to the COD (more so for public than for private goods) and also value the COM of branded products. The transfer of the COD image to brand image is significant. It is very high for one product category (cars). Brand/COM congruity is also important since product evaluations decrease when consumers perceive incoherence in a manufacturing location. The limitation of the study is that it used limited informational cues for products’ descriptions and concentrated on fairly complex durable goods. Research design should be expanded. Perceived COD competencies can benefit brand image through strong COD-brand associations. In emerging markets, COD (through brand image) and COM effects are important for understanding consumers’ perceptions of publicly versus privately used branded products. The major contribution consists of a simultaneous examination of the effects of COD, COM, brand, and of their inter-relationships. Investigating bi-national products and related consumer behaviour in emerging markets is of particular interest as it corresponds to the reality of these markets.

Henrik Sjödin (2007) discusses financial assessment of brand extension proposals within companies. An integrated framework synthesizes key questions and arguments in theoretically informed valuation, in order to support managerial decision-making. It highlights
the link between brand equity considerations and financial evaluation, to acknowledge the role of brand extension as an investment in business development. The ideal role of financial assessment in the practice and research of brand extension is discussed. The existing literature on brand extension development processes is still limited. Accordingly, there are ample opportunities for further work on the relationships between decision criteria, including financial assessments, and business performance. Furthermore, the impact of brand extensions on actual cash flows or company values is not fully charted by research. For instance, whether investors value the same properties that academic studies have found to be important for consumer evaluations largely remains an open question. Pioneering research by Lane and Jacobson 70 illustrates one approach towards this end, as they considered stock market reactions to brand extension announcements. Work along these lines can address our limited understanding of the mechanisms behind investor reactions to marketing initiatives in general.

2006

Sood and Dreze, (2006), examine movie sequels as brand extensions of experiential goods. Study 1 reveals a reversal of the traditional categorization model such that dissimilar extensions are rated higher than similar extensions. This reversal is moderated by the name of the sequel; numbered sequels (Daredevil 2) are influenced by similarity more than named sequels (Daredevil: Taking It to the Streets). Study 2 reveals that the reversal arises because numbered sequels invoke a greater degree of assimilation with the parent movie, thereby increasing consumers' level of satiation of experiential attributes. The Internet Movie Database (IMDb) provides external validity for their results (study 3). ANOVA was conducted to test the effect of the replicate factor. In terms of managerial implications, the results suggest that studios could improve the reception of sequels by using naming strategies for the title. It would be interesting to know if a superficial name change can lead to very different ratings of otherwise identical experiences. Interestingly for the studios, the naming strategy may be a useful tool for improving the opening-weekend reception.
Mao and Krishnan (2006) suggest that when a brand operates in multiple product domains, extension evaluations are more complex than have been conceptualized, and favorable consumer responses may result even in the absence of the above two conditions. Our two-process contingency model proposes two dimensions of fit (brand prototype fit and product exemplar fit) and two evaluative processes (topdown and parallel attitude transfer) that drive extension evaluations in different ways, depending on the level of cognitive resources. Three empirical studies found consistent support for the model. ANCOVA model is employed to assess the effects on evaluations, with brand attitude and need for cognition as covariates. Our two-process contingency model focuses on consumer evaluations without detailed information of the extension product. Future research may explore whether PF and EF influences the piecemeal processing of extension product features as well as whether such effects are symmetric for the two types of fit.

James (2006) aims to return to Aaker and Keller’s original work on brand extensions and extend the frameworks presented to brand alliances. The study seeks to examine the dimensions used in the original model and attempt to identify whether the brand extension dimensions can be applied to brand alliances. Using quantitative research techniques through a structured study using 11 real brands in eight hypothetical alliances over 260 respondents, the study examines the reapplication of the brand extension framework to brand alliances using a regression model. The study has found that, though some extension elements apply to alliances, the role of fit takes on particular importance, whereas difficulty of making assumes a minor role, and that the basic extension framework can be applied to brand alliances. The study used real consumer brands in hypothetical extensions and alliances with student samples from the UK although different results may be found using alternative samples and with real brands. The paper adds value to the literature and to practitioners’ understanding of brand leverage by identifying that, though Aaker and Keller’s study framework is applicable to brand alliances, the role of fit between partners takes on a central role to the detriment of difficulty of making.
Pina, Martinez, Chernatony and Drury (2006) analyze the influence that service brand extensions have on corporate image. A model is proposed and tested that shows how extending a services brand affects the overall corporate image. Statistical analysis of data from a market survey involving actual services brands and hypothetical extensions was undertaken. Structural equation modeling was the main methodology employed. It was found that the extent of perceived fit between the corporate brand and the service extension influences the perceived quality of the extension, which in turn affects corporate image, especially for corporate brands that originally had highly rated images. Given that the study was done with hypothetical brand extensions, the proposed model is not tested in a real situation. The results offer important implications, both for academics and managers. Through an effective communication policy, the company must increase the perceived fit. The results also suggest directions for further research. It would be interesting to explore how the model works across services categorized on the continuum of search, experience and credence. In the literature, there are few works analyzing the effect of service extensions on corporate image. The research allows the understanding of the concept of corporate image and the role performed by service brand extensions. The proposed model and the estimation with SEM methodology add value to the existing knowledge.

Rajagopal (2006) analyses the strategies of effective brand building and managing the same with reference to acquiring optimum customer value for long-run competitive gains. The paper reviews the literature on the brand building and develops arguments in reference to symbiotic relationship of brands with cognitive behavior of consumers. The discussion is categorically spread over brand equity, brand personality, media impact on brands and brand knowledge. The study also discusses the process that builds brand personality through media communication. There are many psychographic variables like emotions associated with the brand image which constitute the personality of a brand. In case typical product category advertisements are associated with negative effect, the particular advertising functions act as a counter-attitudinal message, which is more persuasive in the case of a mismatch rather than a match with the category advertisements. However, a persuasive advertising may affect
consumer preferences. It will be of critical importance for future researchers and practitioners to understand the increasingly complex variety of factors underlying and influencing the linkages between brands and customer relationship. Effective brand management, encompassing brand personality, is of paramount importance in reaching the overall company goals towards satisfaction, loyalty, and profitability. Companies may choose to deliver advertising in a more appealing dimension for quick cognitive reflexes of customers. The study argues the importance of the brand building and management issues from the perspective of consumers’ cognitive variable for a sustainable effect rather than developing a framework of strategies considering company as a pivot. The study explores and attempts to establish the symbiosis between the cognitive drivers of consumers and brand personality.

2005

The UK-based research of Jon D. Reast (2005) aims to build on the US-based work of Keller and Aaker, which found a significant association between “company credibility” (via a brand’s “expertise” and “trustworthiness”) and brand extension acceptance, hypothesising that brand trust, measured via two correlate dimensions, is significantly related to brand extension acceptance. The study discusses brand extension and various prior, validated influences on its success. It focuses on the construct of trust and develops hypotheses about the relationship of brand trust with brand extension acceptance. The hypotheses are then tested on data collected from consumers in the UK. Standard multiple regression has been utilized to assess the strength and nature of the association between the brand trust correlate dimensions and brand extension response. The study using 368 consumer responses to nine, real, low involvement UK product and service brands, finds support for a significant association between the variables, comparable in strength with that between media weight and brand share, and greater than that delivered by the perceived quality level of the parent brand. The research findings, which develop a sparse literature in this linkage area, are of significance to marketing practitioners, since brand trust, already associated with brand equity and brand loyalty, and now with brand extension, needs to be managed and monitored with care. The study prompts further investigation of the relationship between brand trust and
brand extension acceptance in other geographic markets and with other higher involvement categories.

Martinez & Pina (2005) provides a new perspective in the study of service brand extensions, which has become a popular strategy for launching new services. Specifically, the paper proposes and estimates a model that shows how potential consumers evaluate service extensions. Structural equation modelling or covariance analysis was the statistical technique used for examining the data. The application of this methodology is an important step towards a better knowledge of brand extension acceptance, particularly for service extensions, where there are no relevant studies that apply this methodology. Experimentation is the usual method in brand extension research; both in service and in tangible products and the analyses are limited to the t-test, analysis of variance (ANOVA) or linear regressions at best. The findings show that the corporate image affects both the perceived service quality and the perceived fit between the new service and the parent brand, which in turn affects attitudes towards the extension. In consequence, the service extension is more likely to be successful when the corporate image is reinforced by effective marketing communications. The perception of service quality will be better and consumers will think that the company is more able to offer the new services. In future work it would be useful to test the model by using tangible products, although in that case brand quality rather than service quality and brand image if the extending brand were different from the corporate name would be considered.

Yeung And Wyer Jr. (2005) undertake three studies to examine the influence of brand-elicited affect on consumers' evaluations of brand extensions. When a brand spontaneously elicits affective reactions, consumers appear to form an initial impression of the brand's new extension based on these reactions. The affect that they experience for other reasons and attribute to the brand can influence this impression as well. Their later evaluations of the extension are then based on this impression. This is true regardless of the similarity between the extension and the core brand. These results contrast with evidence that affect influences brand extension evaluations through its mediating impact on perceptions of core-extension.
similarity. This latter influence occurs only when consumers are explicitly asked to estimate the extension’s similarity to the core before they evaluate it. The interplay between affect and core-extension fit on extension evaluations could differ from that which is identified in this study. This possibility remains to be investigated in further research.

