

Determinants of Consumer Attitudes toward Brand Extensions: An Experimental Study

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Brand extension is a form of new product introduction in which the name of an established brand is attached to a new product introduced in a separate category, facilitating acceptance because consumers transfer the affect and meanings they associate with the parent brand to the extension. A factorial investigation varies three factors, attitude toward the parent brand, brand specific associations formed in the extension category, and similarity of fit between parent and extension categories. Results of a convenience sample of 360 consumers surveyed in India indicates that attitude toward the parent brand is the strongest factor influencing extension evaluation, substantiating the efficacy of extension. Brand specific associations in the extension category may enhance the transfer process, though consumers seem not to engage in similarity matching of parent and extension categories in making this transfer. Transfer is dampened if the parent brand is prototypical of its category. Managerial implications are discussed.

Introduction

Though there have been many successful launches of new products as brand extensions in the last 30 years, there have also been many failures (Reddy, Holak and Bhat 1994; Taylor 2004; Trout and Ries 1981), a record that should call into question the efficacy of brand extension far more than it has. Likely contributing to a popular belief in the efficacy of brand extension is its compelling conceptual basis. Built on the notion that established brands hold equity as intangible assets of a firm (Rao, Agarwal, and Dahlhoff 2004), it follows that there would be leverage in the transfer of established brand names as a means of reducing risk of introduction and accelerating comprehension and trial (Aaker and Keller 1990). Accordingly, brand extension efficacy may appear self-evident, and its wide acceptance could thus be due to mere bandwagon effect.

Two relatively recent studies do offer empirical support for the efficacy of brand extension. Yeung and Wyer (2005) suggest that parent brand affect positively influences extension brand affect. Reddy, Holak and Bhat (1994) demonstrate that parent brand strength and symbolic value contribute positively to line extension brand market share. However, neither study tests brand extension in the context of alternative factors that others have proposed could explain extension success, those being similarity of fit (Aaker and Keller 1990), parent brand prototypicality (Farquar and Herr 1992) and the relevance of brand specific associations in the extension category (Broniarczyk and Alba 1994).

Also included in our model is a factor hypothesized to mediate the effect of parent brand attitude, that being parent brand prototypicality.

We test a model of extension efficacy whose scope, design, method, and means of analysis take it past the limitations of prior studies. Specifically, we: (1) review the literature on brand extension; (2) present a theoretical framework which identifies the main factors that determine attitude toward a brand extension, including those factors that represent alternative explanations for brand extension, and limiting factors to brand extension; (3) provide a methodology that allows the researcher to decompose and estimate the relative effects of each of these factors within and across brands, as well as the special case of distant extensions; (4) provide an empirical test of the framework's predictions; (5) extend these findings to India; and, (6) discuss managerial implications.

Parent brand attitude and brand specific associations relevant to the extension category

Alternative explanations for brand extension success have been put forward. Van Osselaer and Alba (2003) argue that parent brand attribute beliefs (ie., brand meaning) are not transferable and stay with the parent brand, while Broniarczyk and Alba (1994) argue that brand-specific associations relevant to the extension category have a direct effect on new product entry, independently of any transfer process. These two arguments together suggest that brand extension success is not due to the transfer of parent brand attitude, but to brand specific beliefs relevant to the extension category. Consequently, any test of the efficacy of brand extension must show the relatively greater effect of parent brand attitude on extension success, over and above the effect of brand specific beliefs in the extension category.

Similarity of fit

Aaker and Keller (1990) argue that parent brand attitude will not transfer to an extension unless there is a similarity or fit between the parent and extension categories (Aaker and Keller 1990; Bottomley and Doyle 1996; Keller and Aaker 1991; Sunde and Brodie 1993; University of Minnesota Consumer Behavior Seminar (UMCBS) 1987). Fit is a commonality between performance attributes that are relevant and salient in both the parent and extension categories. Fit would seem to preclude the possibility of the success of "distant" extensions, in which similarity between parent and extension categories is not apparent (Boush 1993, Aaker 1991, Aaker and Keller 1990). Nonetheless, instances of successful "distant" extensions (Yeung and Wyer 2005) have been observed. One from India is Tata tea, an extension of Tata steel. Though it is not clear that the success of "distant" extensions is due to the transfer of parent brand attitude, their example certainly calls into question the necessity of similarity of fit for extension success.

