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Ownership effects in consumers' brand extension evaluations

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Abstract A two levels of product similarity times two levels of brand image consistency times three levels of ownerships factorial experiment was designed to explore the ownership effects when consumers evaluate brand extensions and judge parent brand after receiving brand extension information. Evidence shows that ownership effects do exist in both extension and parent brand evaluations. Brand image consistency is the most influential factor for parent brand owners while product similarity is more important factor for non-users in attitude formation towards the extension. The owners of competitive brands favor low image consistency extension more than high image consistency extension. Furthermore, there is an interaction effect between brand image consistency and product similarity for brand owners, whereas this effect is non-existent for non-owners and non-users. This again shows that brand owners care much more about brand image consistency than other consumer groups do. In evaluating a parent brand, owners and non-owners differ. The authors draw the conclusion that consumers' brand extension evaluation is more like a "benefit oriented" process rather than a "pure affect transfer" process.

Keywords brand extension, prestige brand, ownership effects, variance analysis

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1 Introduction

Brand extension is a strategy of using an established or well-known brand name to introduce a completely different product class (Aaker and Keller, 1990). When a firm decides to roll out new products by leveraging its current brand, it needs to answer at least two questions: First, how would consumers perceive the extensions? In other words, can consumers accept the particular extension? Will they evaluate the extension positively or negatively? Second, what effects will the brand extension have on the parent brand or the original product? Take “Maotai”, a well-known Chinese liquor brand, as an example, if it is extended to products like beer or wine, the firm not only concerns whether these extensions are to be accepted by consumers, but also worries what impacts they will exhibit on Maotai’s prestigious brand image.

Since 1990s, a multitude of research has been carried out in the field of brand extension, and much has been achieved. The major finding is that consumers’ evaluations of a brand extension depend on the brand affect, while the transfer of brand affects is to a great extent dependent on the fit between extension and the parent brand or original products (Aaker and Keller, 1990; Broniarczyk et al., 1994). If the fit is high, favorable feeling and attitudes towards the parent brand could be transferred to the extension; if the fit is low, the transfer is inhibited. There are many fit or similarity concepts: feature based similarity, usage based similarity, brand schema and concept consistency, and goal-based similarity (Martin et al., 2001). The use of different fit concepts and their according measures may partly contribute to some of the contradictory results in the literature. In a nutshell, fit becomes core variable in determining how consumers evaluate brand extension. In addition, existent researches explored the mechanism of consumer’s “affect transfer” process, that is how consumers’ affects and attitudes of parent brand can be easily transferred to extension products, and which factors can moderate this “affect flow” (Dawar and Niraj, 1996; Maoz and Tybout, 2002).

On the other hand, some researchers explored the reciprocal effects of extensions on the parent brand (Milberg et al., 1997; Gurhan-Canli and Maheswaran, 1998). Initially, researchers used simple experimental methods to identify differences of evaluation towards parent brand between experimental group the members of which were exposed to extension information and the control group the members of which were not. No evidence was found that negative information about extensions diluted the parent brand (Keller and Aaker, 1992; Romeo, 1991). Subsequent researches explored the feedback effects of extension on the specific beliefs of parent brand rather than on its overall evaluation. It was found that dilution effects did occur when brand extension attributes are inconsistent with the parent brand beliefs. However, dilution effects

are less likely to emerge when consumers perceive the brand extension as “atypical” of the parent brand (Loken and Boedder, 1993; Milberg et al., 1997).

From the literature, we found that most of existent brand extension researches attempt to find a general model applicable to “most of consumers”. Intuitively, consumers are heterogeneous and they may differ in evaluating brand extensions. For example, Zhang and Sood (2002) found that relative to adults, teens evaluate brand extensions by relying more on surface cues and less on deep cues while Monga and John (2004) provided evidence of cultural differences in brand extension evaluation.

In this paper, we explore the influence of another neglected aspect of consumer heterogeneity—ownership effects on evaluation of brand extensions. Specifically, we address the following two questions: (1) whether there is difference between brand owners and non-owners in judging the extension products? For example, consumers who frequently drink Maotai distilled spirit may be more loyal to the brand and do not like to see Maotai to be extended to such products as wine or beer, while those who never drink Maotai or cannot afford it have a desire to try those Maotai extensions. (2) whether ownership status moderates the feedback effect of extension on the parent brand? Again taking Maotai as an example, frequent or heavy drinkers of Maotai will value the image of the brand more, and they will view extensions as harmful to the consistency of Maotai's image. Therefore, they may not only be more resistant to the extensions but also more likely to evaluate the parent brand unfavorably if the extensions are regarded as inconsistency with the image of parent brand.