Piyush Kumar (2005) examines the differential impact of cobranded versus solo-branded extensions on customer evaluations of brand counterextensions. It demonstrates that customers evaluate a counterextension less favorably if the preceding extension by the focal brand is cobranded than if it is solo branded. The evaluation data was analyzed using a two-way analysis of variance (ANOVA). The findings suggest that cobranding not only improves the attribute profile of a brand’s own extension but also helps protect the brand against counterextensions. Although this research provides initial insights into the differential impact of cobranded versus solo-branded extensions on the evaluation of a counterextension, further research using different product categories and research methodologies is necessary to establish the robustness of the findings.

Alexander and Colgate (2005) consider the relationship between a core brand built around retail operations and an extension built around financial services operations. The fundamental question that underlies the study asks whether a successful/unsuccessful implementation of financial services brand extension impacts positively/negatively on the core retail brand. Regression analysis was then used to analyze whether certain constructs were driven or predicted by other constructs. Findings from over 1000 responses indicate that the retailer brand extensions under investigation do have a significant impact on the core brand. Further analysis, using customers who have experienced the brand extension versus those that have not reveals that this impact can be negative as well as positive. That is, where a customer perceives the brand extension to be implemented poorly the relationship between the customer and the original brand is compromised. At this point it is also worth noting that we have investigated customers from only one retailer. This is a limitation. It may be the results are unique to this particular situation. In this respect other studies which can offer insights into other examples of retailer brand extensions would be useful. For example, in the research...
presented here, the image of the brand extension was essentially positive. There was very little negative feedback concerning the quality of the product. It would be interesting to see the results of further work which identified a considerable negative response to the extension brand.

Forney, Park & Brandon (2005) undertook a study to identify dimensions of evaluative criteria used when purchasing casual apparel and casual home furnishings and to determine which evaluative criteria served as predictors of brand extension purchase behavior of these products. A mailed self-administered survey sent to a randomized sample of 739 female consumers residing in three metropolitan areas in a southwest state in the USA resulted in a response rate of 32.7 percent. Purchase frequency of 15 brands that extended across apparel and home furnishings and the importance of 17 evaluative criteria were measured using 7-point Likert-type scales. Principal component factor analysis with varimax rotation and path analysis using LISREL 8 were performed. They found that image, quality, color/style, and design/beauty of fashion products are important criteria when purchasing extended brands of casual apparel and home furnishings. Image of fashion products was the strongest predictor when brands were extended from apparel to home furnishings products. This study was limited to female consumers living in urban areas in one state in the USA and to casual apparel and home furnishings fashion product categories. The study suggests retailers focus on brand or store image when extending brand from apparel to home furnishings and merchandise multiple product categories to increase sales across product categories. Little research on brand extension of fashion products exists yet this is a growing strategic area of fashion product development and merchandising. This study addresses the need to examine consumer behavior associated with fashion brand extension.

Diamantopoulos, Smith and Grie (2005) investigate empirically the impact of brand extensions on brand personality, using Aaker's scale to measure the latter. They adopt an experimental study using regression analysis manipulating extension fit (good/poor fit), controlling for brand familiarity and including a control group. They find that there is no adverse impact on brand personality of core brand as a result of introducing extensions.
The limitation is that it is a cross-sectional study not capturing potential long-term effects of extensions with poor fit. Longitudinal research is needed, as are replications with different brands, types of extensions and consumer segments. Managers need to provide preliminary support for introducing extension for a quality brand without fear of adversely affecting its brand personality. The value of the study lies in it being the first study explicitly investigating impact of brand extensions on brand personality.

Helge Thorbjørnsen (2005) examines the effects of congruent and incongruent brand concept extensions on consumer attitudes towards the extended product and feedback effects on the parent brand. Moreover, brand familiarity is proposed as an important moderator variable in determining feedback effects on attitude to the parent brand. An experimental research design was applied for testing the set of hypotheses put forth. The product category of wrist-watches was utilized as setting. A total of 205 respondents participated in the study. Analysis of variance (ANOVA) was used to test the hypothesis regarding consumer evaluation of congruent vs. incongruent brand concept extensions. The study finds general support for the importance of brand concept congruency when it comes to feedback-effects, whereas no significant differences between congruent and incongruent extensions are found for attitudes to the extension itself. Brand familiarity is found to be an important moderator on parent brand feedback effects. Before concluding on the moderating role of brand familiarity in this context, one needs to build a stronger nomological network around this variable. Moreover, the effects observed in this study should be extended and tested for other product categories and preferably also with other methodological approaches. The study results reemphasize the importance of investigating brand feedback effects when launching category extensions. Also, the research provides new insight into the role of parent brand familiarity when evaluating the potential risks and rewards of conducting brand concept extensions.

Jevons, Gabbott and Chernatony (2005) provide a conceptual framework to help researchers and managers understand the complex factors affecting the associations between brands. Brand extension, co-branding and other associative techniques together with an increasingly
communicative environment are resulting in an increasingly complex set of networks and relationships between brands, with singular and multiple relationship forms. There are two key perspectives on these complex relationships, that of the customer and that of the brand owner, i.e., what is seen at the point of transaction and what is expressed by the various brand constructors. Two key perspectives on brand relationships are used that of the customer and that of the brand owner, to describe and discuss an analytical classification of these relationships. A conceptual synthesis of the dynamics of brand networks and business relationships is presented and a 2 x 2 matrix is developed to classify and describe the four categories that emerge. Different management strategies for different types of business-brand relationships are suggested. The conceptual synthesis is new and some uses of the classification for researchers and brand managers are suggested. Future work could further investigate the operational implications of the framework proposed here. For this analysis to be useful to practitioners and researchers, it is important to test it in practice.

Story and Loroz (2005) propose and test a series of precepts which explain the role of technology and technology congruence in consumers' perceptions of brand extensions. A series of relationships between technological congruence and consumer evaluations of brand extensions is proposed. Regression analysis and a series of planned contrasts are employed to test these relationships. In general, extensions that are higher in overall technology content are perceived as being higher in quality. Higher technology brands benefit from a superordinate brand technology effect. However, this technology content effect is moderated by the congruence/incongruence of the levels of technology of the brands, products, and attributes. The primary limitations of this research are that it focused on a relatively small and homogeneous segment of the population (average age 24) and it tested the effects of technological incongruence only on perceived quality. These results have extensive implications for designing and positioning brand extensions in the market. The implications are particularly salient for brands that are perceived as employing relatively low technology. These results improve one's understanding of customers' responses to brand extensions,
particularly when the product or associated attributes are technologically incongruent with the brand.

2004

Martinez and Chernatony (2004) analyze the effect that a brand extension strategy has on brand image. Specifically, the study analyzes how variables related to the parent brand and the extension influence brand image after the extension. From a sample of 389 consumers, the paper demonstrates that the extension strategy dilutes the brand image. Through a regression analysis, it is shown that the perceived quality of the brand and consumers' attitudes towards the extension positively influence both the general brand image (GBI) and the product brand image (PBI) after the extension. While familiarity with the products of the brand only affect the GBI, the perceived degree of fit affects the PBI. The findings are specific to the sportswear market. To test the generalizability of the findings, other researchers are encouraged to extend this research into different markets. The limitation of the study was that it focused on only two brands and two possible extensions.

Chen and Liu (2004) focus on the possible relationship between the parent brand and a new brand extension. In particular, the study focuses on the impact of a parent brand on the trial of the extension and the reciprocal effect of a successful trial of new brand extensions positioned horizontally and vertically on the parent brand. Results show positive influence of the parent brand on the trial of the extension. Successful trial also helped the parent brand on a reciprocal basis, particularly among the non-loyal users and non-users of the parent brand. Another finding is the moderating effect of category positioning on the magnitude of the reciprocal effect of the brand extension on the parent brand. There is also an indication that prior parent brand experience acts as a moderator of reciprocal effects. Brand managers need to consider potential reciprocal effects in assessing the benefits of extension introduction. The role of brand extensions in enhancing the appeal of the parent brand among prior non-users of the parent brand has been overlooked as an important added benefit of the extension strategy.
The evidence for the reciprocal effects of a brand extension on its parent brand is unclear. Zimmer & Bhat (2004) conducted an experiment to investigate the impact of an extension's quality, its fit with the parent brand, and parent brand dominance, on parent brand evaluation. The study using regression analysis finds that extension quality and fit did not dilute parent brand attitude, in other words, an extension either left parent brand attitude unchanged or enhanced it moderately. The only effect of brand dominance was that it enhanced parent brand attitude when the extension was a good fit. Further, the introduction of an extension, regardless of its fit or quality, enhanced parent brand attitude for a durable product relative to a control group. It seems that parent brand attitudes are held strongly enough to resist the new information that is associated with a newly introduced brand extension. Hypothetical extensions were used as stimuli. Attitudes formed about hypothetical stimuli are likely to be weaker than attitudes formed about real extensions encountered in a natural setting. Additional research is needed to determine how respondents react under more natural conditions, such as when they encounter extensions in a retail environment.

Lei, Pruppers, Ouwersloot and Lemmink (2004) have performed an experimental study to assess whether an extension with relatively low service intensiveness compared to the parent product is evaluated differently from an extension with higher service intensiveness. ANOVA was used to test the hypothesis. The empirical evidence from this article indicates that the quality of an extension product will be evaluated more favorably when it involves lower service intensiveness than higher service intensiveness. Furthermore, the results reveal that the difference in extension evaluations, due to the varying levels of service intensiveness involved in the extension products, is positively affected by the perceived similarity between an extension and its parent product. Finally, it is also found that consumers have different postevaluations on the parent brand due to different degrees of service intensiveness involved in the extension products. Meanwhile, the perceived similarity will reinforce this difference in consumers' postevaluations. For future studies, the use of real brand names and...
products to investigate the reciprocal effect is recommended and it might be valuable to investigate the service intensiveness effect in a brand portfolio condition.

