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# Consumer Evaluations of 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. 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.

**T**HE financial risk of entering new markets has become formidable for many consumer product manufacturers. The cost of introducing a new brand in some consumer markets has been estimated to range from \$50 million to more than \$100 million (Brown 1985), with a total cost estimated to run to \$150 million (Tauber 1988). The price tag is much larger than in the 1970s in part because of the dramatic increase in media costs, the more extensive and aggressive use of promotions by established firms, and the cost and difficulty of obtaining distribution. As a result, firms are using established brand names to facilitate entering new markets.

One such approach is line extension, whereby a current brand name is used to enter a new market segment in its product class (e.g., Diet Coke and Liquid Tide). Another approach is brand extension, whereby

a current brand name is used to enter a completely different product class (e.g., Jello frozen pudding pops, Clorox laundry detergent, Ivory shampoo, or NCR photocopiers). The strategy of introducing new products as extensions has become widespread. From 1977 to 1984, approximately 40% of the 120 to 175 new brands that were introduced into supermarkets annually were extensions (Nielsen 1985). In 1986, more than \$15 billion in retail sales and more than 34% of apparel and accessory sales comprised products that were licenses or trademarks of brand names (Kesler 1987).

Brand extensions, the focus of our research, are attractive to firms that face the reality of high new product failure rates because they provide a way to take advantage of brand name recognition and image to enter new markets. The leverage of a strong brand name can substantially reduce the risk of introducing a product in a new market by providing consumers the familiarity of and knowledge about an established brand. Moreover, brand extensions can decrease the costs of gaining distribution and/or increase the efficiency of promotional expenditures (Morein 1975).

The brand extension decision is strategically critical to an organization. Though an extension is a way to exploit perhaps the most important asset owned by a business, it also risks decreasing the value of that

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asset. The wrong extension could create damaging associations that may be expensive, or even impossible, to change (Ries and Trout 1981). Further, the decision usually involves an important strategic growth thrust. If the judgment is wrong, substantial time and resources are lost and other market opportunities may be missed.

The success of a brand extension often depends on certain assumptions about consumer behavior, such as (1) consumers hold positive beliefs and favorable attitudes toward the original brand in memory, (2) these positive associations facilitate the formation of positive beliefs and favorable attitudes toward the brand extension, and (3) negative associations are neither transferred to nor created by the brand extension. Almost no research, however, has provided guidance about considerations affecting the likelihood that these assumptions hold.

Our exploratory research consisted of two studies. In study 1, the extension reaction study, we obtained reactions to 20 brand extensions involving six well-known brand names. Respondents provided a set of open-ended associations with the brand name and each of the 20 extensions in addition to scaled measures of attitude toward the original brand and the extensions, three measures of fit between the two product classes involved, and the perceived difficulty of making the extension. In study 2, the extension positioning study, more information was provided about the extension, such as cues to the positive attributes of the brand or elaborations designed to counter possible negative perceptions of the extension, and consumer reactions again were assessed.

### Research Questions

The purpose of our research was to explore how consumers evaluate brand extensions. Our goal was to gain useful insights into why some brand extensions fail and others succeed. In particular, the following research questions were addressed.

1. Can useful qualitative insights into consumer evaluations of brand extensions be gained by exploring reactions to the six brands and 20 extensions? What kinds of beliefs about the original brand will consumers associate with the brand extension and in what ways will those beliefs affect the extension attitude?
2. How will consumers' perceptions of the overall quality of the original brand affect their evaluations of an extension? Under what circumstances will quality perceptions have the largest effects?
3. What is the role of consumers' perceptions of the "fit" between the original and the new product class? Will they affect the transfer of the quality perception of the brand to the extension? How should fit be conceptualized and measured?
4. Will other aspects of the extension context, such as how difficult the extension is to make, affect consumer evaluations?

5. How are consumer evaluations affected when different types of information are provided in the extension context?

The first four questions were explored in study 1 and the fifth question was addressed in study 2. In the next section, we discuss the study 1 research questions in more detail and introduce the relevant constructs. The methods and findings of the two empirical studies then are described. Finally, unanswered questions and future research directions are presented.

## Study 1. Extension Reaction Study

### Research Issues

Study 1 explored how an attitude toward a brand extension is formed. In this section, we introduce constructs relevant to the process: brand attribute associations, the perceived quality of the brand, the fit between the two products, and the difficulty of making the brand extension. The potential relationship of these constructs to the attitude toward the extension is discussed.

*Brand attribute associations.* A great variety of associations with the brand could potentially be transferred to the extensions. Perhaps the most-used brand positioning device is product attributes or characteristics. Associations have been created in the minds of many consumers between Viva towels and durability, BMW cars and performance, and Apple and user-friendliness. A brand also can have an association with a use situation, a type of product user, a place, or a product class (Aaker 1982). For example, Lowenbrau beer is associated with relaxing with good friends, Mercedes with wealthy, discriminating people, and Toyota with Japan. Budweiser, Chevrolet, Levi's, and Bank of America all undoubtedly have strong product class associations. The product class of the original brand, especially a familiar one like beer or automobiles, can itself have a set of rather strong associations that can attach to the extension.

For most brand extensions, a motivating rationale is that the original brand has associations that will be helpful to the extension. The impact of a brand association, however, can be harmful to the extension. For example, the Betty Crocker attribute association might be viewed as negative if the name were used on a fashion product designed to appeal to young women. Zeithaml (1988) provides evidence suggesting that thickness is related to high quality in tomato-based juices but not in children's fruit-flavored drinks and pulp is related to high quality in orange juice but to low quality in apple juice. Thus, the impact of a brand belief or association highly valued in the original product class may not be positive in the context of the new product class.

In terms of an associative model of memory (Anderson 1983; Wyer and Srull 1986), there are links between a brand such as Budweiser and a set of elements such as user types and the product class. These elements themselves have links to other elements (e.g., from the beer product class to beer taste). As a result, the brand has a set of associations that vary in strength. The extent to which each of these associations will "transfer" to a new product context is a central issue. It is likely to depend not only on the strength of association, but also on other factors such as the appropriateness of the association and whether cues are present to activate an association.

In the first study, open-ended associations for 20 hypothetical brand extensions were examined to explore qualitatively what types of associations appear and what impact these associations seem to have or potentially could have on evaluations of the extension. In particular, are negative as well as positive associations transferred or created? These qualitative insights should provide useful hypotheses for future research.