To answer the two questions mentioned above, we divide consumers into three groups (parent brand owners, rival brand owners and non-owners) and examine whether each group differs in evaluating brand extensions. And further, we will investigate whether there are moderating effects of ownership statuses on feed-back influences of brand extensions on the parent brand.

2 Hypotheses

2.1 Ownership

Brand's owners are likely to differ from non-owners in evaluating the brand extensions. The direct reason is that ownership itself can result in greater familiarity, knowledge, liking and involvement with the brand. Researchers have found that familiarity, liking, knowledge, and involvement affect consumers' evaluations toward extensions directly or indirectly. Another possible reason is that owners and non-owners pursue different benefits from the original and the extension products. For instance, the frequent users of Maotai distilled spirit

concern more about the reputation and exclusivity of the brand, while consumers who have never drunk Maotai distilled spirit are likely to have more expectation toward the relatively cheaper Maotai extensions.

To examine the ownership effect in consumer responses to brand line stretches, Kirmani et al. (1999) found that the ownership effect occurs for upward and downward stretches of non-prestige brands and for upward stretches of prestige brands. In other words, when a prestige brand stretches upward, owners will have more favorable responses than non-owners to the brand extensions. However, for downward stretches of prestige brands, non-owners will have more favorable responses than owners. Although Kirmani et al. only discussed the impact of ownership status on the brand line stretches, not on the brand extensions, their research is of great significance for the research on brand extension.

2.2 The interaction effect of ownership and association

As stated before, the association between the extension and original products or parent brand is thought to be the determinant factor of consumers' evaluation to extensions. Some scholars limit the association within the physical or functional similarity between two product classes (Aaker and Keller, 1990; Boush et al., 1991; Zhang and Sood, 2002). For example, Aaker and Keller measured the similarity with three dimensions: substitute, complement and transferability. Ratneshwar and Shocker (1991) define similarity as "usage context similarity". With the deepening of the research, more and more researchers recognized that association includes not only the physical or functional similarity, but also the conceptual and image consistency or congruency (Park et al., 1991), and even consumer goal congruency as well (Martin et al., 2001).

2.2.1 Product category similarity

Product category similarity refers to the similarity between the two product categories in attributes, functions, usefulness and manufacture technology. It was thought to have critical effect on consumer's perception of the "fit" between brand and extensions. Many studies demonstrated a positive correlation of extension evaluation, extension purchase intention and product category similarity (Farquhar et al., 1990; Chakravarit et al., 1990). The theoretical base of this positive correlation is the theory of social cognition, which thinks that consumers are more likely to transfer their brand affect to extensions when extensions are similar to the original product. We argue that the positive correlation of extension evaluation, extension purchase intention and product category similarity exists for owners, non-owners and non-users.

Hypothesis 1: the evaluation toward brand extensions is influenced by product similarity for all the three groups—parent brand owners (owners for short), rival brand owners (non-owners for short) and consumers who never used the original product (non-users for short). The greater similarity between the extension and the original products, the more favorable the consumers' attitudes to the extension for all the three groups are, and vice versa.

2.2.2 The consistency of product image and concept

When an established brand is extended to a new product category, to what extent the consumers' affect toward parent brand will be transferred to the extensions lies not only on the product category similarity, but also on the congruency between the association of extensions and the parent brand's image. Park et al., (1991) found that no matter how similar are the products functions, consumers react favorably to the extensions with high brand concept consistency than to the extensions with low brand concept consistency. Furthermore, brand concept consistency is more important for the extendibility of prestige brands than for the extendibility of functional brands. For example, when Rolex is to be extended to certain products, the concept consistency of the extension's image with Rolex's privilege image must be considered. However, for brands such as Timex and Seiko, the consideration of image consistency is not so important, at least to some extent. The research of Broniarczyk et al. (1994) demonstrated that brand-specific associations can dominate the effect of product category similarity and make the seemingly "far" category extensions more successful. That is, for one "far" extension and one "near" extension of a brand, consumers will evaluate the far extension more favorable than the near one if the brand-specific association is sought in the "far" extended category.