2003

Kim (2003) searches for the communication message strategies for two distinct brand extension types: close and remote brand extensions. An experiment is conducted with four cells which were exposed to different communication strategies for five extension types. The mean of all group's attitude for the original brand was calculated and shown as the overall original brand attitude. Communication strategies used were brand essence cue, extension attribute cue, extension dissonance reducer cue, and some combinations of the named cues. Results show that different communication strategies are necessary for extension situations that differ in distance from parent brand categories. Sample characteristics and size may limit the generalizability of the research.

Martinez and Pina (2003) analyze the influence that brand extensions have on brand image. For this analysis, an experiment is performed that examines the most important variables to consider in using the brand extension strategy. After analyzing the information obtained using the estimation of the linear regression models, reaches the conclusion that brand extension strategies may influence the brand image after the extension and that variables such as the brand image prior to the extension, the perceived quality of the extension and the fit between the parent brand and the new product also affect the image. A limitation of the study was that it used a limited sample of students and products. A topic that could be the object of analysis in future research is the study of the relationships between brand identity and brand extensions.

Jun, MacInnis & Park (2003) identifies three price-related variables that they hypothesize affect consumers’ judgments of brand extensions. (1) the price of the parent brand, (2) the price of the parent category, and (3) the heterogeneity of prices among brands in the extension product category. The critical role of price expectations as a critical variable...
mediating the effect of these price-related variables on consumers' evaluations of a brand extension is also examined. We expect and observe six important findings from our analysis of these factors. First, we find that consumers' price expectations of a brand extension are affected by the price of the parent brand (i.e., a brand-specific price factor). Second, we find that the relative price of the parent category in relation to the extension category (i.e., a category-specific price factor) also affects consumers' price expectations of the brand extension's price. Third, we find that the price of the parent category moderates the effect of the parent brand price. Fourth, we find that the effect of the parent brand’s price on consumers’ expectations of the brand extension’s price and their evaluations of it is moderated by the distribution or heterogeneity of prices in the extension category.

2002

Shi Zhang and Sanjay Sood (2002) present a conceptual as well as empirical analysis showing that 11–12-year-old children, relative to adults, evaluate brand extensions by relying more on surface cues (e.g., brand name characteristics used to launch the extension) and less on deep cues (e.g., category similarity between the parent brand and the extension category). In experiment 1, children gave equivalent evaluations of brand extensions regardless of category similarity (e.g., Coca-Cola extending to iced tea vs. toffee), whereas adults rated near extensions (e.g., iced tea) more favorably than far extensions (e.g., toffee). In experiment 2, children evaluated near extensions more favorably than far extensions when they were cued to make similarity judgments prior to evaluation but rated near and far extensions equivalently when they were not cued prior to evaluation. In experiment 3, children based their evaluations on the extension name’s linguistic characteristics regardless of category similarity, whereas adults based their evaluations on category similarity regardless of name characteristics. ANOVA performed on the overall data yielded a significant model. Children rated extensions with a rhyming name (e.g., "Coca-Cola Gola" iced tea, "Wrigley's Higley" toffee) more positively than extensions with a nonrhyming name (e.g., "Coca-Cola Higley" iced tea; "Wrigley's Gola" toffee), whereas adults rated them similarly. Theoretical implications on branding and categorization research as well as managerial implications are
discussed. There are also some limitations to our research. The stimuli used three pairs of brands that are generally highly regarded and well known. Different patterns of results may emerge if the parent brands are more neutral or even unfavorable. In addition, it would be instructive to collect verbal protocols of children to more closely examine how surface cues influence their extension evaluations.

Bristol (2002) presents a conceptualization of brand extension attributes that emerge when consumers evaluate brand extensions. These emergent attributes are unique in the extension product category and thus represent potential points of leverage for the brand. An empirical study was conducted to show the utility of these attributes in influencing consumers' responses. Consumers were allowed to write their thoughts as they evaluated fictitious extensions of four actual brands. Regression analysis was used for each brand replicate to test the hypothesized effect of emergent attributes. The results indicate that when emergent attributes are formed, they appear to influence consumers' attitudes toward brand extensions. Unlike previous findings that have suggested that good fit is necessary to ensure extension success, the results indicate that the influence of emergent attributes on consumer attitudes increases as the brand's fit with the extension increases. The research was limited to the influence of emergent attributes on consumer extension attitudes and not on consumer memory or purchase behavior.

Grime, Diamantopoulos and Smith (2002) reassesses the work on brand and line extensions and integrates it into a conceptual framework. The latter shows that extension and core brand evaluations are affected by consumer perceptions of fit. Moderating factors that influence the relationship between fit and consumer evaluations of the extension and the core brand are also identified. The framework is subsequently used to develop concrete research propositions to guide further research in the area. Regarding future research, the literature review revealed a lack of clear distinction between different dimensions of fit (i.e., similarity, relatedness and typicality). Thus, future research is needed to properly sort out the conceptual differences (if any) between these dimensions of fit and develop operational measures for them. Future research should attempt to assess the relative importance of and the potential
interactions among the moderating influences and their subsequent effect on the relationship between fit and consumer evaluations.

2001

Swaminathan, Fox and Reddy (2001) focuses on the impact of a new brand extension introduction on choice in a behavioral context using national household scanner data involving multiple brand extensions. Particularly, the authors investigate the reciprocal impact of trial of successful and unsuccessful brand extensions on parent brand choice. In addition, the authors examine the effects of experience with the parent brand on consumers' trial and repeat of a brand extension using household scanner data on six brand extensions from a national panel using logistic regression analysis. In the case of successful brand extensions, the results show positive reciprocal effects of extension trial on parent brand choice, particularly among prior non-users of the parent brand, and consequently on market share. The authors find evidence for potential negative reciprocal effects of unsuccessful extensions. In addition, the study shows that experience with the parent brand has a significant impact on extension trial, but not on extension repeat. Reciprocal effects have been investigated entirely in the context of purchase behavior. One way to strengthen the findings would be to support the purchase behavior data with attitudinal data. In addition, no data involving a highly similar extension that failed in the market were available. Cases of this nature will strengthen the framework. It is possible that reciprocal effects may exist, even in the absence of category similarity, if the target audience for the parent and extension products is similar. Although this is not addressed in the current study, this is a promising avenue for further research.

Paul A. Bottomley and Stephen J.S. Holden (2001) investigate the empirical generalizability of Aaker and Keller's model of how consumers evaluate brand extensions. Various replications have reported different results. Using a comprehensive data set containing the data from the original study and seven replications conducted around the world, the authors undertake a secondary analysis to understand what generalizations emerge. The study has implications for the understanding of how brand extensions are evaluated and how empirical
generalizations are made. For brand extensions, Aaker and Keller's model hypothesizes that evaluations of brand extensions are based on the quality of the original brand, the fit between the parent and extension categories, and the interaction of the two. The authors find support for this full model despite published results, including Aaker and Keller's own that support only some of the hypotheses. The authors find evidence that the level of contribution of each of these components varies by brand and culture. With respect to empirical generalizations, the key implication is that it is premature to make firm conclusions about theory on the basis of only one study. We believe that the understanding today of how brand extensions are evaluated should be revised in light of this reanalysis of A&K's data and the replications. Moreover, our article is a strong call for both replication and secondary analysis in the development of empirical generalizations.

The findings of prior research suggest that a brand's extendibility is constrained by the degree of perceived fit between the brand and extension product categories. However, there are many examples of brands that have been extended successfully into "perceptually distant" domains. Drawing on theories of consumer information processing and product adoption, Klink and Smith (2001) identify three background traits of prior work that may help explain the discrepancy between prior research and marketplace observation: (1) limited extension information, (2) failure to account for consumers' new product adoption tendencies (i.e., earlier versus later), and (3) single exposure to proposed extensions. The hypotheses were tested using a single multiple regression model. In this study, the authors find that the effects of fit disappear when attribute information is added to extension stimuli and are applicable only for later product adopters. The authors also find that perceived fit increases with greater exposure to an extension. Beyond implications for brand extension research, this study underscores the need to recognize that certain research design factors related to external validity, which are often assumed irrelevant, can alter what is held to be true. There is no universally accepted conceptualization or measure of fit. Although the study applied a widely accepted construal and measure of perceived fit and replicated our findings using a hybrid.
approach that did not rely directly on individual perceptions of fit, it would nonetheless be useful to see whether our results would hold under other conceptualizations.

2000

Vicki R. Lane (2000) challenges the view that incongruent extensions are doomed to fail and demonstrates that brand extension ad content and repeated exposure to those advertisements influence consumer reactions to incongruent extensions. In a study of four highly regarded brands, participants who viewed brand extension advertisements five times evaluated incongruent extensions more positively, expressed higher usage intentions, indicated more favorable consistency judgments, and exhibited increased elaboration and more positive elaboration than did participants who viewed the advertisements only once. Multivariate analysis of variance (MANOVA) was used to test the hypotheses. This relationship was attenuated for highly incongruent extensions, for which the advertisement evoked primarily peripheral brand associations instead of benefit brand associations. However, for moderately incongruent extensions, advertisements that evoked either peripheral or benefit associations were equally effective. Process measures indicate the importance of the extent and nature of elaborative processing. A limitation of the study is that the results do not indicate that repeated exposure is always required for improvement in consumer responses to incongruent extensions. Also, the brands in this study were well established and highly regarded brands. Therefore, the findings do not generalize to disliked or mediocre brands.