We test the efficacy of the transfer of parent brand attitude in the context of similarity of fit measures as well as brand-specific attitudes in the extension category. A robust effect of parent brand attitude on extension success would indicate that brand extension is not limited by similarity of fit, and would demonstrate that "distant" extension success may be due to brand extension.

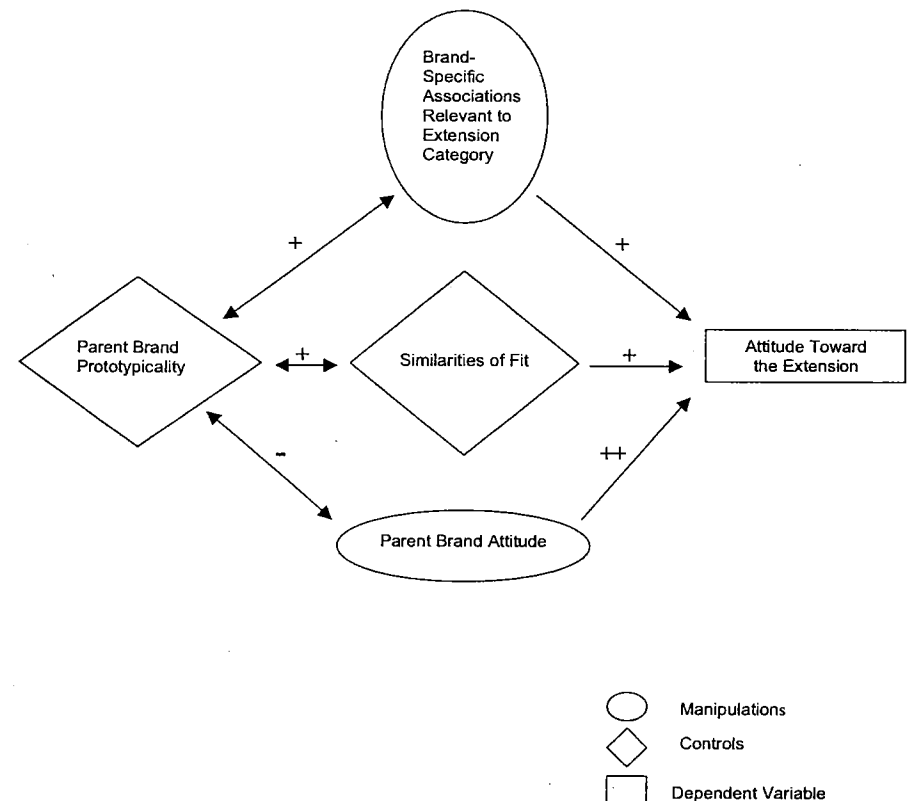
Parent Brand Prototypicality

Another factor thought to affect the transferability of parent brand attitude is parent brand prototypicality. Prototypicality occurs when a brand is closely associated with its category as a whole, in the extreme, becoming synonymous with it, examples being brands whose names are eponyms for their category, such as Kleenex for tissues, or Bush Hog for rotary mowers. Farquar and Herr (1992) show that parent brand prototypicality tends to inhibit parent brand attitude transfer. Therefore, to not account for the effects of brand prototypicality in our tests of brand extension is to underestimate the effect of brands extension, and we predict a negative association between parent brand attitude and parent brand prototypicality.

Theoretical Framework

We summarize all the relationships hypothesized above by the transfer process model shown in Figure 1. We measure the effect of parent brand attitude on brand extension

Figure 1 The Transfer of Brand Attitude from Parent to Extension, and Mediators



success relative to the effects of brand-specific attitudes in the extension category and similarity of fit, controlling for parent brand prototypicality. We will take a significantly greater effect of parent brand attitude on extension success, relative to the effects of brand-specific attitudes in the extension category and similarity of fit, controlling for parent brand prototypicality to be an indication of the efficacy of brand extensions, and of "distant" extensions.