All these researches have showed that brand concept consistency is critical in determining an extension's success, especially for prestige brands. We argue that, the effect of concept consistency will differ among the three groups. Specifically, a brand's owners concern more about extensions' concept consistency than non-owners and non-users, because any dilution of parent image will impair owners' interests and shake the foundation of their prior brand choice. Non-owners might recognize the importance of image consistency, but as they have chosen rival brands, the image inconsistency of extensions may be not their main concerns. In contrast, because damages to rival brand's image might enhance the relative value of their chosen brands, non-owners are likely to respond positively to extensions of low image consistency. Because non-users have less experience and knowledge of parent brand, they are more likely to evaluate extensions dependent on product category similarity rather than on image consistency.

Hypothesis 2: the image consistency will affect consumer's evaluation to brand extensions, and ownership status moderates this effect. That is, image consistency and ownership have interaction effect. More specifically, for owners of parent brand, inconsistency between extension concept and image of parent brand will bring less favorable extension evaluation; for non-owners or non-users, image inconsistency will have no impacts on their extension evaluations.

Hypothesis 3: functional similarity and image consistency have interaction effect. When image consistency is low, it is difficult to markedly improve extension evaluations by improving functional similarity; when image consistency is high, improving functional similarity may markedly enhance extension evaluations.

Hypothesis 4: the interaction effect of functional similarity and image consistency is moderated by ownership status. We expect that this moderation effect is more likely to happen on owners than on non-users or non-owners.

2.3 Ownership and the "reciprocal impact" of brand extensions

It has been found that brand extensions may have negative impact on the parent brand image (Loken and Roedder, 1993; Milberg et al., 1997), successful extensions may promote parent brand choice while unsuccessful extensions may inhibit parent brand choice (Swaminathan et al., 2001). High fit extensions help consumers to process information about parent brand, especially among non-dominant brands (Morrin, 1999). We argue that, the potential impact of extensions on parent brand, either positive or negative, will be moderated by ownership status.

Owners of parent brand have formed strong affect and core beliefs toward the parent brand. When confronted with extension information inconsistent with those beliefs, the reciprocal impact differed according to the strength of the core belief and the extent of information inconsistency. When the core belief is very strong, consistent and inconsistent extensions will not affect parent brand evaluation markedly. However, when the core belief is not so strong, consistent extensions will improve attitude toward the parent brand while inconsistent extensions will impair attitude toward the parent brand.

Non-owners of a parent brand do not have as strong an affection toward the brand as owners have, nor are they concerned about it that much. When a specific attribute of the parent brand is referred, some other brands instead of the parent brand will be retrieved by non-owners, thus the evaluations made by non-owners to the parent brand will be relatively lower than those made by owners. At the same time, non-owners are likely to evaluate the parent brand from those aspects such as objective product attributes, reference group experiences, and the neutral or even the negative information not noticed by owners. Therefore the extension

information has relatively minor effect to parent brand evaluation on non-owners. We expect that for non-owners, neither the image consistency nor the functional similarity between the extension and the parent brand will affect parent brand evaluation significantly.

As for non-users of a product, they are more likely to evaluate the parent brand according to both the integral impression of the brand formed in the past and the current extension information. Because they have no direct consuming experiences about the product category and have only limited knowledge about the parent brand and the rival brand, the extension information will produce greater impact on their evaluation of the parent brand. Consistent extensions will improve their parent brand evaluations while inconsistent extensions will impair their parent brand evaluations. To summarize the above aspects, we make the hypothesis below:

Hypothesis 5: the impact of extensions on parent brand will differ according to ownership status. For owners of the parent brand, extension consistency will produce positive or negative impact on brand evaluation only when the brand affect and the brand belief are at the middle level. For non-owners, neither the image consistency nor the functional similarity between extension and parent brand will affect parent brand evaluation significantly. For non-users, the image consistency or the functional similarity will affect parent brand evaluation significantly.