Barone, Miniard and Romeo (2000) examine how positive mood influences consumer evaluations of brand extensions. As a means of addressing this issue, the study integrates findings from prior research on brand extensions with those concerning the effect of mood on similarity and evaluative judgments. ANOVA, ANCOVA and regression analysis is used to test the data. Results indicate that positive mood primarily enhances evaluations of extensions viewed as moderately similar (as opposed to very similar or dissimilar) to a favorably evaluated core brand. This pattern of effects prevailed in separate studies using two
different types of mood manipulations. The evidence supports a mood process in which the influence of positive mood on extension evaluations is mediated by its effects on perceptions of the similarity between the core brand and the extension as well as the perceived competency of the marketer in producing the extension. Implications of these findings for marketing managers are presented along with suggestions for further research. One limitation arises with respect to the artificial (in terms of marketing practices) manner in which mood was manipulated in the two studies reported here. Additional research could determine whether mood states induced using methods over which marketers can exercise control (e.g., ad content, programs in which the ad appears, point-of-purchase materials) will influence evaluations of brand extensions. Similarly, because a limited set of core brands and extensions was used, the robustness of the results across different product categories is unknown.

Chen & Chen (2000) examines the negative impacts of brand extension failure upon the original brand by calibrating the difference of brand equity. Using data collected from college students in Taiwan, the study establishes four hypotheses to identify various effects of a failed brand extension in diluting the original brand's equity. Student t-tests were performed to test the significance of negative dilution effects. The study also analyzes the different effects among four types of equity-source brands for both close and distant extensions. Equity source and equity level of the original brand is identified first. All components of brand equity-source are then used to evaluate the performance of a brand extension. The study finds that an unsuccessful brand extension dilutes the original brand for all three high equity source brands. Effects of brand dilution differ according to the type of equity source possessed by the original brand, but there is no difference in brand dilution effects from close and distant extension failures. The authors see the possible directions for future research. While college students in Taiwan were used in this study, the internal and external validity of the findings can definitely be strengthened with a larger scale random (or stratified) sample and with more diversified groups of subjects. Inasmuch as cross-sectional data of six popular name brands...
Ahluwalia and Canli (2000) identify "accessibility of extension information" as a factor that moderates the effects of the valence of extension information and extension category on brand evaluations. The data were analyzed using ANOVA. Under higher accessibility, negative information about the extension led to dilution and positive information led to enhancement of the family brand regardless of extension category. Under lower accessibility, extension information affected evaluations based on category diagnosticity. Negative information about a close (vs. far) extension led to dilution and positive information about a far (vs. close) extension led to enhancement. Our research is limited in its generalizability to the extent that inputs in real-world decisions include specific attribute beliefs. Future research is needed to address how the strength of brand associations moderates the effects of extensions on family brand evaluations.

Brand extensions allow consumers to use past experiences with the brand in order to assess the extension and thereby reduce the risk associated with purchasing a new product. In considering the ability of a brand to mitigate the risk associated with an extension (a construct herein referred to as brand reliability), prior research has focused on the role of fit between the brand and the extension category. DelVecchio (2000), in his study, indicates that in addition to fit, characteristics of the brand portfolio (number of products affiliated with the brand and the quality variance of these products) play an important role in affecting consumer impressions of brand reliability. The effects of brand characteristics on brand reliability were analyzed via multiple regression. In contrast to prior research that forwards that brands become diluted by offering extensions, the present results suggest that having a greater number of products affiliated with the brand has positive consequences when consumers evaluate a new extension. First, although the sample has many traits that are indicative of the marketplace in general (average age = 27 years, average work experience = four years), it is
not representative of the entire population of consumers, the sample hinders the ability to generalize results to people of radically different demographic profiles. Research addressing the manner in which consumer demographic and psychographics affect the use of brand related heuristics when evaluating extension products would be a valuable addition to the knowledge base of marketing practitioners.

1999

Maureen Morrin (1999) examines the impact of brand extensions on consumer memory for parent brand information. The author proposes that such exposure will strengthen parent brand memory structures and facilitate retrieval processes. The author hypothesizes that the impact of extensions will be moderated by parent brand dominance, extension fit, extension number, and product category crowdedness. ANOVA is used to test the hypothesis. Two experiments are conducted. The first demonstrates that (1) exposure to brand extensions facilitates the speed with which subjects can categorize parent brands correctly, (2) this result is moderated by parent brand dominance such that nondominant brands benefit more from such exposure, and (3) extension fit moderates this effect for nondominant but not for dominant parent brands. The second study demonstrates that (1) longitudinal exposure to brand extension advertising facilitates parent brand recall but that (2) both recall and recognition are facilitated to a lesser degree than that resulting from exposure to parent brand advertising. The research reported here is limited, in that it was conducted with convenience samples of student subjects in artificial laboratory settings. Nevertheless, the memory-based framework used appears to have some utility in expanding on current models of brand dilution. Examining the effects of extensions on memory measures such as categorization, recognition, and recall, in addition to traditional attitude measures, may provide a more complete understanding of the effects of extensions on parent brands.

Sankar Sen (1999) conducts a study which represents an initial step toward understanding how the brand name interacts with associated brand information in the development of brand knowledge. In particular, it draws on extant research on psycholinguistics, consumer memory.
and decision making to demonstrate, in 2 experiments, that a brand name's semantic suggestiveness interacts with the type of decision task involved in the initial brand encounter to influence the brand information encoded and recalled during a subsequent encounter with a proposed brand extension. These measures were analyzed using an overall multivariate analysis of variance (MANOVA) and individual ANOVAs with name and goal as independent factors. When information about an efficient set of new brands is learned through a choice task, brand names that suggest general superiority appear to benefit subsequent brand extensions more than names that are suggestive of category-specific, attribute-based superiority. After a judgment task, however, the latter names appear to benefit brand extensions more than the former ones. Moreover, this interactive effect of brand name suggestiveness and decision goal on brand extension evaluations is accompanied by systematic shifts in the extent to and the manner in which individuals process attribute information about the parent brands and recall and identify such information. A comprehensive understanding of brand name effects, therefore, is contingent on much future research. A richer conceptualization and operationalization of the suggestiveness construct in future work would contribute much to both the verity and the relevance of this line of inquiry.

McCarthy & Norris (1999) examine how branded ingredients affect consumer product quality perceptions, confidence in product quality perceptions, product evaluations, taste perceptions, purchase likelihoods, and reservation prices of host brands of varying quality. The hypothesis was tested using ANOVA. In two experiments, they find that branded ingredients consistently and positively affect moderate-quality host brands, but only occasionally positively affect higher-quality host brands. The study suggests that managers of both moderate and higher-quality host brands consider implementing branded ingredient strategies, albeit for different reasons. While moderate-quality host brands can improve their competitive position by using branded ingredients, higher-quality host brands generally do not. However, higher-quality host brands may benefit most by securing the most desirable branded ingredients for their own use, thereby blocking moderate-quality host brands from using a branded ingredient strategy to improve their competitive position. A limitation is that this study used real brand names,
selected based on relative quality perceptions. The study also limited its consideration to branded ingredients in lower priced experience goods and did not consider the case of branded components in search goods (e.g., Intel microprocessors in personal computers, Michelin tires on Dodge cars).

1998

John, Loken & Joiner (1998) examine whether extensions can dilute beliefs associated with a strategically important and highly visible product—the flagship product. The results of three experimental investigations indicate that beliefs about flagship products are less vulnerable to dilution than beliefs about the parent brand name in general. Means, standard deviations and t-tests were used to test the data. The findings suggest that assessments of the impact of brand leveraging strategies should include analysis of the effects on individual products as well as on the family brand name. The need to consider the extent to which our dilution effects generalize to different settings and with different types of flagships, time frames, and exposures. Although further empirical research might address these issues, it is also the case that further theoretical understanding of the structural aspects of brands and the way consumers incorporate extension information would be equally helpful.

Jin KHan (1998) examines brand extensions in a competitive context. Specifically, brand-extension strategy in a competitive context includes two key decisions: (1) whether the brand should be compared against the prototypical brand of the extension category, against a nonprototypical brand, or whether a comparison should be avoided, and (2) whether typical attributes of the extension category or atypical ones should be highlighted. In two experiments, we use comparative and noncomparative ads as vehicles in exploring the two key decisions of brand extension strategy in a competitive context. ANOVA was used to test the data. The findings suggest that if there is a high fit between the established image of a brand and the extension category, a brand extension with attributes that are perceived to be typical in the extension category is judged to be of higher quality when consumers evaluate the brand extension on its own grounds rather than in comparison with brands in the
extension category. In contrast, when the brand does not fit easily with the extension category, the brand with typical attributes is judged to be of higher quality if the brand is positioned explicitly against the prototypical brand of the extension category. Finally, in cases in which the brand's attributes in the extension category are atypical (i.e., the brand possesses attributes that differentiate it from other brands in the extension category), positioning the brand against the category prototype is generally preferable to the noncomparative format. Overall, low-fit brand extensions were generally judged to be of lower quality than high-fit brand extensions, and neither the ad format nor the type of attribute could overcome the negative effects of low fit. Future research should examine more closely the cognitive processes involved in consumers' judgments of brand extensions in the context of comparative brands.