*Attitude toward the original brand.* In addition to specific brand attributes, an important brand association is the overall brand attitude. Brand attitude is based on certain attributes such as durability, incidence of defects, serviceability, features, performance, or "fit and finish" (Garvin 1984). However, it may also contain affect that is not reflected in the measured attributes, even when a large set of attributes is included. Researchers building multiattribute models of consumer preference have included a general component of attitude toward the brand that is not explained by the brand attribute values (e.g., Srinivasan 1979). The overall brand attitude may be stored and retrieved in memory separately from the underlying attribute information (Anderson and Hubert 1963; Carlston 1980; Lingle and Ostrom 1979; Risky 1979).

Attitude is conceptualized here in terms of the consumer's perception of the overall quality of the brand, termed QUALITY. The perceived quality construct has received considerable attention in the marketing literature (Holbrook and Corfman 1985; Jacobson and Aaker 1987; Olshavsky 1985). Zeithaml (1988) defines perceived quality as a global assessment of a consumer's judgment about the superiority or excellence of a product. She concludes, after reviewing a set of articles, that perceived quality is at a higher level of abstraction than a specific attribute of a product.

The impact of perceived quality on the attitude toward the extension should be unambiguously positive. If the brand is associated with high quality, the extension should benefit; if it is associated with inferior quality, the extension should be harmed. The rela-

tionship between perceived quality and the attitude toward the extension was explored quantitatively in the first study by relating a measure of perceived quality to a measure of brand extension attitudes over the sample of respondents and extensions. The hypothesis is:

- H<sub>1</sub>: Higher quality perceptions toward the original brand (i.e., higher QUALITY) are associated with more favorable attitudes toward the extension.

*Fit between the original and extension product classes.* Prior brand extension research has emphasized primarily the role of "fit" or similarity between the two involved product classes in the formation of brand extension evaluations. For example, early family branding research modeled generalized preferences for a family brand entry as a function of the similarity of brand competition and price levels in the particular product classes (Fry 1967) or similarity in shelf arrangements (Neuhaus and Taylor 1972). More recently, Tauber (1988) studied 276 actual extensions and concluded that perceptual fit (i.e., whether a "consumer perceives the new item to be consistent with the parent brand") is a key element in predicting brand extension success. Another study (University of Minnesota Consumer Behavior Seminar 1987) provided empirical support for the notion that greater perceived similarity between the current and new products leads to a greater transfer of positive or negative affect to the new product.

Why should fit be important to an extension? One reason is that the transfer of the perceived quality of a brand will be enhanced when the two product classes in some way fit together. Several theoretical perspectives are compatible with such a view: cognitive consistency (Heider 1958; Osgood and Tannenbaum 1955), stimulus generalization (Bierley, McSweeney, and Vannieuwerk 1985; McSweeney and Bierley 1984), affect transfer (Wright 1975), and categorization theory (Cohen and Basu 1987; Fiske 1982; Fiske and Pavelchak 1986; Sujan 1985).

For example, categorization theory suggests that a consumer would evaluate a brand extension in one of two ways: (1) by piecemeal processing, whereby an extension evaluation is a function of inferred brand attribute beliefs and their evaluative importance, or (2) by category-based processing, whereby an extension evaluation is a function of some overall attitude toward the original brand. Specifically, if consumers perceive a similarity or "fit" between the original and extension product classes, with category-based processing they would transfer quality perceptions to the new brand extension. In fact, categorization researchers have demonstrated that general affect can be transferred from one object to another (Gilovich 1981; Read 1983). Hence, a second hypothesis is that:

H<sub>2</sub>: The transfer of a brand's perceived quality is enhanced when the two product classes in some way fit together. When the fit is weak, the transfer is inhibited.

A second reason why fit should be important to the extension is that a poor fit may not only detract from the transfer of positive associations, but may actually stimulate undesirable beliefs and associations. When the fit is low, as in Betty Crocker bicycles, for example, the consumer may question the ability of a food firm to make good bicycles. If the fit is incongruous, the extension may be regarded as humorous or ridiculous. Hence, another hypothesis is:

H<sub>3</sub>: The fit between the two involved product classes has a direct positive association with the attitude toward the extension.

*Dimensions of fit.* Prior research focused on fit or similarity but did not consider the various bases of fit between two product classes. Product pairs can be perceived to fit in many ways, however, and we developed three such measures. Two measures take a demand-side perspective to consider the economic notions of substitutes and complements in product use. The third measure takes a supply-side view to consider aspects of the firm's manufacturing abilities.

The first fit measure, COMPLEMENT, indicates the extent to which consumers view two product classes as complements. Products are considered complements if both are consumed jointly to satisfy some particular need (Henderson and Quandt 1980). The second fit measure, SUBSTITUTE, is the extent to which consumers view two product classes as substitutes. Substitute products tend to have a common application and use context such that one product can replace the other in usage and satisfy the same needs.

Consider Rossignol, which makes downhill skis. A complementary extension might be Rossignol ski clothing; a substitute extension might be Rossignol cross-country skis or ice skates. In both cases, because fit is present, the transfer of positive associations should not be inhibited. When fit is high, consumers are hypothesized to accept the extension concept and not activate thought processes challenging the quality and characteristics of the extension.

The other fit measure, TRANSFER, pertains not to how consumers view relationships in product usage, but how consumers view relationships in product manufacturing. Specifically, TRANSFER reflects the perceived ability of any firm operating in the first product class to make a product in the second product class. Do consumers feel that the people, facilities, and skills a firm uses to make the original product would "transfer" and be employed effectively in designing and making the product extension? If not, the perceived quality of the brand or beliefs about the brand

in the original product class may not transfer to the extension. In fact, if a firm appears to be stretching excessively beyond its area of competence, negative reactions such as skepticism or even laughter might be stimulated and lead to negative associations.

A question of both theoretical and practical importance is the relative role of each of the fit measures in terms of (1) their direct impact on the attitude toward the extension and (2) their moderating impact on the relationship between the perceived quality of the original brand and the attitude toward the extension, as expressed in H<sub>2</sub> and H<sub>3</sub>.

*Perceived difficulty of making the extension.* Various perceptions of the new product class also may affect consumer evaluations of a brand extension. We consider one such factor, the perceived difficulty in designing or making the extension product, termed DIFFICULT.