3 Methods and procedure

To test our hypotheses, we design a $2 \times 2 \times 3$ between-subject experiment, the three independent variables are (1) product similarity, which is the similarity of function, usage, manufacture technology between the extension and the original products. It has two levels of high and low; (2) image consistency, which is the congruency between extension associations and the parent brand image. It has two levels of high and low; (3) ownership status, which has three levels—owners of the parent brand, non-owners of the parent brand (owners of rival brand), and non-users of the product category of the parent brand.

We chose Audi as the parent brand, and extended it to two product categories and one category is more similar to car than the other. In order to select the proper extensions and to find out people's opinion toward Audi, we conducted a pretest. Twenty-seven MBA students of a university were surveyed. They are asked to evaluate the product similarity and manufacture technology relevancy of sport utility vehicle (SUV), brief case, bicycle, motorcycle, watch and car on a seven-point scale. Among the 27 respondents, there are 22 male and five female subjects (account for 81.5% and 18.5% of the total subjects), 17 car-users and ten

non-users. Most subjects portrayed Audi as a car brand of top grade, high quality, associated with status and power. Sport utility vehicle got the highest score on functional similarity (5.3), motorcycle got the second (3.2), and the other product categories were lower than three. On technology relevancy, SUV (6.3) and motorcycle (4.7) kept ahead while other product categories were lower than three. Paired T test showed that SUV and motorcycle were significantly different in functional similarity and technology relevancy from car ($P < 0.01$). Therefore, we chose Audi as the parent brand, SUV as the extension of high functional similarity, and motorcycle as the extension of low functional similarity.

3.1 Manipulation of image consistency between extension and parent brand

We know Audi has an image of high grade among most of the consumers. When Audi brand is extended to products of low price, consumers will perceive image inconsistency. In the formal questionnaire, we chose different price levels—SUV priced 450,000 RMB and 200,000 RMB, motorcycle priced 20,000 RMB and 3,000 RMB—to represent the two image consistency levels.

3.2 Measure of dependent variables

We examined extension evaluation on five-point scales from two aspects: one was the attitude toward the extension; the other was the intention to buy the extension. We measured attitude from two dimensions—liking and attractiveness (for instance, 5 = very like, 1 = very dislike). We measured purchase intention from three dimensions—purchase likelihood, suitability for myself, and recommendation to other persons. We examined parent brand evaluation on five-point scales from only one aspect—attitude toward the parent brand after extensions, also from dimensions of liking and attraction.

3.3 Design of formal questionnaires

There were totally five types of questionnaires: (1) extension of high image consistency and high functional similarity; (2) extension of high image consistency and low functional similarity; (3) extension of low image consistency and high functional similarity; (4) extension of low image consistency and low functional similarity; (5) parent brand rating with no extension information (control group). In the first four types of questionnaires, subjects are asked to evaluate extensions after the extension exposure, and then to evaluate the parent brand. The fifth type was the control questionnaire, which asked subjects to rate the Audi brand without being exposed to extension information.

Taking the first questionnaire for example, we asked subjects to write down free-associations about Audi, and to rate their familiarity with Audi car (1 = not

familiar with at all, 7 = very familiar with). Then, we expose subjects to the brand extension information written on the questionnaire: "Audi are going to introduce a new pattern of SUV at a price of 450,000 RMB, and related technical parameters have not publicized. Below are some descriptions, please choose the items that reflect your opinion best." Next, subjects were asked to indicate their liking and purchase intention toward the extension, to provide their opinions of Audi cars in general, and to judge the functional similarity and manufacture technology relevancy between car and SUV. At last, subjects were asked to provide individual information such as gender, age, marriage status, education, income, and car ownership status.

3.4 Data collection and analysis

Two graduate students collected the questionnaires of Audi owners in an Audi car repair center, and the five types of questionnaires were randomly given out to Audi owners. Surveys were ceased for official used Audi car drivers to ensure that all the surveyed subjects were private Audi owners. Non-owners and non-users were from MBA and EDP students of a university, and the five types of questionnaires were randomly given out at a class to eliminate the error of student constitution difference. A hundred and fifty questionnaires were returned covering three groups—Audi owners, non-owners and car non-users, with 30 valid for each group.