Canli & Maheswaran (1998) examine new product extension strategies that are likely to be effective in building brand equity. The framework accounts for mixed findings in brand equity literature by identifying motivation as a factor that moderates the dilution and enhancement effects observed in prior research. ANOVA and regression analysis is used to test the data. The authors find that the typicality of the extension and consumers' level of motivation determine the effect of extensions on family brand name. In high-motivation conditions, incongruent extensions are scrutinized in detail and lead to the modification of family brand evaluations, regardless of the typicality of the extensions. However, in low-motivation conditions, brand evaluations are more extreme in the context of high (versus low) typicality. The less typical extension is considered an exception, which reduces its impact on evaluations. Results also show that brand name dilution or enhancement can occur in response to congruent extensions. However, processes that underlie the effect of congruent information are somewhat different. Additional research can address the persistence and resistance of brand evaluations using a longitudinal design. In addition, it would be useful to examine the dilution and enhancement effects in response to other types of information (e.g., sponsorships, environmental conduct) using the theoretical framework outlined in this article.
Glynn & Brodie (1998) suggest that the relevance of the brand-specific association is important when managers are considering a brand extension strategy and that a relevant brand-specific association can reverse the initial brand name preference. The data is tested employing ANOVA using a random effects model. The findings of the study give managers additional scope for extending and leveraging brands. The leverage provided by a relevant brand-specific association could mean additional opportunities for the brand to be extended to distant categories. Conversely, managers may find the brand-specific associations limit brand potential as the associations may not be relevant in other categories. The importance of brand-specific associations may be relevant in other areas besides brand extensions, for instance when considering changing brand advertising and communication strategies. Further research into the influence of brand-specific associations could examine the influence of extension category associations and brand extensions. Although this research showed that brand associations were relevant, this was from the parent brand's perspective not the extension category perspective.

The marketing literature refers to the concept of brand capital and provides empirical evidence that firms with a large stock of well-established brands have an advantage in introducing new products. Jay Pil Choi (1998) develops a theory of brand extension as a mechanism for informational leverage in which a firm leverages off a good's reputation in one market to alleviate the problem of informational asymmetry encountered in other markets. It is shown that brand extension helps a multi-product monopolist introduce a new experience good with less price distortion. Thus, the study provides a theoretical foundation for the concept of brand capital. There are several extensions worth pursuing to test the robustness of the model. An interesting enrichment is to consider the case of endogenous arrival of new products. Another obvious extension would be to allow for heterogeneity in consumers' information regarding the quality of products.

Pryor & Brodie (1998) in their study found that brand extensions are rated as more similar to an existing brand when advertising slogans prime attributes that the extension shares with
existing products. Thus there is further evidence to show that brand slogans can alter the perceptions of the similarity of potential brand extensions to existing family-branded products.

In both studies, multivariate analysis of variance indicates that the advertising slogan primes had a statistically significant effect \((p < 0.01)\) on the subjects' evaluative ratings of the potential brand extensions. This will also influence the evaluation of suitable extensions. The results also confirm that there is a direct positive relationship between consumers' similarity ratings and evaluative ratings. However, the exact nature of this is not clear and requires further investigation. Another interesting result was how the strength of the influence of the slogan varied according to the attribute that was being primed in each of the product categories. These results suggest that using a brand slogan which primes a "higher order" category attribute allows the parent brand to extend to a greater range of potential extension categories. One possible limitation is that in both studies students were used as subjects. Another limitation is the use of fictitious brands for which the subjects did not have strong attitudes. One possible reason why the replication results may have differed from the original study could be attributed to cultural differences. Further research is needed to assess how closely the experiences match "real world" experiences.

Sheinin (1998) explores the influence of positioning on the formation of brand extension knowledge. Based on the knowledge formation literature, a conceptual framework is developed, which is tested in two studies. ANOVA is used to test the data. In study 1, the implications of different positions on brand extension knowledge is explored. In study 2, whether position effects are moderated by the fit between the parent brand and extension's category is examined. In the first study, different positions caused consumers to form different knowledge about brand extensions. Specifically, brand positions displayed the strongest brand-derived beliefs and weak category-derived beliefs. Conversely, category positions displayed weak brand-derived beliefs and the strongest category-derived beliefs. Dual positions displayed moderately strong brand-derived and category-derived beliefs, and distinct positions displayed the weakest brand-derived and category-derived beliefs. Only brand extensions with brand positions displayed attitude consistency. The second study
confirmed positioning influences brand extension knowledge, but found brand-category fit moderates its effects. With good brand-category fit, confirming the first study, brand-derived (category-derived) beliefs were stronger with brand (category) positions. However, with poor brand-category fit, consumers displayed equally weak brand-derived and category-derived beliefs with brand extensions regardless of position. Key limitations include the use of a student sample, forced product exposure, and use of one extending category.

1997

Milberg, Park and McCarthy (1997) investigate the relation between alternative brand extension strategies and negative feedback effects of such extensions. The study examines situations in which extensions may dilute family brand beliefs and create negative affect and how a sub-branding strategy (a new brand name in conjunction with a family brand name) may mitigate these effects. An analysis of variance (ANOVA) was performed to obtain the means and standard deviations of the data. The study finds negative feedback effects when (a) extensions are perceived as belonging to a product category dissimilar from those associated with the family brand and (b) extension attribute information is inconsistent with image beliefs associated with the family brand. Relative to a direct extension, a sub-branding strategy mitigated these negative feedback effects and improved consumer evaluations of extensions belonging to dissimilar product categories. Future research should include more family brands from a variety of product categories. Future work could examine the effects on family brands of extensions with inconsistent but positive attributes. Therefore, identifying circumstances under which extensions and different brand extension strategies lead to positive feedback effects is important for future research.

Ambler and Styles (1997) explore the managerial processes that lead to the launch of successful brand and line extensions and establish the role, if any, that brand equity considerations have in the decision process. The study involved the collection and analysis of 11 case studies of successful extensions from nine major FMCG companies in Europe, the USA and Australia. The output is a process model of extension development which is
contrasted with traditional new product development models. The conclusion is that bringing new products onto the market as extensions should be viewed more as a process of brand development than new product development.

Leong, Ang and Liau (1997) suggest that the effects of extending brands varying in their dominance of a particular product category may be more complex than originally conceived. The dilution of the strength of brand-product class association did not occur simply when a master brand was extended relative to a less dominant brand. Rather, it was shown as a function of category dominance interacting with the success of an extension to a new product category but not with the similarity of the new product vis-à-vis the original category. Nevertheless, additional work appears necessary to assess other effects of extensions on brand equity aside from category dominance studied here. Further, this study manipulated category dominance by varying the strength of the brand-product class relationship. Future research may explore other means of manipulating this important variable based on the strength of a brand's relationship with usage situations, specific product attributes, and consumer benefits. Examining the impact of brand extension on a wider range of dependent variables may also be useful to determine if the effects of category dominance observed here are robust with respect to other brand equity-related measures. Further empirical work appears necessary to augment the thus far mainly conceptual advancements on leveraging master brands.

1996

C. Park, Jun and Shocker (1996) report two studies investigating the effectiveness of a composite brand in a brand extension context. In composite brand extension, a combination of two existing brand names in different positions as header and modifier is used as the brand name for a new product. The results of both studies reveal that by combining two brands with complementary attribute levels, a composite brand extension appears to have a better attribute profile than a direct extension of the header brand (Study 1) and has a better attribute profile when it consists of two complementary brands than when it consists of two
highly favorable but not complementary brands (Study 2). The improved attribute profile seems to enhance a composite's effectiveness in influencing consumer choice and preference (Study 2). In addition, the positions of the constituent brand names in the composite brand name are found to be important in the formation of the composite's attribute profile and its feedback effects on the constituent brands. A composite brand extension has different attribute profiles and feedback effects, depending on the positions of the constituent brand names. Researchers could investigate whether the CBE strategy is more effective for experience and/or credence goods than for search goods.

Herr, Farquhar and Fazio (1996) investigated how a consumer's cognitive structure for a brand in a given product category affects the possible transfer of associations to other product categories. One key factor in evaluating such possible brand extensions is dominance, which can be defined as the strength of the directional association between the parent category and the branded product. Likewise, another important factor is the relatedness of the brand's parent category and the target category of the proposed extension. The 1st experiment measured dominance and relatedness via response latencies to recognize brand extensions. The 2nd experiment demonstrated that consumers' affect for strongly category-dominant brands (a) transfers better to an extension when the proposed extension is closely rather than distantly related to the parent category and (b) transfers better than a weakly category-dominant brand's affect. Together, the research demonstrated that consumer response times to disconfirm the existence of product-brand pairs is related to their transfer of affect from the brand to the proposed product category. This disconfirmation method could be used as an unobtrusive measure for determining brand boundaries. The attractiveness of potential brand extensions may thus be determined without consumers making any judgments about a proposed extension other than answering whether or not it exists. This research examined only closely and distantly related target categories to define responses at the endpoints of the relatedness continuum. It seems likely that there is a response gradient to more or less related extensions, so extensions can be optimized along the gradient. An important topic for future research is determining a response gradient for the relatedness of potential extensions.
Brand breadth is a function of not only the number and variability of products represented by the brand but also of the strength of association between the brand and the products it represents. The strength of association is reflected in the retrievability from memory of product associations. This, in turn, influences the evaluation of fit of brand extensions. Niraj Dawar (1996) in a research studied two types of brands were studied: those with a strong association to a single product (and weaker associations with other products) and those with strong associations to multiple products. Results from an experiment showed that for brands with a single product association, brand knowledge and context interact to influence evaluations of fit for extensions to products weakly associated with the brand. For brands strongly associated with more than 1 product, context influences evaluations of the fit of brand extensions. This study examined the effects of brand knowledge and context on the evaluations of fit for brand extensions and did not address issues of likability or other affective evaluations of the brand extensions.