When consumers perceive the extended product class to be "trivial" or very easy to make (i.e., DIFFICULT is low), a potential incongruity occurs. The consumers may view the combination of a quality brand and a trivial product class as inconsistent or even exploitative. The incongruity itself may trigger a rejection or it might lead to a judgment that the quality name will add a price higher than is justified and necessary for such a product. This logic supports the hypothesis that:

H<sub>4</sub>: The relationship between the difficulty of making the product class of the extension, DIFFICULT, and the attitude toward the extension is positive.

*Summary.* Study 1, the extension reaction study, was an exploratory study motivated by the hypotheses that brand extension attitudes are influenced by the perceived quality of the brand name and the fit between the two product classes. Further, an interaction was hypothesized between the two as perceived quality will be more helpful when there is a reasonable fit. Characteristics of the extension product class also can affect extension attitudes. In particular, product classes that are perceived as either too trivial or too easy to make were hypothesized to receive lower extension evaluations. In addition, attribute associations were expected to influence extension attitudes both negatively and positively. The open-ended questions in study 1 were intended to explore the nature of that influence.

## Method

Perceptions and evaluations of a set of six actual brands and 20 hypothetical brand extensions were gathered from 107 undergraduate business students who participated in the study as part of a course requirement. A survey cover letter said that the interest was in their

opinions, as consumers, about different brands and products.

**Stimuli.** The original brands were selected on the criteria of being relevant to subjects, generally perceived as high quality, able to elicit relatively specific associations, and not broadly extended previously. The 20 extensions selected had to be reasonable and not illogical, but had to provide heterogeneity on the three fit measures. High quality brands were chosen because the use of low quality brands would have tended to generate extensions that would be less realistic. Actual selection of the brand names and product class extensions involved analyzing the responses of two focus groups and a survey of almost 100 subjects similar to those in the actual data collection. The following brands and extensions satisfied the criteria.

Original Brand	Product Class Extension
Heineken Beer	Light beer, wine, popcorn
Vuarnet Sunglasses	Skis, wallets, sportswear, watches
Häagen-Dazs Ice Cream	Popcorn, cottage cheese, candy bar
Vidal Sassoon Shampoo	Skin cream, suntan lotion, perfume, sportswear
Crest Toothpaste	Mouthwash, chewing gum, shaving cream
McDonald's Meal	Frozen fries, theme park, photo processing

**Measures.** Open-ended associations were obtained first for the original brand and then for the set of extensions. Respondents were asked to take roughly 30 seconds to write down the associations or thoughts that came to mind when they considered the idea of purchasing each brand name product or extension. The set of 26 open-ended association tasks was split into three parts separated by sets of scaling tasks.

The open-ended responses to the thought-listing questions were classified by two coders blind to the purpose of the study. The coding was done qualitatively by having coders group associations into clusters according to perceived similarity (see Tables 1 and 3 for examples of the associations). The coders agreed on 82% of the associations (i.e., placed the association into the same type of cluster). Because the differences in coding were believed to be a function of subjective interpretations in judgments and not systematic deviations, the results reported are the averages of the two judges' codings.

Three fit measures were used, with 7-point Likert scales (1 = strongly disagree, 7 = strongly agree). Subjects assessed the extent to which the products were substitutes that they would select between in certain usage situations (SUBSTITUTE) and complements that they would be likely to use together in certain usage situations (COMPLEMENT). The third scale mea-

sured the perceived ability of a competent manufacturer in the original product class to make the product extension (TRANSFER). Would the people, facilities, and skills used in developing, refining, and making the original product be helpful if the manufacturer were to make the product extension (1 = not at all helpful, 7 = very helpful)? Note that the TRANSFER measure was not linked to any specific brand in the product class.

A 7-point scale measured the difficulty in designing and making the product, DIFFICULT (1 = not at all difficult, 7 = very difficult). Would specialized people, facilities, and skills be needed to make the extended product class? A 7-point scale assessed the overall quality of each original brand, QUALITY (1 = inferior, 7 = superior). Finally, the attitude toward the extension was operationalized by two different measures: the perceived overall quality of the extension (1 = inferior, 7 = superior) and the likelihood of trying the extension assuming a purchase was planned in the product class (1 = not at all likely, 7 = very likely).

To avoid confounding the reactions to the extensions, the only information subjects had was the brand name. Consumers' reaction to extension concepts so presented should be relevant to managers who must make decisions about introductory marketing campaigns for brand extensions. It provides information on what baseline reactions occur and the associations that a marketing program must counter or upon which it can build.

### Qualitative Results

The objective of the qualitative phase of the research was to see what types of associations would emerge from a thought-listing about the original brands and the extensions and thus gain insights about why evaluations were more favorable toward some of the extensions than toward others.

**Original brand associations.** Table 1 summarizes the coded open-ended associations and average quality ratings for the original brands. Four of the brands received extremely high ratings (Heineken, Vuarnet, Häagen-Dazs, and Crest), whereas the other two received above average or average quality ratings (Vidal Sassoon and McDonald's). These quality assessments are reflected in the stated associations, with many subjects noting overall brand quality. Perceived price was mentioned frequently, with most subjects noting that four of the brands were characterized by high prices. Many associations were more specific, referring to particular product attributes (Häagen-Dazs—smooth/creamy), packaging (Vidal Sassoon—dark brown bottle), facts about the manufacturer (Vuarnet—French), user characteristics (Crest—family), or usage

**TABLE 1**  
**Summary of Coded Brand Associations for Original Brands: Number of Respondents Mentioning Item<sup>a</sup>**

<b>Heineken Beer (5.57)</b>		<b>Vuarnet Sunglasses (5.87)</b>	
Expensive	44	Expensive	68
High quality	24	Skiing	33
Green bottle/label	27	Quality	28
Imported	23	Stylish/fashionable	27
European	23	Trendy	13
Good beer	15	UV protection	12
<b>Häagen Dazs Ice Cream (5.85)</b>		<b>Vidal Sassoon Shampoo (4.33)</b>	
Expensive	55	Expensive	24
Good tasting	28	Good scent	15
Great flavors	20	Brown bottle	14
Good ice cream	18	High quality	14
High quality	16	French/French hair designer	13
Rich	17	Fashionable	12
Creamy	17	Used in salons	11
High calories	13		
<b>Crest Toothpaste (5.48)</b>		<b>McDonald's Meal (3.33)</b>	
Cavity fighter	36	Fast food	46
Traditional	24	Cheap	45
Tastes good	17	Tastes bad	23
Brand loyal	16	Good fries	20
		Greasy	19
		Golden Arches/Ronald McDonald	13

<sup>a</sup>Numbers in parentheses are the average quality ratings. Associations and ratings are based on a sample of 107 undergraduate business students.

situations (Vuarnet—skiing). Thus, analysis of the stated associations for the original brands is consistent with the notion that those brands are associated with a variety of specific attributes, as well as overall attitudes.