Empirical Method

Stimulus Selection

The experiment to test brand extension efficacy required the selection of eight actual brands from four product categories to serve as parent brands, from which 40 "hypothesized" extensions could be generated, each designed to represent carefully calibrated levels of fit, or distance, from their parents. To assure that the selected parent brands fit the criteria needed for the experiment, a careful, staged selection process was undertaken. To begin, a large initial pool of 518 candidate parent brands from 74 convenience good categories were drawn from the comprehensive retail audits of India's largest marketing research firm. A panel comprised of four actual consumers and two doctoral students then reduced this initial pool down to a set of 125 brands from 28 categories, by judging those that were more likely to be familiar to all experimental subjects, and which had no brands extended from them in real life (the latter important because the existence of actual extensions could confound the evaluation of our hypothesized extensions). This resulting set of 125 parent brand candidates then underwent the following four pretests to reduce these numbers further.

Pretest 1: Identifying Key Attributes. A convenience sample of 160 actual consumers were assigned the task of free associating the meanings of each of 125 brand set, to identify those brands that have well formed key functional attributes associated with them (Broniarczyk and Alba 1994). Those candidate brands for which the same key attributes were mentioned by at least 50 respondents were retained, reducing the 125 brand set down to 59 brands from 18 product categories.

Pretest 2: Calibrating Attitude toward the Parent Brand Candidates. A separate sample of 100 actual consumers were assigned the task of rating their strength of liking or disliking of each of the above 59 brands on a seven-point valence scale. These results were used to identify two or more brands within product categories whose mean valence ratings were significantly different from each other. Not all the 18 product categories remaining in our pool yielded such differences, and were eliminated. 18 brands from six product categories resulted.

Pretest 3: Generating Hypothetical Brand Extensions. Fifteen business doctoral students were assigned the task of brainstorming plausible hypothetical brand extensions for each of the 18 brands remaining in the candidate pool. The students were provided with the name and the key functional attributes associated with each brand identified in Pretest 1. Multiple hypothetical extensions were generated for each parent brand

candidate. Extensions were then judged according to how relevant its parent brand's key functional attributes were to it and its product category. We call extensions whose parent's key attributes are relevant to them and their categories similar extensions, and extensions whose parent's key attributes are irrelevant to them and their categories dissimilar extensions. Only those parent brands whose hypothetical extensions include similar and dissimilar extensions are retained, yielding five brands pairs from five product categories.

Pretest 4: Manipulation Check. A separate sample of 143 actual consumers re-evaluated the five remaining brand pairs and their hypothetical extensions by once again applying all the tasks and criteria used to derive them. This check confirmed the validity of four of the five product categories. The failing category was dropped, yielding the final stimulus set of 8 brand pairs representing 4 product categories and a total of 40 associated hypothesized brand extensions, as shown in Table 1.

Experimental Design and Procedure

Three hundred sixty actual consumers participated in the principal study. They completed a short questionnaire that gathered information on their attitudes towards the parent brands, their beliefs about the strength of the parent brands, key attributes, the importance of the parent brands' key attributes in the extension categories, and the similarity of the parent brand category to the extension categories, all rated on 7-point scales.

Forty-five respondents were randomly assigned to each of eight treatment conditions in a 2 x 2 x 4 x 3 confounded block, mixed factorial design (Kirk 1968, p.327-339; Winer 1971, p.639-650), following Broniarczyk and Alba (1994). The first factor in the design is a between-subjects manipulation of attitude toward the parent brand. Attitude toward the parent brand varied across two levels, in that the two parent brands from each of the four categories were selected so that one parent brand is significantly more preferred than the other parent brand within that category.

The second factor in the study is a two-level within-subject manipulation of the relevance of key parent brand attributes to the extension category (Broniarczyk and Alba 1994). Each brand extension generated for each of the parent brands in the study was calibrated for relevance during Pretest 3. Each experimental condition is designed so that each participant is exposed to one relevant and one irrelevant extension per parent brand. Thus, at the individual level, each participant was exposed to one parent brand from each of the study's four product categories, and a set of two extensions to each of those four parent brands that comprised a mix of relevant/nonrelevant and similar/dissimilar extension alternatives. Though each participant saw only one experimental condition in each product category, the group as a whole saw all possible combinations of conditions and categories.

The third factor of the design was a four-level, within-subject manipulation of parent brand category. As noted earlier, four product categories were used in this research: confectionaries, rubs and balms, shampoos and soaps. The presentation order of product categories was counterbalanced across conditions.