For the subjects, average ages of Audi owners, non-owners and non-users were 38.1, 34.3 and 30.5; 80.7% of Audi owners, 67.7% of non-owners and 69.3% of non-users were male; 87% of Audi owners, 79% of non-owners and 50% of non-users were married; 81% of Audi owners, 96% of non-owners and 95% of non-users had educational level higher than junior college; we checked the manipulation of high and low functional similarity of extension and found that all the three groups rated the similarity of SUV with car much higher than the similarity of motorcycle with car ($P < 0.01$) as expected. The similarity differences were significant, so our experiment manipulation was successful.

To test our hypotheses, we use a two-phase analysis of variance (ANOVA) to analyze the data. The first phase tested H 1 to H 4, in which the independent variables were functional similarity, image consistency and ownership status, and the dependent variables were attitude toward extension and purchase intention for extension. We averaged the scores of extension liking and extension attraction to get the attitude score because the correlation coefficient of these two dimensions was high (0.71). We averaged the scores of purchase probability, suitable for myself, and recommend to other persons to get the purchase intention score, and the correlation coefficients of them were 0.58, 0.60 and 0.62. The second phase tested H 5, which was the hypothesis about the reciprocal impact of extension on

parent brand. The independent variables were the same as those in the first phase, and the dependent variables only included the attitude toward parent brand. To test whether there is difference in reciprocal impact between experimental group and control group, we use one-way ANOVA to analyze how the same consumer group evaluate parent brand on different experiment conditions.

4 Results

Table 1 shows means and standard deviations of attitude toward extensions of three groups: Audi owners, non-owners and non-users; Table 2 shows means and standard deviations of purchase intention for extension; Table 3 shows means and standard deviations of attitude toward the parent brand of the three groups after being exposed to extension information. Fig. 1, Fig. 2 and Fig. 3 show owner's, non-owners' and non-users' attitudes towards extensions separately under different conditions. Below we will report our results in details.

Table 1 Attitude toward extensions of different groups (means and standard deviations)

	Audi owners		Non-owners		Non-users	
	High functional similarity	Low functional similarity	High functional similarity	Low functional similarity	High functional similarity	Low functional similarity
High image consistency	4.18 (0.79)	3.22 (1.22)	3.42 (1.11)	2.80 (0.73)	3.68 (1.28)	2.83 (0.70)
Low image consistency	2.98 (1.11)	2.98 (1.48)	3.73 (0.81)	3.03 (0.93)	3.25 (0.99)	2.98 (0.95)

Table 2 Purchase intention for extensions of different groups (means and standard deviations)

	Audi owners		Non-owners		Non-users	
	High functional similarity	Low functional similarity	High functional similarity	Low functional similarity	High functional similarity	Low functional similarity
High image consistency	3.81 (0.95)	3.10 (1.39)	2.69 (0.98)	2.48 (0.88)	2.94 (1.13)	2.33 (0.82)
Low image consistency	2.98 (1.12)	2.88 (1.41)	3.32 (0.84)	2.83 (0.90)	2.83 (0.97)	2.53 (0.85)

Table 3 Attitude toward the parent brand of different groups after exposure to extension information (means and standard deviations)

	Audi owners		Non-owners		Non-users	
	High functional similarity	Low functional similarity	High functional similarity	Low functional similarity	High functional similarity	Low functional similarity
High image consistency	4.67 (0.44)	4.33 (0.71)	3.90 (0.98)	3.90 (0.87)	4.28 (0.75)	3.93 (0.80)
Low image consistency	4.58 (0.59)	4.33 (0.86)	4.03 (1.04)	4.18 (0.59)	3.75 (1.03)	3.77 (1.12)
Control group	4.45 (0.66)		3.58 (1.08)		3.77 (0.81)	