*Brand extension associations.* Table 2 reports the average ratings of the 20 brand extensions and Table 3 summarizes the accompanying open-ended associations. An examination of the most frequently mentioned associations for brand extensions receiving low evaluations is illuminating. Three primary problems emerge: (1) the fit between the original and extension product classes was perceived as low, (2) the extension was perceived as too easy to make, and (3) the original brand carried damaging attribute characteristics to the extensions.

One problem with low rated extensions was a lack of perceived fit or similarity between the original and extension product classes. The firm was seen as lacking the ability to make a product that would be superior to competitors in the extension product class. These fit concerns were expressed in several ways. For example, some subjects reacted to the concept of McDonald's photo processing by stating either that McDonald's should stick to food and had no credibility as a photo processor ( $n = 33$ ) or that they would prefer to stay with established photo processors ( $n = 16$ ). In evaluating Heineken popcorn, some subjects

felt that popcorn and beer do not mix ( $n = 26$ ). Similarly, some subjects felt that a beer and wine producer is a bad combination ( $n = 32$ ) or that Heineken lacked the technical experience to make wine ( $n = 17$ ).

A second problem was that the product class was considered too "easy to make." In reacting to Heineken popcorn, some subjects maintained that all popcorn is the same ( $n = 20$ ). Because all brands are about the same, the extension was presumably perceived as being unlikely to be superior to existing products. This lack of perceived difference in quality in the product class is also evident for Vidal Sassoon perfume ( $n = 14$ ), Crest shaving cream ( $n = 20$ ), and Häagen-Dazs cottage cheese ( $n = 11$ ).

A third problem with less successful extensions was that the brand name carried damaging product class associations or beliefs to the extension. For example, some subjects commented on how Heineken popcorn would probably either taste specifically like beer ( $n = 15$ ) or, more generally, would have an unappetizing taste ( $n = 18$ ). Vidal Sassoon perfume was associated by some subjects with an undesirably strong shampoo-like scent ( $n = 17$ ). Crest chewing gum was thought by some either to taste specifically like toothpaste or, more generally, to taste bad or unappealing ( $n = 25$ ).

An interesting illustration of the transfer of attributes is the contrast of Crest chewing gum to Crest

**TABLE 2**  
**Study 1 Means<sup>a</sup>**

	<b>Attitude Toward Extension</b>	<b>QUALITY</b>	<b>TRANSFER</b>	<b>SUBSTITUTE</b>	<b>COMPLEMENT</b>	<b>DIFFICULT</b>
1. McDonald's photo processing	2.03	3.33	1.43	1.50	1.69	4.75
2. Heineken popcorn	2.30	5.57	1.98	1.92	5.35	1.81
3. Heineken wine	2.94	5.57	4.36	4.35	5.26	5.19
4. Häagen Dazs cottage cheese	3.13	5.85	3.67	2.85	2.08	2.44
5. Vidal Sassoon perfume	3.24	4.33	3.58	2.41	4.27	4.96
6. Crest shaving cream	3.26	5.48	3.63	2.12	4.47	3.08
7. Häagen-Dazs popcorn	3.28	5.85	2.39	3.95	3.19	1.81
8. McDonald's frozen french fries	3.37	3.33	5.84	4.22	3.40	2.10
9. Crest chewing gum	3.43	5.48	4.06	3.75	3.80	3.58
10. Vidal Sassoon sportswear	3.48	4.33	1.91	1.71	3.19	4.29
11. McDonald's theme park	3.56	3.33	2.31	1.99	3.98	5.46
12. Vidal Sassoon skin cream	3.63	4.33	4.66	2.79	5.09	4.12
13. Vaurnet wallets	3.78	5.87	2.71	2.26	4.65	3.58
14. Vaurnet skis	3.91	5.87	2.79	2.11	6.09	5.93
15. Vidal Sassoon suntan lotion	3.98	4.33	4.33	2.42	3.92	3.87
16. Vaurnet watches	4.07	5.87	2.87	2.75	4.86	5.43
17. Heineken light beer	4.76	5.57	6.71	5.56	5.49	4.51
18. Häagen Dazs candy bar	4.81	5.85	4.37	5.30	4.26	2.88
19. Crest mouthwash	4.86	5.48	6.08	4.43	5.64	3.50
20. Vaurnet sportswear	5.15	5.87	3.25	2.88	5.75	4.29
Average	3.60	5.08	3.65	3.06	4.32	3.88
Standard deviation	1.65	1.53	2.02	2.08	2.03	1.86

<sup>a</sup>Study means are averages of 107 subjects' perceptions of the following measures: attitude toward the extension, the average of perceived overall quality of the extension (1 = inferior, 7 = superior) and likelihood of trying the extension (1 = not at all likely, 7 = very likely); QUALITY, the overall quality of the original brand (1 = inferior, 7 = superior); TRANSFER, the usefulness of manufacturing skills and resources in the original product class for making the extension product (1 = not at all helpful, 7 = very helpful); SUBSTITUTE, substitutability of the original and extension products in use (1 = low, 7 = high); COMPLEMENT, complementarity of the original and extension product classes in use (1 = low, 7 = high); and DIFFICULT, perceived difficulty in designing and making the extension (1 = not at all difficult, 7 = difficult).

mouthwash. The mouthwash extension has a much higher quality rating than the gum extension, despite the fact that in both cases there are many "good for teeth" associations. However, a larger incidence of damaging "bad taste" or "taste like toothpaste" associations is found for the gum ( $n = 25$ ) than for the mouthwash ( $n = 10$ ). The Crest taste thus seemed to be acceptable, or perhaps even an asset, in the mouthwash context but a liability in the gum context.

Another interesting illustration of the transfer of attributes to an extension involves Heineken popcorn and Vaurnet skis. These two brands both received very favorable perceived quality ratings for their original products and both extensions had very high complementarity ratings but low marks on substitutability and transfer. Yet, Vaurnet skis received much more favorable attitude ratings than Heineken popcorn. The fact that some subjects perceived popcorn to be easy to make contributed to the negative evaluation of Heineken popcorn, but it also could have been caused by the negative association of beer taste mentioned by some subjects. The Vaurnet name, in contrast, had a rather remarkable ability to be exported to other prod-

uct classes. In this case, complementarity may have led to an inference that the extension would have the "stylish" attribute associated with the Vaurnet name, and this attribute was valued in the different extension contexts.