Table 1 Stimulus Set for the Study

Product Category	Parent Brand	Key Attribute	Strength of Parent/ Key Attribute Association	Hypothesized Brand Extensions	Extension Relevance To Parent Brand	Fit				
Confectionery	Polo	Mint	5.66	Mouth Freshener	33.98	3.98				
				Breath Mints	36.16	4.58				
				Chocolate Bar	22.69	5.37				
				Coffee	20.29	3.65				
	Coffee Bite	Coffee satisfaction in a chocolate	5.19	Chocolate Bar	30.64	5.37				
				Coffee	25.07	3.65				
				Coffee House	25.96	3.64				
				Lozenges	28.13	4.24				
				Chewing Gum	25.02	4.84				
				Breath Mints	18.76	4.58				
				Mouth Freshener	22.00	3.98				
				Rub and balm	Lodex	Relief from sprains/ muscular pains	5.42	Painkiller tablets	28.73	3.93
								Medicated plaster	30.60	3.93
Massaging machine	29.56	3.40								
Petroleum jelly	21.87	4.55								
Winter cream	17.71	3.46								
Krack	Softens, soothes callused, cracked skin on feet.	5.32	Lip Gel		14.47	3.31				
			Winter cream		25.27	3.46				
			Lip gel		19.44	3.31				
			Medicated plaster		15.47	3.93				
			Painkiller tablets		14.62	3.93				
Shampoo	Sunsilk	Shiny, silky, great looking hair	4.71	Conditioner	29.51	5.04				
				Hair cream/gel	25.18	4.64				
				Medicated bath soap	18.60	3.58				
				Tick Shampoo for dogs	14.36	4.11				
	Mediker	Anti-lice medication	5.15	Medicated bath soap	22.71	3.58				
				Moth balls	14.20	2.33				
				Tick shampoo for dogs	25.64	4.11				
				Mosquito repellent	16.24	2.77				
				Hair cream/ gel	23.43	4.64				
				Conditioner	23.88	5.04				
Soap	Lux	Image of Film Stars	4.72	Shampoo	23.89	3.63				
				Cosmetics	25.62	3.95				
				Talcum powder	18.84	4.27				
				Perfume	19.27	4.49				
	Jai	Fragrance of Flowers	4.75	Talcum powder	27.89	4.27				
				Perfume	23.96	4.49				
				Shampoo	21.73	3.63				
				Cosmetics	20.99	3.95				
				Hair wash soap	15.11	3.62				

The fourth factor of the design was a three-level, within-subject manipulation of similarity of fit (Aaker and Keller 1990). Participants rated the parent brand category and associated extension category on a 7-point scale as to the similarity of their products in terms of their physical features. Those extensions whose mean ratings were less than 3 were classified as dissimilar; those whose mean ratings were between 3 and 5 were classified as similar; those whose mean ratings were greater than 5 were classified as line extensions to the parent category, as per Broniarczyk and Alba (1994). As with the second factor, each experimental condition is designed so that each participant is exposed to one similar dissimilar extensions per parent brand.

Constructs

The constructs of principle interest in this study – i.e., parent brand attitude, brand-specific attributes in the extension category, similarity of fit, and parent brand prototypicality – are multidimensional in nature, and the literature collectively supplies various measures for each of them; each measure often emphasizing separate dimensions than other measures for each construct. Therefore, for reasons of construct validity, we adopt multiple measures for each of the constructs of principle interest, as shown in Table 2. Seven-point ratings scales were adopted for each measure and presented to the respondents in a pencil-and-paper format.

In addition to those constructs of principle interest, there are three additional constructs that the literature suggests may also affect attitude toward the brand extension. We also measure these, as shown in Table 3, and incorporate them as covariates in all subsequent models, to assure a conservative test of brand extension efficacy. They are: perceptions of the parent brand as prestige good; the participants' extent of use of extension category products; and the participants' degree of involvement with the extension category. With respect to prestige brands, Park, Milberg and Lawson (1991) argue that prestige brands extend more readily to dissimilar product classes. Though we took care to include only brands with whom consumers strongly associated key functional attributes, we include a prestige measure in our model specifications to covary out its possible effects. At the same time, the inclusion of prestige in our model also allows us to investigate whether prestige has an effect on attitude to the extension, as Park, Milberg and Lawson (1991) would suggest.

According to Broniarczyk and Alba (1994), extensive exposure to products in the extension category through usage could predispose consumers, positively or negatively, towards new brand introductions in that category. And, finally, Aaker and Keller (1990) and Kapferer (1992) argue that level of extension category involvement affects evaluation of new product introductions, so we incorporate measures of both usage and involvement in the extension category in our models to assure a conservative test of extension efficacy. The final section of the questionnaire collects demographic data.