Kim and Lavack (1996) examine how introducing a vertical brand extension can have implications not only as to how consumers evaluate the new brand extension, but also as to how it may change consumer perceptions regarding the core brand image. The results of the study show that there is a trade-off that exists when introducing step-down extensions. Greater distancing is beneficial for the core brand, but is less effective for the brand extension. Closer links are detrimental for the core brand, but are beneficial for the brand extension. An implication of this finding is that the decision to use distancing should be related to the strategic goals of the company (i.e., whether to focus resources on maintaining the core brand, or whether to concentrate on the newly introduced brand extension). If maintaining the core brand image is highly important, then distancing techniques should be used when introducing a vertical brand extension. However, if the potential for capturing new market segments with the brand extension is deemed to be a more profitable strategy in the long-run, then the brand extension should be closely linked to the core brand.
Pitta and Katsanis (1995) attempts to synthesize concepts from both the brand extension and brand equity literature to yield managerial insights into the process underlying brand extension. The apparent ease of brand extension should be tempered by the attendant risk of wear-out or dilution of equity. Managers can use focus groups and other research techniques to investigate the consumer perceptions and specific brand associations of a core product. They should also estimate the specific brand associations of potential extensions. Armed with that information, it is possible to perform a cost-benefit analysis to support either a brand extension, or its converse, establishing a unique new brand.

A growing number of brands are becoming associated with a portfolio of different product categories. Although concerns have been raised that adding products to a brand may weaken it, there is a paucity of research exploring the effects of brand portfolio characteristics on brand strength. Using two laboratory experiments and a survey, Peter A. Dacin and Daniel C. Smith (1994) examine the effects of several brand portfolio characteristics on consumers’ confidence in and favorability of their evaluations of subsequent brand extensions. The data were analyzed using ANOVA. The experiment-based findings reveal a positive relationship between the number of products affiliated with a brand and consumers’ confidence in and favorability of their evaluations of extension quality. These results were not replicated in the survey. However, in both methods, the authors found that as portfolio quality variance decreases, a positive relationship between number of products affiliated with a brand and consumers’ confidence in their extension evaluations emerges. Implications of these and other findings for both the theory and practice of brand management are discussed.

Broniarczyk and Alba (1994) have identified two factors that influence consumer perceptions of a brand extension: brand affect and the similarity between the original and extension product categories. However, surprisingly little attention has been paid to other associations.
specific to the brand itself. The authors perform three experiments to explore the relative importance of these associations. The data was analyzed using ANOVA. The experiments reveal that brand-specific associations may dominate the effects of brand affect and category similarity, particularly when consumer knowledge of the brands is high. The authors conclude by discussing the implications of these findings for managerial decision making and the process by which consumers evaluate brand extensions. An important direction for further research is to examine the attractiveness of brand extensions vis-a-vis established members of the extension category. Further studies should incorporate "competitive concept tests," in which consumers evaluate and/or engage in an actual choice task involving the stimulus extension and a set of competing alternatives.

Milewicz & Herbig (1994) propound “The Model of Reputation Building” which provides an insightful framework in which to cast brand extension decision making. The model identifies a brand’s reputation and credibility as the starting point of the extension process. But, the reputation of the core brand is not fully carried to the new product extension. What does appear to be transferable to the brand extension from the core brand reputation are two critical items. Those critical elements of reputation appear to be the “quality” of the core brand and, at the same time, the “fit” between the technologies of producing the core brand and the technologies of producing the brand extension. The major managerial implication in this article is a warning concerning the fragility of reputation. The recent emergence of the multi-billion dollar takeover or leveraged buy-out (LBO) principally concerns companies with a number of well established brands. Since brands can be visualized as repositories of reputation, the temptation for the winning LBO group is to milk the brand as a means to lower debt. Managers can milk a brand only infrequently. Milking a "cash cow" or existing brand will only diminish brand equity. Equity, once destroyed, is difficult to replenish. Repeated mixed (false) signals will destroy reputation, not just of one product but of all members of the brand family. As reputation goes, profits follow.
Park and Srinivasan (1994) develop a new survey-based method for measuring and understanding a brand's equity in a product category and evaluating the equity of the brand's extension into a different but related product category. It uses a customer-based definition of brand equity as the added value endowed by the brand to the product as perceived by a consumer. It measures brand equity as the difference between an individual consumer's overall brand preference and his or her brand preference on the basis of objectively measured product attribute levels. To understand the sources of brand equity, the approach divides brand equity into attribute-based and nonattribute-based components. The method provides the market share premium and the price premium attributable to brand equity. The survey-based results from applying the method to the toothpaste and mouthwash categories show that the proposed approach has good reliability, convergent validity, and predictive validity.

1993

Loken & John (1993) examines situations in which brand extensions are more or less likely to dilute beliefs associated with the family brand name. The results of an experimental investigation indicate that dilution effects do occur when brand extension attributes are inconsistent with the family brand beliefs. However, they are less likely to emerge when consumers perceive the brand extension as atypical of the family brand, and typicality of the brand extension is salient at the time beliefs are assessed. These findings held regardless of brand extension category, with the extension category being either the same or different from those product categories already occupied by the family brand, but differing by the type of family brand belief involved. Results are discussed in terms of the conditions under which two alternative theoretical perspectives ("bookkeeping" versus "typicality-based" models) are supported. Although the topic of how new information impacts or changes individuals' prior beliefs has been virtually ignored in the psychological literature in recent years, the idea of linking categorization concepts and belief change presents an interesting direction for brand extension researchers.
Smith And Park (1992) examine the effects of brand strategy (i.e., brand extensions vs individual brands) on new product market share and advertising efficiency, and the degree to which these effects are moderated by characteristics of the brand, the product to which it is extended, and the market in which that product competes. The findings indicate that brand extensions capture greater market share and realize greater advertising efficiency than individual brands. The strength of the parent brand is related positively to the market share of brand extensions but has no effect on advertising efficiency. Neither the market share nor the advertising efficiency of extensions is affected by the number of products affiliated with the parent brand. The relative effect of brand extensions on market share is not moderated by the degree of similarity between the extension and other products affiliated with the brand. Advertising efficiency effects, however, are elevated when similarity is high, but only when it is based on intrinsic attributes. Market share and advertising efficiency effects are elevated when the extension is composed primarily of experience attributes and competes in markets where consumers have limited knowledge of the product class. Competitive intensity does not moderate advertising efficiency effects, however, market share effects are elevated when the extension competes in markets comprising few competitors. Finally, both market share and efficiency effects diminish as the extension becomes established in the market. Future conceptual and empirical work therefore should explore the implications of different approaches to measuring brand strength. Another interesting avenue for research is examining the extent to which brand/company identity affects a company's input costs.

Kevin Lane Keller And David A. Aaker (1992) in their study conduct a laboratory experiment to examine factors affecting evaluations of proposed extensions from a core brand that has or has not already been extended into other product categories. Specifically, the perceived quality of the core brand and the number, success, and similarity of intervening brand extensions, by influencing perceptions of company credibility and product fit, are hypothesized to affect evaluations of proposed new extensions, as well as evaluations of the
core brand itself. The findings indicate that evaluations of a proposed extension when there were intervening extensions differed from evaluations when there were no intervening extensions only when there was a significant disparity between the perceived quality of the intervening extension (as judged by its success or failure) and the perceived quality of the core brand. A successful intervening extension increased evaluations of a proposed extension only for an average quality core brand, an unsuccessful intervening extension decreased evaluations of a proposed extension only for a high quality core brand. Though a successful intervening extension also increased evaluations of an average quality core brand, an unsuccessful intervening extension did not decrease core brand evaluations regardless of the quality level of the core brand. The relative similarity of intervening extensions had little differential impact, but multiple intervening extensions had some different effects than a single intervening extension. Future research should consider the effects of more informative manipulations and measures of extension success to reflect and capture how consumers actually learn about product performance.

Mary W. Sullivan (1992) in an empirical study investigates whether brand extensions should be introduced early or late in the life cycle of a product category. The longitudinal/cross-category sample of frequently purchased consumer brands is used to analyze how the performance of brand extensions depends on order of entry. Regression analysis is used to test the data. The results indicate that early-entering brand extensions do not perform as well on average as either early-entering new-name products or late-entering brand extensions. This conclusion is based on four findings. First, the brand extensions were introduced later on average than the new-name products. Second, the early brand extensions had a lower probability of surviving than either the early-entering new-name products or the late-entering brand extensions. Third, the brand extensions earned higher market shares on average than new-name products, controlling for order of entry. Fourth, the extensions obtained smaller market share premia from entering early than did new-name products. One direction for further research is to extend the study to more product categories. It would also be helpful to incorporate a measure of brand strength into the analysis.
Boush and Loken (1991) explore the implications of considering a brand as representing a category consisting of its products. They report results of a laboratory experiment in which response times and verbal protocols were used to examine processes related to the evaluation of brand extensions. Evaluations of brand extensions were influenced both by the extension's similarity to the brand's current products (brand extension typicality) and by the variation among a brand's current products (brand breadth). An inverted U describes the relationship between brand extension typicality and evaluation process measures. Moderately typical extensions were evaluated in a more piecemeal and less global way than were either extremely typical or extremely atypical extensions. Subjects' attitudes toward brand extensions were correlated highly with their ratings of brand extension typicality. Future research might investigate range and variability as separate factors of brand category breadth.