Two additional points should be made about the qualitative analysis of the associations. First, some brands received relatively few associations (e.g., Crest shaving cream, Häagen-Dazs popcorn, Vidal Sassoon suntan lotion, and Vaurnet sportswear). For these brands, consumers may simply have had difficulty visualizing what the extension should be like, perhaps because the brand name associations were not very relevant to the new product class. Second, some extensions received rather pronounced categorization that allowed subjects' responses to be divided into clearly defined segments. For example, some subjects associated Vidal Sassoon sportswear with trendy, fashionable, or high status designer labels (though perhaps partly because of the jeans line with a similar name). Other subjects felt that Sassoon should stick to hair care and found the idea of Sassoon sportswear tacky, unoriginal, and unappealing.

**TABLE 3**  
**Summary of Coded Brand Associations for Brand Extensions:**  
**Number of Respondents Mentioning Item<sup>a</sup>**

<b>1. McDonald's Photo Processing (2.03)</b>		<b>2. Heineken Popcorn (2.30)</b>	
Stick to food/no credibility	33	Popcorn and beer don't mix	26
Low quality	29	All popcorn is the same	20
Fast	20	Unappetizing/bad idea	18
Would not use	16	Tastes like beer	15
Cheap	15	Goes with beer	14
<b>3. Heineken Wine (2.91)</b>		<b>4. Häagen Dazs Cottage Cheese (3.13)</b>	
Beer and wine are bad combo	32	High quality	17
Low or bad quality	24	Good taste	15
Not much experience/stick to beer	17	Bad associations	15
Good quality/good name	12	Stick to ice cream/inconsistent	12
Expensive	8	All the same	11
<b>5. Vidal Sassoon Perfume (3.24)</b>		<b>6. Crest Shaving Cream (3.26)</b>	
Smells like shampoo	17	Same as others	20
Good quality/smells good	17	Stick with toothpaste	20
Bad scent	17	Good product	15
All are alike	14	Good quality	10
Low/medium quality	13	Reasonably priced	9
<b>7. Häagen Dazs Popcorn (3.28)</b>		<b>8. McDonald's Frozen French Fries (3.37)</b>	
Bad mix/stick to ice cream	31	Good quality	29
Expensive	23	Not as good as real thing	25
Flavors/sweet/rich	19	Bad/gross	19
All popcorn is the same	16	Greasy	11
High quality	13	Convenient	8
<b>9. Crest Chewing Gum (3.43)</b>		<b>10. Vidal Sassoon Sportswear (3.48)</b>	
Prevents cavities	37	Stylish/trendy/fashionable	21
Good for teeth	26	No appeal/would not buy	19
Bad taste	25	Low quality	29
Sugarless	23	Expensive	16
Good taste	17	Stick to hair care	12
<b>11. McDonald's Theme Park (3.56)</b>		<b>12. Vidal Sassoon Skin Cream (3.63)</b>	
For kids/families	56	Trust because of reputation	26
McDonald's characters	29	High quality	21
Fun	14	Expensive	20
Stupid/silly/awful	14	Scented	12
Food	11	Stick to hair care	7
<b>13. Vuarnet Wallets (3.78)</b>		<b>14. Vuarnet Skis (3.91)</b>	
Expensive	33	High quality	33
High quality	21	Expensive	32
Fashionable/stylish	24	Trendy/fashionable	25
Sporty	15	No technical knowledge	12
Not leather/velcro	15	Stick to established manufacturer	11
<b>15. Vidal Sassoon Sun Lotion (3.98)</b>		<b>16. Vuarnet Watches (3.78)</b>	
Expensive	19	Trendy/fashionable	40
High quality	15	Expensive	35
No technical knowledge	10	Like Swatch	35
Fashionable/glamorous	8	Sporty	17
Low quality	8	High quality	15

### **Modeling Consumer Evaluations of Brand Extensions**

The qualitative analysis provides support for the importance of some of the constructs thought to affect consumers' evaluations of brand extensions (e.g., perceived product class fit and perceived difficulty of making the product extension). To address these effects more formally and explore the role of perceived

quality, we estimated a regression model motivated by the four hypotheses.

The dependent variable was attitude toward the extension, operationalized by the average of the perceived quality of the extension and the likelihood of trying the extension measures. The use of two indicators provided a more reliable measure of the attitude construct, as the correlation between the two was .67,



**TABLE 3 (continued)**  
**Summary of Coded Brand Associations for Brand Extensions:**  
**Number of Respondents Mentioning Item<sup>a</sup>**

<b>17. Heineken Light Beer (4.76)</b>		<b>18. Häagen Dazs Candy Bar (4.81)</b>	
Good taste	34	Tastes good	32
High quality	32	Expensive	23
Fewer calories	24	Worth trying	17
Expensive	22	Chocolate	16
European/imported	16	Good quality	14
<b>19. Crest Mouthwash (4.86)</b>		<b>20. Vuarnet Sportswear (5.15)</b>	
Good like toothpaste	35	Expensive	48
Fights cavities	23	Stylish/trendy/fashionable	44
High quality/works well	18	High quality	32
Tastes good	11	Sporty	19
Tastes bad	10	Status symbol	12

<sup>a</sup>Numbers in parentheses are the extension attitude ratings. Associations and ratings are based on a sample of 107 undergraduate business students.

**TABLE 4**  
**A Regression Model of the Attitude Toward the Extension**

Independent Variable	Standardized Regression Coefficient	Regression Coefficient	t-value
QUALITY (perceived quality of original brand)	-.01	-.01	-.1
TRANSFER (transfer of skills/assets from original to extension product class)	.15	.12	2.0
COMPLEMENT (degree to which the two product classes are complements)	-.02	-.02	-.4
SUBSTITUTE (degree to which the two product classes are substitutes)	-.08	-.06	-1.0
QUALITY × TRANSFER	.12	.02	1.4
QUALITY × COMPLEMENT	.25	.03	3.2
QUALITY × SUBSTITUTE	.18	.02	2.1
DIFFICULT (difficulty of making extension)	.12	.12	6.2
Sample size = 2140			
Adjusted $r^2$ = .26			

suggesting a reliability of .79. Further, when separate regressions were run for each, none of the regression coefficients were significantly different.