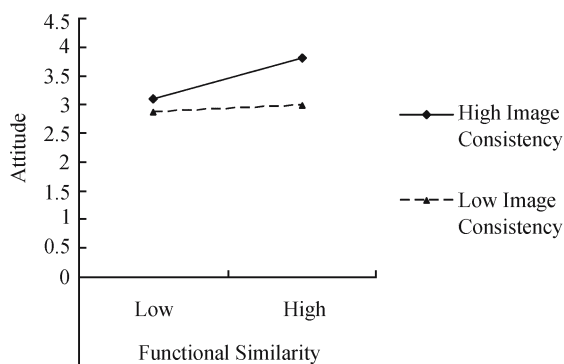


Fig. 1 Attitude toward extensions for owners

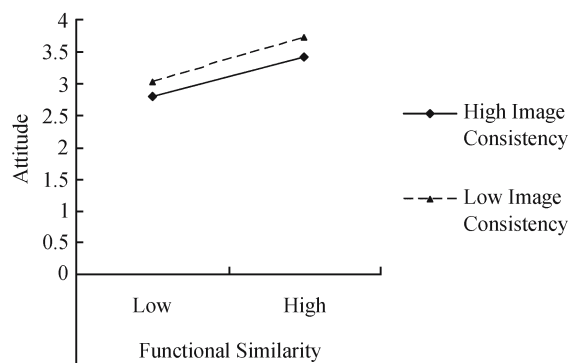


Fig. 2 Attitudes toward extensions for non-owners

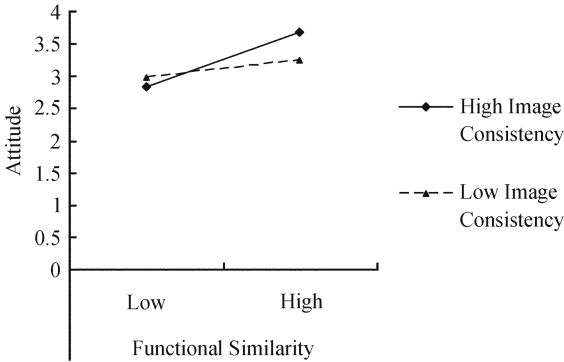


Fig. 3 Attitude toward extensions for non-users

4.1 The effect of functional similarity, image consistency and ownership status on extension evaluation

Hypothesis 1 predicts that functional similarity influences consumers' extension evaluations positively, that is, holding the other factors constant, extensions with higher functional similarity with the original products will be rated higher by consumers for all the three groups, with no significant difference among the Audi owners, non-owners and non-users. An ANOVA on attitude for all the subjects revealed significant main effect of functional similarity ($F = 26.7, p < 0.01$); the separate F value (4.9, 15.6 and 9.9) for each of the three groups was significant ($p < 0.05$). $H1$ was supported. An ANOVA on purchase intention suggested similar results: main effect of functional similarity was significant for all the subjects ($F = 13.1, p < 0.01$) and for each of the three groups ($F = 4.9, 15.6$ and $9.9, p < 0.05$).

Hypothesis 2 predicts that image consistency affects consumer's evaluation to brand extensions and that ownership status moderates this effect. An ANOVA on attitude for all the subjects found no significant main effect of image consistency, but revealed significant interaction effect of image consistency and ownership ($F = 6.9, p = 0.001$); to examine the three groups separately, image consistency was significant only for Audi owners ($F = 4.9, p = 0.03$), and not significant for non-owners ($F = 2.9, p = 0.09$) and non-users ($F = 0.3, p = 0.56$). $H 2.1$ and $H 2.2$ were supported; $H 2.3$ was weakly supported for attitude. An ANOVA on purchase intention suggested similar results: main effect of image consistency was insignificant while interaction effect of image consistency and ownership for all the subjects was significant ($F = 7.1, p = 0.01$); to examine the three groups separately, image consistency was significant for Audi owners ($F = 5.1, p = 0.03$) and non-owners ($F = 10.0, p = 0.002$) but not significant for non-users ($F = 0.2, p = 0.61$). $H 2.1, H 2.2$ and $H 2.3$ were all supported for purchase intention.

Hypothesis 3 predicts that there is interaction effect of functional similarity and image consistency, and this interaction effect is moderated by ownership status. An ANOVA on attitude for all the subjects revealed significant interaction effect of functional similarity and image consistency ($F = 4.4, p < 0.04$). It was difficult to improve extension evaluation through improving functional similarity when image consistency was low. When image consistency was high, improvement of extension evaluation can be achieved by improving functional similarity. To examine the three groups separately, the interaction effect of functional similarity and image consistency was significant only for Audi owners ($F = 4.9, p = 0.03$), and not significant for non-owners or non-users. The result showed that compared with non-owners and non-users, Audi owners would concern more about the image consistency between extensions and parent brand. However, ANOVA on purchase intention found no significant interaction effect of functional similarity and image consistency either on the whole subjects or the separate group. Therefore, $H3$ and $H4$ were supported only for extension attitude, not for purchase intention.