Table 2 Theoretical and Empirical Constructs

Theoretical Constructs	Measures (all 7-point scales)
Dependent Variable Attitude toward the brand extension.	1. Rating extension on a scale whose extreme points are "Much superior to existing substitute brands" and "Much inferior to existing substitute brands." 2. Rating extension on a scale whose extreme points are "Highly like" and "Highly dislike." 3. Rating extension on a scale whose extreme points are "Definitely willing to try" and "Definitely unwilling to try." 4. Rating extension on a scale whose extreme points are "Highly favorable" and "Highly unfavorable."
Regressors Attitude toward the Parent brand.	1. Rating parent on a scale whose extreme points are "Highly like" and "Highly dislike." 2. Rating parent on a scale whose extreme points are "Very high quality" and "Very low quality." 3. Rating parent on a scale whose extreme points are "Highly favorable" and "Highly unfavorable."
Brand-specific attributes in the extension category.	1. Aggregate of the following two products: a. (the level of the attribute exhibited by the extension brand) * * (the salience of the attribute in the extension category) b. (degree of extension's association with its category) * * (strength of like or dislike of the product) 2. Rating of the relative importance of the brand in the extension category. Extreme points of the scale are "Extremely important" and "Extremely unimportant."
Similarity of fit between the parent and extension categories.	1. Rating fit on a scale whose extreme points are "Very similar" and "Very dissimilar." 2. Rating extent of agreement or disagreement to a statement concerning the complementarity of the parent brand and its extension: "I can definitely foresee occasions where I would use these brands together for some particular purpose."
Parent brand prototypicality.	1. Rating prototypicality on a scale whose extreme points are "Brand is very typical of its category" and "Brand is very untypical of its category." 2. Rating prototypicality on a scale whose extreme points are "I very frequently encounter this brand" and "I very infrequently encounter this brand."
Covariates Extent to which extension products are used by each respondent.	Rating on a scale whose extreme points are "I use products in this category very regularly" and "I do not use products in this category at all."
Level of prestige that the parent brand is perceived to have by each respondent.	Aggregate of ratings of level of agreement to each of the following six statements: 1. This brand is a luxury brand. 2. This brand conveys high status to those who exhibit it. 3. Those who exhibit this brand are perceived to be classy and sophisticated. 4. This brand is purchased more for its image than its function. 5. This is a very exclusive brand. 6. This brand is very expensive.
Degree to which the respondent is involved in the extension category.	McQuarrie and Munson's (1992) ten-item involvement scale was used to measure respondent's degree of involvement with the extension category.

Table 3 Regression Model Testing the Effects of Brand Extension, Alternative Explanations, Limiting Factors and Covariates on Attitude toward the Extension

Dependent Variable:	Aggregate Model ^a
Attitude toward the Extension Brand	
Regressors:	
Attitude toward the Parent Brand	.34 (<.0001) ^b
Brand-Specific Attributes Relevant to the Extension Category	.15 (<.0001)
Brand-Specific Attributes Relevant to the Extension Category	.13 (<.0001)
Similarity of Fit between the Parent and Extension Categories	.12 (<.0001)
Similarity of Fit between the Parent and Extension Categories	NS ^c
Parent Brand Prototypicality	NS
Parent Brand Prototypicality	NS
Covariates:	
Extent to Which Extension Products Are Used by Each Respondent.	.08 (.0002)
Level of Prestige that the Parent Brand is Perceived to Have by Each Respondent.	.09 (<.0001)
Degree to which the respondent is involved in the extension category.	.07 (.0007)
Adj. R ²	.33

a Results aggregate across the 40 extension categories in the study.
 b Cells contain Beta coefficients and probabilities.
 c NS ≡ not significant

Results

Five regression models were fitted to these data using the SAS GLM procedure (SAS Institute 2004, Vol. 3, pp. 1731-1906). A general model was run pooling data from all four product categories in the study, and separate models were run for each product category individually. The model specification is the same for all five models, and is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{12} X_{12}$$

where

$Y \equiv$ Attitude towards the extension

$X_1 \equiv$ Attitude towards parent brand

$X_2 \equiv$ Brand Specific attributes in the extension category: aggregate of the following two products:

a. (the level of the attribute exhibited by the extension brand) *

* (the salience of the attribute in the extension category)

b. (degree of extension's association with its category) *

* (strength of like or dislike of the product)

$X_3 \equiv$ Brand Specific attributes in the extension category: the relative importance of the brand in the extension category

$X_4 \equiv$ Similarity of fit: physical similarity between parent and extensions categories.