The independent variables follow the four hypotheses and are listed in Table 4. The first variable is the perceived quality of the original brand, QUALITY, from H<sub>1</sub>. Next are the three fit variables, TRANSFER, COMPLEMENT, and SUBSTITUTE, from H<sub>3</sub>. The following three terms reflect the interactions of the three fit variables with the perceived quality variable, from H<sub>2</sub>. The final variable is the

perceived difficulty of making the extension, DIFFICULT, from H<sub>4</sub>. The regression was run over the 107 subjects and the 20 extensions, making a sample size of 2140.<sup>1</sup> The resulting standardized regression or beta coefficients, regression coefficients, and t-statistics are reported in Table 4.<sup>2</sup>

*Perceived brand quality.* The beta coefficient for the QUALITY variable is essentially zero, indicating

<sup>1</sup>Because the analysis is conducted across subjects and across extensions, a confounding scaling effect may be present. If some subjects tended to use the upper part of the 7-point scale on both the independent and dependent variables and others tended to use the low part of the scale, even if there were no relationship for an individual, a pooled, aggregate analysis would show a significant effect between the variables. The source of this effect, however, would be spurious. To check this possibility, a main-effects-only model was run with data standardized within each subject (i.e., each subject's mean was subtracted for each specific value for the dependent and independent variables, and this difference was divided by the standard deviation). The

resulting regression coefficients are essentially identical to those found for the raw data, ruling out the possibility that scaling effects confound the findings.

<sup>2</sup>The correlation matrix for the Table 2 variables is based on the responses of 107 subjects for 20 extensions.

	QUALITY	TRANSFER	COMPLEMENT	SUBSTITUTE	DIFFICULT
Extension attitudes	.29	.34	.31	.25	.13
QUALITY		.08	.19	.14	.00
TRANSFER			.27	.44	-.07
COMPLEMENT				.21	.16
SUBSTITUTE					-.09

that, in contrast to  $H_1$ , there is no direct link from perceived quality of the brand to the attitude toward the extension.

*Perceived product class fit.* The beta coefficients for two of the fit variables, COMPLEMENT and SUBSTITUTE, are not significant. However, the beta coefficient for TRANSFER, the extent to which the assets and skills of a firm making the product class associated with the original brand name could be applied to making the extensions, is substantial (.15) and significant ( $p < .05$ ). Hence, the direct association of fit with the attitude toward an extension,  $H_3$ , is found for only one of the three fit variables, TRANSFER.

*Model interactions.* The beta coefficients for the interactions of QUALITY with COMPLEMENT and SUBSTITUTE are both substantial (.25 and .18, respectively) and significant ( $p < .01$  and  $p < .05$ , respectively), as in  $H_2$ . The beta coefficient for the interaction of QUALITY with TRANSFER (.12), however, is not significant ( $p > .15$ ). The model results suggest that high perceived quality for the original brand name is related to acceptance of the brand extension only when fit based on complementarity or substitutability is present. Thus, picking an extension that is complementary or a substitute may not overcome low perceived brand quality.

The ability of a firm in the original product class to make the extension by applying current skills or assets, TRANSFER, has primarily a direct relationship. Hence, it may detract from the attractiveness of an extension even in the presence of high levels of perceived quality for the core brand. Perhaps this transfer of skills and assets establishes credibility in making the extension that is necessary independent of opinions of the original's brand quality.

*Which fit variable?* Of the three fit variables proposed and explored in this study, which are the most useful? The results suggest that the TRANSFER and COMPLEMENT fit variables are more important in explaining variance in extension attitudes than the SUBSTITUTE variable. In a main-effects-only model, where the interactive effects are omitted so that both direct and indirect effects of the three fit variables can be summarized, the standardized regression coefficients for TRANSFER, COMPLEMENT, and SUBSTITUTE are respectively .24, .17, and .08 (all differences significant at the .01 level). Moreover, if the two beta weights involving TRANSFER and COMPLEMENT are added, they total .27 for each. In contrast, though SUBSTITUTE has an interactive effect with perceived quality, because of the negative coefficient for the main effect, the two beta weights involving SUBSTITUTE only total .10. In this setting, COMPLEMENT and TRANSFER appear to be the most important fit variables.

*COMPLEMENT and TRANSFER—are both needed?* If complementarity and the ability of a firm's manufacturing skills and assets to transfer from one product context to another are the fit variables most strongly related to extension attitudes, what is the effect of their combination? When a COMPLEMENT/TRANSFER interaction term is added to the model, the beta is  $-.17$  and statistically significant ( $t = -2.8$ ,  $p < .01$ ) and the other coefficients remain basically the same. This negative relationship suggests that fit on one of the two variables is adequate—little is gained by having a fit on both dimensions.

*Perceived difficulty of making the extension.* The difficulty of making the extension, DIFFICULT, has a significant beta of .12, which is significantly higher than the SUBSTITUTE variable. Hence,  $H_4$ , that an extremely easy-to-make extension is on average less likely to be accepted than other extensions, is supported. Two explanations seem reasonable. First, consumers may feel it is incongruous to introduce a quality brand name in a trivial product class. Second, the association of a quality name with an easy-to-make product class may suggest to consumers the likelihood of an overpriced product.

## Study 2. Extension Positioning Study

### Research Issues

The stimulus presentation for the brand extensions in study 1 was very terse; the only information provided was the brand name and product class. The reactions therefore were to extension concepts prior to any introductory marketing campaign. During the actual launch of a new extension, a firm can influence the perception of an extension by providing information cues through advertising and other marketing mix activities. The purpose of study 2, the extension positioning study, was to pursue the fifth research question: How are consumer evaluations affected when different types of information are provided in the extension context?

The study 1 findings that favorable brand quality perceptions are related to favorable extension evaluations and that low extension evaluations can be caused by transferred attribute associations suggest two general strategies. One approach is to provide a cue to consumers on the general quality of the original brand, so that positive aspects of the brand will be more salient and negative elements less salient in the new context. For example, if consumers are cued and reminded that Crest chewing gum is from a leader in

the control of cavities and tartar, positive elements of the extension may be more salient (e.g., that the gum will help in dental hygiene). A second approach is to elaborate on a brand extension attribute to inhibit the development of any potentially negative beliefs that consumers may infer. For example, stating that Crest chewing gum is available in spearmint and peppermint flavors should reduce the probability that consumers will think the gum has a taste like toothpaste. Study 2 examined both of these approaches.