Park, Milberg & Lawson (1991) examines two factors that differentiate between successful and unsuccessful brand extensions: product feature similarity and brand concept consistency. Regression is used to test the results. The results reveal that, in identifying brand extensions, consumers take into account not only information about the product-level feature similarity between the new product and the products already associated with the brand, but also the concept consistency between the brand concept and the extension. For both function-oriented and prestige-oriented brand names, the most favorable reactions occur when brand extensions are made with high brand concept consistency and high product feature similarity. In addition, the relative impact of these two factors differs to some extent, depending on the nature of the brand-name concept. When a brand's concept is consistent with those of its extension products, the prestige brand seems to have greater extendibility to products with low feature similarity than the functional brand does. Future research on brand extensions may have to examine carefully their reciprocal effects on the original brand name.
David A. Aaker & Kevin Lane Keller (1990) conducted a seminal study on brand extensions. Two studies were conducted to obtain insights on how consumers form attitudes toward brand extensions, (i.e., use of an established brand name to enter a new product category). In one study, reactions to 20 brand extension concepts involving six well-known brand names were examined. Regression analysis and ANOVA was used to test the data. Attitude toward the extension was higher when (1) there was both a perception of "fit" between the two product classes along one of three dimensions and a perception of high quality for the original brand or (2) the extension was not regarded as too easy to make. A second study examined the effectiveness of different positioning strategies for extensions. The experimental findings show that potentially negative associations can be neutralized more effectively by elaborating on the attributes of the brand extension than by reminding consumers of the positive associations with the original brand. The conclusions about the roles of the three fit variables should be explored with other stimuli and in other contexts. There may be conditions under which their relative roles are affected.

Given the large literature on brand extension success factors, and as an aid to the literature review, these various components are grouped as parent brand characteristics, brand extension characteristics, and consumer characteristics.

**Parent brand characteristics**

These specifically include: the level of "affect" which most customers have in the parent brand (e.g., Fiske and Pavelchak, 1986, Boush and Loken, 1991), the prestige of the parent brand (Park et al., 1991); perceptions about the breadth of the parent brand portfolio (Boush and Loken, 1991), any strong "associations" related to the parent brand (e.g., Macinnis and Nakamoto, 1990; Park et al., 1991), which might include the extent to which the brand has strong product level or more generic associations (Rangaswamy et al., 1993), the parent...
brand strength and expertise (Reddy 1994); the parent brand quality associations (Keller & Aaker, 1992), and the perceived credibility of the parent brand (Keller & Aaker, 1992).

**Brand extension characteristics**

These factors include the extent to which the extension is “similar” to the parent brand category (Aaker, 1990; Aaker and Keller, 1990; Boush and Loken, 1991). Aaker and Keller (1990) indicate, using fictitious brand extensions and six well known brands, that “fit” can be split into three dimensions of variables: transfer of skills or assets from parent to extension, the extent to which the two product classes are complementary, and the extent to which the two product classes are substitutes. Results suggest that “transfer” and “complement” are the more important in explaining attitude towards extensions, this gaining support in replication studies and reanalysis by Van Riel et al. (2001), and Bottomley and Holden (2001). Brand extension characteristics also includes the extent to which the concept is consistent with the image of the parent brand (Bridges, 1990; Park et al., 1991), the extent to which the extension is launched as part of a sequence of launches (Keller and Aaker, 1992), the extent to which the quality of the extension is consistent with that of the parent (Wenerfelt, 1988; Aaker, 1991) the extent to which the extension concept is competitive within the newly entered category (Keller and Aaker, 1992), and the impact of the chosen communication strategy for the concept, on its acceptance (e.g. Kim et al., 2001).

**Consumer characteristics**

These specifically include: customer’s user status (Kirmani et al., 1999), their brand or category knowledge (e.g. Murphy and Medin, 1985), whether they are of novice or expert status within a given category (Bromarczyk and Alba, 1994), the extent to which they are considered to be innovative (Klink and Smith, 2001), and the extent of their involvement level within a particular category (McWilliam, 1993).
3.2 Overview of the limitations of the key research studies relevant to the present study

The following section presents an overview of the limitations of the key research studies directly relevant to the present study. The current study makes an attempt to overcome these limitations.

As with all research, the studies have limitations. The measures of perceived risk appear to have little variability, especially the uncertainty measures. In future studies, manipulation of both the uncertainty and the consequences dimensions needs to be ensured. Increased variability in the perceived risk measures could also be obtained by manipulating different purchase goals or purchase situations (Kahneman and Tversky 1979). Other scales have been used in the literature to measure perceived risk. For example, Stone and Gronhaug (1993), Dholakia (1997) and Roselius (1971) used a risk taxonomy consisting of six dimensions (financial, performance, physical, psychological, social, and time loss). Other scales could be tested to evaluate the insight they provide about brand extensions evaluations. In the present study only one parent brand from the services sector (telecommunication) to allow a broader generalization, future research needs to be undertaken with a greater variety of brands.

Established measurements of consumer innovativeness and acceptance of brand extensions can be borrowed to collect data and conduct empirical analysis. The extant literature indicates that consumer innovativeness is culturally embedded (e.g., Steenkamp et al., 1999). Thus, the cross-cultural implication of innovative consumers’ acceptance of brand extensions is also another potentially interesting direction for future research.

Research studies while addressing the issue of the significance and relative importance of the determinants of extension success chose to analyze only FMCGs. It would be interesting to investigate the extent to which their findings could be generalized to other fields, such as
consumer durables or services. Further research is also needed to investigate the generalizability of the results across multiple categories in FMCG.

The experimental nature of the studies constrained the number of products, brands and extension categories included. Thus, in order to generalize the results, further research should consider the extent to which the relations analyzed may occur in other products and services, brands—with higher differences in their brand equity—or extension categories.

Brand managers using brand extension strategies continuously seek to understand the potential impact of the extension strategies on the brand image of the family brand. Of particular interest to future researchers would be the brand image strengthening and dilution effects of brand extension, congruity/incongruity, and its subsequent success/failure.

Further research could be undertaken in other geographical areas, with more in-depth analysis to understand the effect of culture on brand extension evaluations.

A key limitation concerns the way the brand extension were presented. Related to the brand extension presentation is the absence of pricing. Van Riel (2001) suggests that consumers may use “price clues” to assess service quality (Zeithaml, 1988). This may be investigated in future research.

### 3.3 Selected studies in the brand extension literature

The first article on brand extension (Bousch, et al. 1987) has been followed by several other researches, which have investigated several antecedents and consequences. The following table illustrates the focus of, and limitations of, existing work. This table does not claim to be a comprehensive overview of all possible brand extension research. The studies are included because they are published in major scholarly journals and thereby have influenced this field of research. They are also selected because of their relevance to the present study.
In the study "+" indicates a positive direction, "-" indicates a negative direction and "0" indicates no relation between the variables.

### Table 3.1 Selected studies in the brand extension literature

<table>
<thead>
<tr>
<th>Study</th>
<th>Purpose</th>
<th>Stimuli</th>
<th>Design</th>
<th>Subjects</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boush, et al. (1987)</td>
<td>The importance of similarity and brand reputation</td>
<td>Durable goods: Fictitious calculator brand (Tarco)</td>
<td>Lab exp</td>
<td>104 students</td>
<td>Similarity + Reputation +</td>
</tr>
<tr>
<td>Park, Milberg, and Lawson (1991)</td>
<td>Similarity and brand concepts</td>
<td>Durable goods Wristwatches</td>
<td>Lab exp</td>
<td>195 students</td>
<td>Similarity + Extend concept consistent. +</td>
</tr>
<tr>
<td>Boush and Loken (1991)</td>
<td>How important is similarity (typicality)?</td>
<td>Durable goods Fictitious grocery and electronic brands (B/G)</td>
<td>Lab exp</td>
<td>144 students</td>
<td>Similarity (typicality) +</td>
</tr>
<tr>
<td>Smith and Park (1992)</td>
<td>Brand extension vs individual brands on market share</td>
<td>79 brands (&quot;consumer goods&quot;)</td>
<td>Survey</td>
<td>188 business people and 1383 consumers</td>
<td>Brand strength (Reputation). +</td>
</tr>
<tr>
<td>Loken and John (1993)</td>
<td>Brand extensions and dilution effects</td>
<td>FMCG, Fictitious brand (A) (gentleness and quality)</td>
<td>Lab exp</td>
<td>196 consumers (women, age 19-49)</td>
<td>Dilution effects occur but depends on similarity</td>
</tr>
<tr>
<td>Year</td>
<td>Description</td>
<td>Products</td>
<td>Method</td>
<td>Participants</td>
<td>Findings</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>---------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Boush (1993)</td>
<td>How slogans can prime extensions</td>
<td>FMCG, fictitious soup brand (Bella)</td>
<td>Lab exp</td>
<td>174 students</td>
<td>When the slogan primes similarity: +</td>
</tr>
<tr>
<td>Broniarczyk and Alba</td>
<td>Explore the importance of brand-specific associations</td>
<td>FMCG, toothpaste, cereal, soap, beer, durable goods, computers</td>
<td>Lab exp</td>
<td>76, 159 and 45</td>
<td>Brand-specific associations moderate similarity and brand reputation</td>
</tr>
<tr>
<td>Dacin and Smith (1994)</td>
<td>The effect of brand portfolio on extension evaluation</td>
<td>Durable goods, fictitious portfolio brand (Jasil)</td>
<td>Lab exp + Survey</td>
<td>180, 80 and 98</td>
<td>Number of products affiliated with a brand + No support in the survey</td>
</tr>
<tr>
<td>Gurhan-Canli and Maheswaran (1998)</td>
<td>The effects of extensions on brand name dilution</td>
<td>Durable goods: Sony and Sanyo</td>
<td>Lab exp</td>
<td>347 students</td>
<td>Motivation and similarity influence the brand name dilution</td>
</tr>
<tr>
<td>John, Loken, and Joiner (1998)</td>
<td>The negative impact of extensions on flagship products</td>
<td>FMCG: Johnson &amp; Johnson</td>
<td>Lab exp</td>
<td>192, 139 and 124</td>
<td>Flagship products are resistant to dilution (strong associations)</td>
</tr>
<tr>
<td>Morrin (1999)</td>
<td>The impact of brand extensions on parent brand memory structures</td>
<td>FMCG: Lotion, pain reliever, deodorizing cleaner, hot cocoa mix</td>
<td>Lab exp</td>
<td>29, 39 and 36</td>
<td>The impact of extensions moderates by parent brand dominance and similarity</td>
</tr>
<tr>
<td>Jun, et al. (1999)</td>
<td>Effects of technological hierarchy on brand extension evaluations</td>
<td>Durable goods: TV, HDTV, word processor, and mainframes</td>
<td>Lab exp</td>
<td>249 students</td>
<td>High technology of original brand. + Similarity + The technology level is important +</td>
</tr>
<tr>
<td>Lane (2000)</td>
<td>The impact of ad repetition on brand extension evaluations</td>
<td>FMCG: beer, crest, keebler and Michelin</td>
<td>Lab exp</td>
<td>109 students</td>
<td>Repeated ad exposure influence evaluations of less similar extensions</td>
</tr>
</tbody>
</table>
An investigation into the 20 studies reveals the following conclusions:

1. Only one study addresses the importance of brand extensions in the services sector (Ruyter and Wetzels 2000). While Aaker and Keller (1990) included McDonald's as a service brand, they did not make any analytical distinctions between FMCG and services.