$X_5 \equiv$ Similarity of fit: complementarity of products from parent and extension categories.

$X_6 \equiv$ Prototypicality: typicality of parent brand for its category

$X_7 \equiv$ Prototypicality: familiarity of the parent brand,

$X_8 \equiv$ extent respondents use products from extension category

$X_9 \equiv$ extent parent brand considered a prestige brand

$X_{10} \equiv$ extent respondents involved in extension category

$X_{11} \equiv$ gender

$X_{12} \equiv$ age

Two aspects of the specification of the above model bear further explanation. First, it is to be noted that there are two variables provided for each of the main effects "of brand-specific attributes in the extension category," "similarity of fit," and "parent brand prototypicality." This is because correlations were run for the respective measures of these variables, and these were not significantly correlated, so they are included as independent variables in the above model. There is only one variable representing the dependent variable "attitude to the extension" and the regressor "parent brand attitude" because the four measures for "attitude toward the extension" ($p = 0.64$) and the three measures for "parent brand attitude" ($p = 0.83$) were significantly correlated.

And, second, a one-way ANOVA was performed on all the demographic variables for which data was collected and regressed on "attitude toward the extension." Of these, gender ($F=13.59$, $p=.0002$) and age ($F=4.19$, $p=.0022$), were significant and incorporated into the full effects model as dummy variables.

The model is significant, with an R^2 of .332. Attitude to the parent brand is a significant predictor of attitude toward the extension ($\beta=.34$, $p<.0001$), indicating that brand extension is efficacious as a form of new product introduction. Both measures of brand specific attributes relevant in the extension category, those which are an alternative explanation to extension success, à la Broniarczyk and Alba (1994), are also significant ($\beta=.15$, $p<.000$, $\beta=.13$, $p<.0001$), though it is to be noted that the magnitude of the β of attitude to the parent brand is greater than the β 's of either of the measures for brand-specific attributes relevant in the extension category, and greater than their sum, another indication of the efficacy of brand extension.

Of the two separate measures of similarity of fit, one, complementarity of the parent and extension brands, is insignificant, but the other, which is the rating of the physical similarity of the parent and extension categories, is significant ($\beta=.12$, $p<.0001$), offering mixed support for Aaker and Keller's (1991) contention that similarity of fit expedites the effectiveness of brand extension, though it may also be argued that this result does not rule out the possibility of the efficacy of distant extensions.

Neither measure for parent brand prototypicality is significant, lending no support to Farquar and Herr's (1992) contention that parent brand prototypicality in its own category diminished the ability to successfully extend its name to new product in another category.

Both gender and age dummies are significant and positive, indicating that attitude toward the extension brand tends to be more favorable among 30 to 40 year old males in India.

The data is disaggregated at the brand extension level to determine if the analysis of the effects of attitude to the parent brand, brand-specific attributes in the extension category, similarity of fit between the parent and extension categories, and parent brand prototypicality in its category reported above mask any important differences between product categories. This is shown to be true, in that parent brand attitude's effect on extension attitude is not significant for 11 of the 40 extension categories in the study. On the other hand, this is also to say that parent brand attitude is significant for the greater majority of these categories, indicating that parent brand attitude can and does transfer to the extension, providing support for extension efficacy. Summarizing these results, we find that the effect of parent brand attitude on attitude toward the extension is significant at the .05 level for 29 of the 40, or 72.5% of the extensions tested. Brand-specific attributes relevant to the extension category is significant for nine of the 40, or 22.5% of the extensions. Similarity of fit between the parent and extension categories is significant for 13 of the 40, or 32.5% of the extensions. And parent brand prototypicality is significant for five of the 40, or 12.5% of the extensions. The greater incidence of

the significance of parent brand attitude across brand extensions, relative to the other variables reported above, provides further support for the efficacy of brand extension over alternative explanations or limiting factors. We also observe that for 21 of the 29, or 72.4% of the extension categories for which parent brand attitude was significant, the magnitude of the beta coefficient for parent brand attitude is greater than the beta coefficients for each of the other variables in the model, providing additional support for the efficacy of brand extension.