4.2 The difference of extension reciprocal impact on parent brand among owners and non-owners

Table 3 shows evaluations of Audi owners, non-owners and non-users after being exposed to extension information. Fig. 4, Fig. 5 and Fig. 6 describe the results graphically. An ANOVA on attitude toward parent brand for all the subjects revealed significant main effect of ownership ($F = 7.8, p < 0.01$) and interaction effect of image consistency and ownership ($F = 3.3, p = 0.04$). Other effects were not significant. Further analysis found that, Audi owners evaluate the parent brand much higher than the other two groups. The means of attitude scores of Audi owners, non-owners and non-users (4.5, 4.0 and 3.9) were significantly different, while the difference between non-owners and non-users (4.0 and 3.9) were insignificant ($F = 0.4, p = 0.55$).

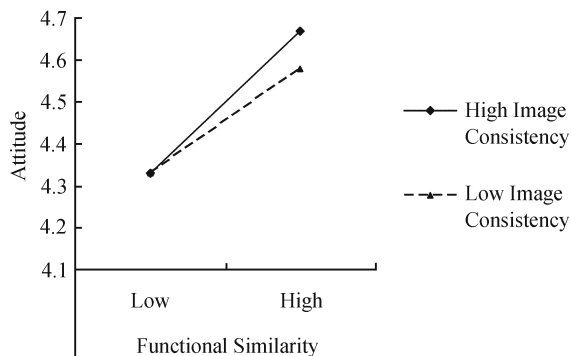


Fig. 4 Attitude toward parent brand for owners

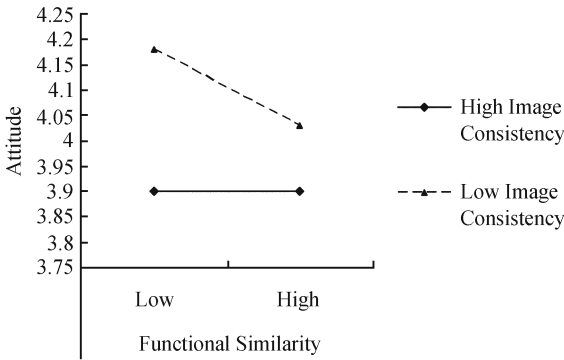


Fig. 5 Attitude toward parent brand for non-owners

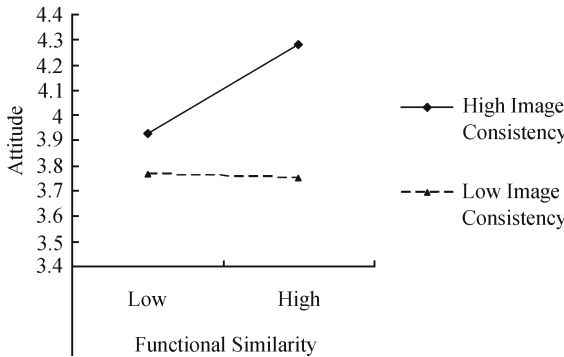


Fig. 6 Attitude toward parent brand for non-users

To examine the three groups separately: for the Audi owners, only the main effect of functional similarity was significant ($F = 5.4, p = 0.02$), which showed that the functional similarity of extensions directly influenced evaluations toward the parent brand for owners. For non-owners, no significant effect was found. For non-users, the main effect of image consistency was found ($F = 3.7, p = 0.04$), which showed that the image consistency of extensions influenced non-users' evaluations toward the parent brand. H_5 was supported in general.

At last, we conducted F test for the difference between the experimental groups and the control group on parent brand evaluations under different experimental conditions among the three groups, and found no significant difference. This result supported the research of Keller and Aaker (1992) that consumers would not change their evaluation toward the parent brand very much when the rating was measured in the integral attitude level.