2. Only one study compared brand extension judgments between FMCG and durable goods (Broniarczyk and Alba 1994).

3. Nine studies used fictitious brands including the services study of Ruyter and Wetzels (2000).

4. The majority are laboratory experiments and only two use a survey design.

5. Only five studies were undertaken with consumers, the rest were with students.

<table>
<thead>
<tr>
<th>Study</th>
<th>Description</th>
<th>Goods/Brands</th>
<th>Method</th>
<th>Sample</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barone, et al. (2000)</td>
<td>The influence of positive mood on brand extension evaluation</td>
<td>Durable goods: Fictitious electronic brand (A)</td>
<td>Lab exp</td>
<td>67 and 71 students</td>
<td>Positive mood enhances evaluations of moderate similar extensions</td>
</tr>
<tr>
<td>Ruyter and Wetzels (2000)</td>
<td>Corporate image and extensions of service brands</td>
<td>Services: Fictitious telecom brand</td>
<td>Lab exp</td>
<td>299 consumers</td>
<td>Late mover image (vs. first mover) + Similarity +</td>
</tr>
<tr>
<td>Ahluwalia and Gürhan-Canli (2000)</td>
<td>The effects of extensions on the original brand</td>
<td>Durable goods: Fictitious athletic shoes and electronic products</td>
<td>Lab exp</td>
<td>68 and 113 students</td>
<td>Negative info about a similar extension led to dilution</td>
</tr>
<tr>
<td>Keller and Sood (2001/2)</td>
<td>Branding strategies and experience</td>
<td>FMCG: Cola and juice brands</td>
<td>Lab exp</td>
<td>177 students</td>
<td>Dilution effects occur when high degree of similarity</td>
</tr>
</tbody>
</table>
These observations reinforce the need for an evaluation of brand extensions across brands in service and non-service sectors that should be valid reliable and generalizable.

### 3.4 Studies that investigated the impact of a certain success factor (independent variable) on another success factor (dependent variable)

Prior research has focused on the relationship between extension success and its potential determinants. The following table presents the success factors and their corresponding hypotheses. Multiple measures of the same factor have been considered as one determinant of extension success. The sources listed in the table provide a theoretical foundation for the postulated hypotheses. On the basis of a systematic literature review, four studies were identified (see Table 3.2) that investigated the impact of a certain success factor (independent variable) on another success factor (dependent variable).

#### Table 3.2 Hypotheses Regarding Success Factors Of Brand Extensions

<table>
<thead>
<tr>
<th>Main Effects: Direct Effects of the Success Factors</th>
<th>A Brand Extension Is More Successful ...</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent-Brand Characteristics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 Quality (strength) of the parent brand</td>
<td>If the quality of the parent brand is high</td>
<td>Smith and Park (1992)</td>
</tr>
<tr>
<td>H2 History of previous brand extensions</td>
<td>If the history of previous brand extensions is successful For example,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• High number of previous brand extensions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• High variability among product types offered by the parent brand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Low variance in quality among previous brand extensions</td>
<td></td>
</tr>
<tr>
<td>H3 Parent-brand conviction</td>
<td>If parent-brand conviction is high.</td>
<td></td>
</tr>
<tr>
<td>H4 Parent-brand experience</td>
<td>If parent-brand experience is high.</td>
<td>Dacin and Smith (1994)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Boush and Loken (1991)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dacin and Smith (1994)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kirmam, Sood, and Bridges (1999)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Swaminathan, Fox, and Reddy (2001)</td>
</tr>
</tbody>
</table>

75
3.5 Multiple Measures of Success Factors of Brand Extensions

A thorough and broad review of literature has resulted in finding a comprehensive list of multiple-item measures for extension success and for success factors. These measures of success factors were taken from typical previous studies. These measures are widely accepted and are comprehensive measure of multiple items. The variables and rating scales in research studies are used in framing questionnaires that closely coincide with those used in previous studies. Table 3.3 provides an overview of all the measures that were used in previous studies related to consumer evaluations of brand extensions.
## Table 3.3 Multiple Measures of Success Factors of Brand Extensions

<table>
<thead>
<tr>
<th>Quality of the Parent Brand</th>
<th>Aaker and Keller (1990), Sheinin and Schmitt (1994)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived overall quality of the flagship product (−3 = “inferior,” and 3 = “superior”)</td>
<td></td>
</tr>
<tr>
<td>Extent to which participants agreed/disagreed with the following statements (−3 = “strongly disagree,” and 3 = “strongly agree”):</td>
<td></td>
</tr>
<tr>
<td>[Brand name] offers high-quality products</td>
<td></td>
</tr>
<tr>
<td>The quality of [brand name] products is far above average</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of products affiliated with the brand (−3 = “very few products,” and 3 = “a lot of products”)</td>
<td></td>
</tr>
<tr>
<td>Success of the products affiliated with the brand (−3 = “not at all successful,” and 3 = “very successful”)</td>
<td></td>
</tr>
<tr>
<td>Degree of similarity between the products affiliated with the brand (−3 = “not very similar,” and 3 = “very similar”)</td>
<td></td>
</tr>
<tr>
<td>Participants were instructed to answer questions about products previously introduced and not the new extension product. This clarified that the question referred to all products previously introduced under the brand name and not to the new extension product.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent to which participants agreed/disagreed with the following statements (−3 = “strongly disagree,” and 3 = “strongly agree”).</td>
<td></td>
</tr>
<tr>
<td>In evaluating a new [product category] product, I could trust [brand name]</td>
<td></td>
</tr>
<tr>
<td>[Brand name] is a likeable brand</td>
<td></td>
</tr>
<tr>
<td>I relate to [brand name]</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parent-Brand Experience</th>
<th>Broniarczyk and Alba (1994); Swamnathan, Fox, and Reddy (2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of using the parent brand (−3 = “not very often,” and 3 = “very often”)</td>
<td></td>
</tr>
<tr>
<td>Frequency of purchasing the parent brand (−3 = “not very often,” and 3 = “very often”)</td>
<td></td>
</tr>
<tr>
<td>Intention to buy the parent brand in the future (−3 = “not very likely,” and 3 = “very likely”)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent to which participants agreed/disagreed with the following statements (−3 = “strongly disagree,” and 3 = “strongly agree”):</td>
<td></td>
</tr>
<tr>
<td>[Extension product] is well supported in terms of advertising.</td>
<td></td>
</tr>
<tr>
<td>[Extension product] receives competent marketing support</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retailer Acceptance</th>
<th>Nijsen (1999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent to which participants agreed/disagreed with the following statements (−3 = “strongly disagree,” and 3 = “strongly agree”):</td>
<td></td>
</tr>
<tr>
<td>[Extension product] is well supported in terms of distribution</td>
<td></td>
</tr>
<tr>
<td>[Extension product] is available in many supermarkets</td>
<td></td>
</tr>
</tbody>
</table>
| Fit | Global similarity between the parent brand and the extension product (-3 = "not very similar," and 3 = "very similar")
| Would the people, facilities, and skills used in making the original product be helpful if the manufacturer were to make the extension product? (-3 = "not at all helpful," and 3 = "very helpful")
| Extent to which parent-brand-specific associations are relevant in the extension category.
Step 1: stating of brand associations; Step 2: relevance of these associations in the extension category (-3 = "not at all relevant," and 3 = "very relevant").
| Aaker and Keller (1990), Bottomley and Doyle (1996), Broniarczyk and Alba (1994) |

| Linkage of the Utility of the Parent Brand to Product Attributes of the Original Product Category |
| Extent to which participants agreed/disagreed with the following statement (-3 = "strongly disagree," and 3 = "strongly agree"): [Brand name] is closely tied to the attributes of the original product category.
My associations with [brand name] are closely tied to the attributes of the original product category. |
| Rangaswamy, Burke, and Oliva (1993) |

| Perceived Risk of Unknown Brands |
| Extent to which participants agreed/disagreed with the following statements (-3 = "strongly disagree," and 3 = "strongly agree"): If I buy an unknown brand, I would feel very uncertain of the level of quality that I am getting.
I prefer buying a well-known brand, because I need the reassurance of an established brand name.
I prefer buying a well-known brand, because the risk that my needs will not be met is low compared with an unknown brand. |
| DelVecchio (2000) |

| Innovativeness |
| Extent to which participants agreed/disagreed with the following statements (-3 = "strongly disagree," and 3 = "strongly agree").
Overall, I enjoy buying the latest products.
I like to purchase new products before others do.
Overall, it is exciting to buy the latest products. |
| Hem, Chernatony, and Iversen (2001), Klink and Smith (2001), Midgley and Dowling (1978) |