## Method

The method in terms of measures, procedures, and subjects was essentially the same as that used in study 1, though the 121 students who participated came from a different semester's course offering. Only four low-rated brand extensions, however, were used as stimuli: McDonald's photo processing, Heineken popcorn, Crest chewing gum, and Vidal Sassoon perfume.

The design was a repeated measures,  $2 \times 2$  factorial design with two between-subject factors, each with two levels, (1) original brand quality cue (present or absent) and (2) brand extension attribute elaboration (present or absent). The cues referred to the high quality and leadership status of the original brand; the elaborations were brief, neutral descriptions of an attribute about which subjects in study 1 had expressed some uncertainty and concern (see Table 5 for the specific cues and elaborations used). Subjects were assigned to one of four groups, each of which saw the same type of information for all four extensions.

Group 1. No quality cues or attribute elaborations

Group 2. Quality cues

Group 3. Attribute elaborations

**TABLE 5**  
**Description of Cues and Elaborations**

### Original Brand Quality Cue Condition

McDonald's photo processing: From the providers of fast, inexpensive, and convenient service.  
Crest chewing gum: From a leader in the control of cavities and tartar.  
Heineken popcorn: From the makers of a high quality premium beer.  
Vidal Sassoon perfume: From the makers of high quality personal care products.

### Brand Extension Attribute Elaboration Condition

McDonald's photo processing: Physically separated from the food service and using a well-established camera retailer to process the film.  
Crest chewing gum: In spearmint and peppermint flavors.  
Heineken popcorn: In regular and cheddar cheese flavors.  
Vidal Sassoon perfume: With a subtle, but sensual fragrance.

## Group 4. Quality cues and attribute elaborations

The fourth group provided a test of interactive effects between cues and elaborations (i.e., will the two types of information have an additive impact in combination?). In addition to evaluating the four test extensions, each group also considered two filler extensions, Vuarnet skis and Häagen-Dazs candy bar. The two main dependent measures were perceived quality and likelihood of trying the extension, which again were averaged; the main independent variables measured were the perceived quality of the original brand and the fit measures.

## Results

The mean values for the attitude toward the extension, as operationalized by the average of the perceived quality and intent to try scales, are summarized in Table 6. Though the general pattern across the four extensions is similar to the corresponding ratings from study 1, the mean values for study 2 are somewhat higher. This difference may reflect a contrast effect of the different contexts: study 1 included other more favorably rated extensions, providing a more positive context, whereas the stimuli in study 2 were weighted heavily toward extensions that were not well received.

An analysis of variance was conducted with the extension attitude measure to test the main and interaction effects of the cue and elaboration factors. Though the main effect of elaboration is significant ( $F = 4.86$ ,  $p < .03$ ), the main effect of cue and the interaction effect of the cue and elaboration are not significant ( $F < 1$ ).

Table 6 indicates rather clearly that the elaboration was very effective in affecting the attitude toward the extension whereas the use of a quality cue was not. The elaboration impact was strong for the aggregate and all of the test brands with the exception of Vidal Sassoon perfume. One explanation for the Vidal Sassoon case is that the elaboration ("a subtle, but sensual fragrance"), which was developed by drawing on words used in other perfume ads, was not adequate to expunge the shampoo odor association, especially without strong visual presentation. The overall conclusion, though, is that to overcome the potential transfer of negative associations for a proposed extension, the concept should be elaborated in such a way that it appears inconsistent with the potentially damaging attribute.

To gain more insight into how the manipulations affected brand evaluations, two main effects regression analyses were conducted with QUALITY, COMPLEMENT, SUBSTITUTE, and TRANSFER as independent variables. The first analysis compared the regression coefficients for the no-elaboration groups

**TABLE 6**  
**Extension Attitude Means for Study 2<sup>a</sup>**

Brand Extension	No Cue or Elaboration	Cue Only	Elaboration Only	Cue and Elaboration
McDonald's photo processing	2.67	2.62	3.10	3.12
Crest chewing gum	4.65	4.42	4.83	4.97
Heineken popcorn	3.36	3.24	3.87	3.60
Vidal Sassoon perfume	3.81	3.63	3.92	3.78
Average	3.62	3.48	3.93	3.87
Standard deviation	1.58	1.58	1.59	1.54
Sample size	31	31	29	30

<sup>a</sup>Extension attitudes are the average of perceived extension quality (1 = inferior, 7 = superior) and likelihood of trying the extension (1 = not at all likely, 7 = very likely).

(1 and 2) and the elaboration groups (3 and 4).

The standardized beta for TRANSFER is significantly higher ( $p < .01$ ) in the no-elaboration groups, .32, than in the elaboration groups, .11. The presence of a brand extension attribute elaboration appears to reduce the importance of the fit issue, inhibiting the emergence of negative beliefs. If a potentially damaging brand attribute is present, a lack of fit accentuates its effect. If this attribute is neutralized, however, fit is less an issue in the sense that the consumer is less likely to base evaluations on a perceived lack of fit.

The second analysis compared regression coefficients for the no-cue groups (1 and 3) and the cue groups (2 and 4). The standardized beta is not significantly higher for QUALITY in the cue groups, nor are the betas significantly different for the other variables ( $p > .20$ ). Combined with the ANOVA results, the lack of a cue effect suggests that favorable quality perceptions must have been salient to no-cue subjects. This favorable image, however, could not offset the fact that the relationship with the original brand's product class cued undesirable associations such as toothpaste taste, greasy food, beer taste, or shampoo scent in the extension context. Thus, in this research setting, a more effective introductory strategy for the brand extension is to protect it from negative associations, rather than attempting to reinforce positive associations about the original brand.

## Summary of Main Findings

Our studies not only shed light on how consumers evaluate brand extensions, but also are relevant to the broader research objective of understanding how brand names and brand associations are used by consumers in their purchase decisions. The findings are based on a limited set of brands and hence generalization beyond that set should be made with caution. Further, as study 1 provides only correlational data, the strength of its implications is limited. With these qualifying statements in mind, we offer the following five ob-

servations about consumer evaluations of brand extensions based on the research findings from the two studies.