Discussion

Summary

As stated early in this article, there has been surprisingly little prior research empirically testing the efficacy of brand extension, given the ubiquity of its practice. Those few studies that have been performed were limited in scope, and their results were mixed. This study is rather more definitive in that it considered a large number of candidate brands and categories, subjected them to a series of rigorous pretests to assure the calibration of the selected stimuli, presented results aggregated over four product categories, eight parent brands and 40 hypothetical extensions representing a full range of factors manipulated including brand-specific attributes relevant, as well as results by brand extension. The several findings of study provide support for the efficacy of brand extension:

Parent brand attitude has a significant effect on attitude for the extension, indicating that parent brand equity can transfer to the extension, providing evidence in support of brand extension efficacy.

Parent brand attitude has a greater effect on attitude toward the brands extension than brand-specific attributes in the extension category, confirming the robust effects of brand extension over alternative explanations for the success of new products introduced as brand extensions.

Parent brand attitude has a greater effect than similarity of fit in the aggregate, and had a significant effect on attitude toward the brand extension in many extension categories where similarity of fit was not a significant contributor to brand extension, indicating that brand extension efficacy may be expedited by similarity of fit in some categories, but is not dependent upon it for extension to be effective. This finding also provides support for the efficacy of distant extensions.

Parent brand prototypicality does not have a significant effect on attitude toward the extension, indicating that a parent brand's close identification with its own category need not inhibit attitudinal transfer to an extension in another category, as has been suggested elsewhere.

These results confirm brand extension efficacy to the Indian marketplace.

Theoretical Implications

Much prior research has examined the issue of what exactly composes the "object" that is transferred from the parent to the extension to account for the extension effect. Candidates

included beliefs about functional attributes relevant to the extension category, parent brand affect, or some combination thereof (Aaker and Keller 1990), with some support for the notion that functional parent attributes cannot transfer, only affect (Borniarczyk and Alba 1994, Bhat, Kelley and O'Donnell 1998). These results showed that both attributes and affect significantly positively affect attitude to the extension, suggesting that both factors can transfer (though the magnitude of the effect of parent brand attitude was greater), offering support for the notion that the transfer object can be composed of both elements in some proportion, though the greater strength of affect of parent brand attitude and its significance of effect in a far greater proportion of category than functional attributes, suggests that it is the far more common and the stronger component. But, the disaggregate results of our study would suggest that the composition of the transfer component will vary from category to category, and from extension to extension. More work will need to be done to understand the category- and extension-specific effects that would inform the proper extension strategy for a given category.

Managerial Implications

With the fact of the efficacy of brand extension now rather more unequivocally supported as a viable form of new product introduction, this places the question of the many successes and failures of brand extension in a new light. If brand extension can succeed, why do some fail? And, if brand extension can fail, why do some succeed? The answers to these questions, when posed in the context of our results, suggest that the reasons for the success or failure of any one extension must be category- or extension-specific. They suggest that failure is likely due to a failure of execution of the extension strategy, or a failure to take into account the specific category conditions that would dictate the exact nature of the marketing associated with the new product introduction. Perhaps an re-examination of the individual conditions under which the many successes and failures of extension brands have already taken place would allow us to draw some general conclusions about best practices surrounding extensions that would inform future managers seeking to undertake such new product introductions.

Limitations and Future Directions

Herein, we examine only Examine products and brands other than convenience goods. Further research is required to examine the same effects among other categories of goods and services.

Additionally, further research is required to examine further the category- and extension-specific reasons for the success of failure of products introduced as brand extensions. Are there some categories for which extension is not likely to work? In particular, what dictates the proper composition of the transfer object for some specific extension and extension category, and how do we determine this before-hand? Could a re-examination of the myriad prior successes and failures of extension of the last 25 years reveal answers to these questions?

Conclusion

This research extends evidence for the efficacy of brand extension, to India, an economy experiencing growth leading to a multitude of new product introductions. It is therefore important to confirm that brand extension as a popular form of new product introduction is efficacious there, and to know the reasons for its efficacy, and its limitations. New product introduction remains a hazardous process, so the insights this research provides into brand extension and the reasons for its success are helpful.

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