5 Conclusions

We examined how the owners, non-owners and non-users evaluated extensions and parent brand under different experimental conditions by extending Audi, the upgrade car brand deemed by Chinese consumers, to SUV and motorcycle. It was the first time that the ownership effect on extension evaluation and its causes were discussed systematically. We can draw conclusions below:

1) Functional similarity and image consistency will influence consumers' acceptance to brand extensions, but they influence different groups in different ways. Specifically, for the brand owners, image consistency is more important than functional similarity when evaluating extensions, and improving functional similarity may not improve extension evaluation when image consistency is low. For non-users of the original product category, their acceptance to the extension is mainly determined by functional similarity. For non-owners of the parent brand (owners of rival brand), both functional similarity and image consistency are considered when evaluating extensions, but the image inconsistency is likely to increase their liking for extensions rather than to reduce their liking. One of the possible explanations is that, upgrade brand's popular extensions may weaken or dilute the "image value" of the parent brand, and thus exalt its brand value and win approval to its extensions.

2) The interaction effect of functional similarity and image consistency exists only in owners of the parent brand and not in the other groups. This demonstrates that owners are concerned more about image consistency between extensions and parent brand than the other groups. Because owners might have more associations (or stronger associations) about the brand and the extension than non-owners, there may be more extension opportunities to be utilized for the owners. However, on the other hand, extensions with no image consistency or functional similarity may meet with more risk in the group of owners.

3) Consistent with prior research results, when we examined whether extension information influenced consumers' evaluation toward parent brand, the comparison between the experimental group and the control group revealed no dilution or promotion effect among all the three groups. This may be inevitably resulted by our measurement of the attitude for we have measured the integral attitude toward the parent brand. If we have used consumers' belief or information process as indices to measure the cognition change before and after extensions, the result may be different from what we have now.

4) Although we did not find direct evidence of the extension dilutions on parent brand, we did find that, after being exposed to extension information, different groups rated the parent brand differently, and the difference was significant. For owners of the parent brand, the parent brand evaluation is positively related to the

functional similarity: the more similar it was between extensions and parent brand, the higher the owners rated the parent brand. For non-owners, there's no significant correlation between functional similarity or image consistency and parent brand evaluations. For non-users, the parent brand evaluation is positively related to the image consistency. One of the main reasons for these differences is that different groups relies on the extension information in rating parent brand differently: the owners and users of the original product category have more product experiences and have relevant information and knowledge about the product quality and performance of various brands, so they rely less on extension information. The impact of extension information on parent brand evaluation is relatively smaller for them, especially for the non-owners; but for non-users, they rely more on brand image and extension information to rate the parent brand. The interesting phenomena of parent brand owners relying on extension information to rate the parent brand just as the non-users may because in the car field, owners have much expectation for introduction of new complementary and substitute products, and if car manufacturers really satisfy these expectations, their consumers will favor the parent brand much more. This is just a kind of guesswork, the mechanism beneath need to be study further.

It should be pointed out that when evaluating extensions and parent brand, the owners and non-owners use different criteria. For example, non-users of car evaluate extensions mainly according to functional similarity; but when they evaluate the parent brand after being exposed to extension information, they rely on the information of image consistency. Similarly, non-owners are more likely to accept extensions with low image consistency, and neither the functional similarity nor the image consistency affects their evaluation toward the parent brand. It seems that consumers' extension evaluations and parent brand evaluations are more related with "benefit drive" than with "affection transfer". Therefore the extant "affection transfer" theory may need amendment, or at least need to take some related benefit factors into account.

The main contribution of this research is that it explored extension evaluation differences among owners, non-owners and non-users, identified the existence and representations of ownership effect in the field of extension evaluation, and thus offered an comprehensive analysis basis for enterprises to evaluate the impact of certain extension strategy on different consumer groups and finally to weigh the "net" effect of those extensions. At the same time, this research provides evidence that questions the extant theory of seeing the extension evaluation as a pure "affect transfer" process. The evidence supports the brand extension investigations from the "benefit driven" point of view.

This research also has limitations. First, we manipulated the image consistency through the level of price. There may be other manipulation methods that can better reflect consumers' cognition toward the image relation between extensions

and parent brand. Second, as stated before, more evidence might have been found about the impact of extensions on parent brand if we had used the core belief of parent brand or other cognition indices instead of the overall attitude as measurement of consumers' evaluation toward parent brand. Third, the consumer group that has more immediate and direct significance for enterprises is those that had considered the parent brand but finally chose the rival brand. It is worthwhile to discuss whether extensions will influence their brand choice when extensions are introduced. Forth, another issue for further research is whether there are differences in extension evaluation between consumers who have and who have no purchase experiences in the extension category under various experiment conditions.

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