1. Inferred attribute beliefs both enhanced and harmed the evaluations of a brand extension. For example, the qualitative associations suggest that the Crest taste was an asset for a mouthwash extension but a liability for a gum extension. Inferred beliefs associated with unfavorably evaluated extensions often were for concrete product class attributes, such as the taste of toothpaste or beer. Inferred beliefs associated with favorably evaluated extensions often were for abstract brand attributes, such as style.
2. Subjects' perceptions of the quality of the original brand, QUALITY, and the relationship or "fit" between the original and extension product classes had an interactive effect on evaluation of an extension. The relationship of a positive quality image for the original brand with the evaluation of a brand extension was strong only when there was a basis of fit between the two product classes.
3. The three dimensions of fit between the original and extension product classes were the perceived applicability of the skills and assets of a competent manufacturer in the original product class for making the product extension (TRANSFER), the perceived product class complementarity (COMPLEMENT), and the perceived product class substitutability (SUBSTITUTE). The COMPLEMENT and SUBSTITUTE fit measures interacted with the perceived quality of the original brand to predict brand extension evaluations, but TRANSFER had primarily a direct impact on the evaluations. Overall, TRANSFER and COMPLEMENT were more important as predictors than SUBSTITUTE, and there was evidence of a negative interaction between those two fit variables. Thus, a fit on either TRANSFER or COMPLEMENT may be adequate; a good fit on both is not necessary.
4. Subjects' perceptions of the difficulty of making the extension (DIFFICULT) had a positive relationship with evaluations of an extension, supporting the hypothesis that an extremely easy-to-make extension, on average, is less likely to be accepted. Consumers may attribute the act of placing a quality brand into what is viewed as a trivially easy-to-make product class as a blatant effort to capitalize on a brand name image to command higher than justified prices or they may feel it is incongruous to introduce a quality brand name in a trivial product class.

5. In study 2, cueing subjects about positive qualities of the original brand did not affect evaluations for extensions that had low evaluations in study 1. Providing a brief elaboration of an extension attribute about which subjects may have been uncertain and which had the potential to damage the extension, however, led to more favorable extension evaluations. Because generally well-known and well-liked brands were used, reminders of quality evidently were unnecessary. The elaboration, by clarifying the nature of an important attribute, appeared to be effective in inhibiting the transfer of negative associations. It also appeared to reduce the salience of perceived credibility of a firm in the original product class in making the extension.

## **Implications and Future Research Directions**

### ***Predicting Attribute Transfer to Extensions***

What types of brand attributes and contexts will result in the “export” of an attribute to an extension? The distinction between concrete attributes, those defined by physical, tangible product characteristics, and abstract attributes, those involving intangible product perceptions (e.g., Johnson and Fornell 1987; Myers and Shocker 1981; Olson and Reynolds 1983; Zeithaml 1988), may be helpful. One could hypothesize that an abstract attribute, such as style associated with Vuarnet, might be transferred to a broader set of product classes than concrete attributes, which usually are associated with specific product classes.

### ***The Process Generating the Fit and Attitude Judgments***

Does a perception of poor fit between two product classes contribute to the transfer of negative attributes to the extension or low extension evaluations, or does the presence of a negative evaluation or negative association inferred about the extension lead to a perception of poor fit? What is the critical problem for an extension, the perception of poor fit or the association with a negative attribute? Understanding the mediating role of fit is an important research priority.

### ***Dimensions of Fit***

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. For example, for abstract attributes, complementarity may have a more important role in fit judgments (e.g., as with Vuarnet). For concrete attributes, however, substitutability and manufacturing credibility may be the more relevant fit measures. Other fit conceptualizations also may warrant exploration, for example, shared attributes or features such as in the contrast model (Johnson 1986; Tversky 1977; Tversky and Gati 1982).

### ***Extending a Brand to a Relatively Trivial Product Class***

Our findings suggest that consumers may not always accept the extension of a high quality brand to a product class that is by comparison trivial or very easy to make, even if fit is good. We advanced two hypotheses: (1) the extension is perceived to be priced too high and (2) the combination of a high quality brand with an easy-to-make product is considered incongruent or exploitative. Future research could productively explore the conditions under which each hypothesis might hold.

### ***Positioning Strategies for Extensions***

In study 2, elaborating attributes of extensions is found to be a more effective way to neutralize undesirable brand associations than using original brand quality cues. In addition to replicating and testing this finding, future research should explore other strategies. Can any other cues possibly enhance extension evaluations? For example, perhaps fit perceptions can be influenced by references to manufacturing capability or complementarity. Can cases be found and studied in which such positioning strategies affected the success of the extension?

### ***Prototypicality of the Brand***

Will a brand that is considered prototypical (a good example) of a product class be particularly difficult to extend because of its strong product class association? Tauber (1981) discusses the risk of extending brand names such as Kleenex, Scotch tape, or Band-Aid that are closely associated with a product. However, an association between brand prototypicality and perceived quality was observed in our study and others (e.g., Nedungadi and Hutchinson 1985; Ward and Loken 1988). In study 1, a measure of prototypicality (how good an example of the product category is the brand, on a 7-point scale?) had a correlation of .34 with perceived quality (QUALITY).

### ***Branding Strategies Across Multiple Product Classes***

Research is needed that explores more complex branding strategies. How will consumers respond to extensions of brands already associated with multiple product classes, such as Heinz or General Electric? How do various combinations of product class associations affect brand associations? When does an umbrella brand strategy rather than distinct brand names make sense?

### ***The Role of Involvement in Extending Brands***

What is the effect of involvement on brand extensions? When the motivation or ability to process in-

formation is low, consumers might be expected to rely on perceived brand quality and brand familiarity as a peripheral cue in their brand evaluations (Baker et al. 1986; Petty and Cacioppo 1986). However, high involvement contexts may involve higher risk and thus consumers may need the reassurance of an established brand name. MacKenzie and Lutz' (1989) model of the antecedents of and relationship between attitude toward the ad ( $A_{Ad}$ ) and attitude toward the brand ( $A_B$ ) may have some theoretical relevance to understanding this issue.

### **Reciprocal Impact of Brand Extension**

A critically important strategic issue is the impact of the extension on the original brand. It can be positive. For example, promotions for Sunkist extensions were thought to have enhanced both name recognition and associations with good health and vitality (Kesler 1987).

An extension may, however, cannibalize the sales of the original brand or damage its image by creating new associations or by confusing the current ones (Ries and Trout 1981). For example, Miller Lite may have damaged Miller High Life because of the light beer associations (Tauber 1981).

This reciprocal impact is especially important in vertical extensions in which an upscale or downscale version of the brand is introduced. Several questions arise. What impact will downscale extensions have on the original brand? Can positive effects be stimulated or negative effects be minimized? Conversely, what impact will an upscale extension have on the original brand? How readily will consumers accept such an extension? Park, Jaworski, and MacInnis (1986) provide a framework for managing brand image over time that may be useful in addressing these questions.

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