

**CAN YOU RESONATE WITH PROTOTYPICAL
BRAND EXTENSIONS?**

Michael Baird¹

School of Marketing, Curtin Business School
Curtin University of Technology

2009013

Editor:

**Associate Professor Ian Phau
School of Marketing**

**MARKETING
INSIGHTS
Working Paper Series
School of Marketing**

ISSN 1448 – 9716

¹Corresponding author:

Michael Baird
School of Marketing, Curtin Business School
Curtin University of Technology
GPO BOX U1987
Perth, WA 6845
Australia
Tel (+61 8) 9266 4348
Fax (+61 8) 9266 3937
Email: Michael.baird@cbs.curtin.edu.au

CAN YOU RESONATE WITH PROTOTYPICAL BRAND EXTENSIONS?

ABSTRACT

Brand prototypicality is an area that has had limited research in the past. With brand extensions becoming more and more relevant in the market, it is important to know how prototypical brands can extend their brand. Further, there is a lack of research that examines brand resonance, specifically in regards to prototypicality. This study replicates and expands upon previous research methodologies (Gürhan-Canli & Maheswaran 1998; Matthiesen & Phau 2005). Using an experimental study, a 3 (congruency) x 2 (typicality) x 2 (motivation) x 2 (brand type) factorial design was developed. Preliminary research chose a brand category of watches, with four real brands. The research will create a uni-dimensional prototypicality scale to use as a manipulation device for the current study, and will be the first to provide a measure for prototypical brands.

INTRODUCTION

The concept of prototypicality has been around since the mid 80's (Carpenter & Nakamoto 1989; Nedungadi & Hutchinson 1985), however it has been of little interest to marketers (Aaker & Keller 1990; Boush & Loken 1991; Kalamas et al. 2006). This is surprising given the recent interest and ever growing body of work done in the area of brand extensions (Aaker & Keller 1990; Kalamas et al. 2006; Loken & Roedder John 1993; Swaminathan, Fox & Reddy 2001; Tauber 1988).

A brand extension involves attaching “an existing brand name to a new product introduced in a different product category” (Swaminathan, Fox & Reddy 2001, p.1). According to the literature, an estimated 81-95% of new brands are some form of extension (Kalamas et al. 2006). There are numerous reasons for doing this; a major factor is cost. The cost estimates for developing a new brand have risen from \$150 million in the early nineties (Boush & Loken 1991) to one billion dollars nowadays (Kalamas et al. 2006).

Brand extensions succeed because they leverage brand equity and provide the all important familiarity and security to prospective consumers (Boush & Loken 1991; Kalamas et al. 2006; Loken & Roedder John 1993; Tauber 1988). As such, an

extension has a higher chance of success, as it builds upon the parent brand (Aaker & Keller 1990; Kalamas et al. 2006; Swaminathan, Fox & Reddy 2001).

Tauber (1988) identifies seven different types of brand extensions; however, this study will focus on the two general approaches, line extensions and category extensions (Aaker & Keller 1990; Kalamas et al. 2006). When an existing brand name introduces a new product or service into the same product class, it is called a line extension. The line extension merely expands offerings within the same category. Coca Cola is a good example of pursuing line extensions, as along with the traditional Coke beverage, they also make Vanilla Coke, Diet Coke, Coke Zero, etc. Category extensions are when an existing brand name enters a completely different product or service class. It is a larger undertaking to expand the brand. The Virgin group have mastered category extensions. Virgin started in the music industry, and has since expanded to other unrelated fields including airlines, financial services, and mobile phones to name a few.

A prototypical brand is one which is so strong in its core category, that when it introduces a brand extension the “product category attributes may inadvertently be transmitted with the extension” (Kalamas et al. 2006, p.194). Thus the ramifications for prototypical brands pursuing brand extensions become more complicated. Several authors have called for more research on whether prototypical brands can undertake brand extensions (Aaker & Keller 1990; Boush & Loken 1991; Kalamas et al. 2006). It is important to note that within the literature the terms prototypicality and typicality are used interchangeably (and from here in) (Boush & Loken 1991; Carson, Jewell & Joiner 2007; Gürhan-Canli & Maheswaran 1998; Kalamas et al. 2006; Loken & Roedder John 1993; Loken & Ward 1990; Nedungadi & Hutchinson 1985).

The concept of typicality is in some ways similar to the fit construct, which has been examined thoroughly by researchers in this area. However, typicality also has a theoretical basis in psychological research, which may allow marketers to make more accurate predictions regarding the likely success of brand extensions (Loken & Roedder John 1993). Further, often the brand that serves as the prototype of the product category becomes the prototypical brand (Carpenter & Nakamoto 1989; Carson, Jewell & Joiner 2007). A specific measure does not exist to test for

prototypical brands (Carpenter & Nakamoto 1989; Carson, Jewell & Joiner 2007; Gürhan-Canli & Maheswaran 1998; Kalamas et al. 2006; Loken & Ward 1990; Nedungadi & Hutchinson 1985).

Previous literature has examined relationships between prototypicality and attitude (Loken & Ward 1990), brand name awareness, usage and liking (Nedungadi & Hutchinson 1985), product design evolutions (Carson, Jewell & Joiner 2007), congruency (Kalamas et al. 2006), and brand extension strategy (Boush & Loken 1991). No literature has looked at prototypicality and brand resonance.

Brand resonance, defined, refers to the “ultimate relationship and level of identification that the customer has with the brand” and thus “the extent to which customers feel that they are ‘in sync’ with the brand” (Keller 2008, p.72). Keller (2003) developed brand resonance to provide a higher understanding of consumer based brand equity, a tool for marketers and brand managers alike to further comprehend the meaning of a brand.

Brand resonance can be measured through four constructs; behavioural loyalty, attitudinal attachment, sense of community, and active engagement (Keller 2008). Each of these measures have been examined individually within the marketing literature, however Keller is the first to combine these four measures, to create the concept of brand resonance.

A brand with a good resonance allows consumers to feel that they are part of the brand itself, and they can identify with the brand (Keller 2003). The literature notes that very few brands actually achieve complete brand resonance (Keller 2003, 2008). Harley Davidson and Apple are the only brands to date that rate very highly on all the four measures. A brand does not have to rate well on all of the four measures to achieve a good resonance though. Even a brand that rates well on only one of the four measures still has the ability to resonate with its consumers.

The brand congruency literature also builds upon the brand extension literature, as brand congruency relates to how well matched the brand extension information is with the parent brand expectations. The majority of studies that have investigated

congruency have defined it in two ways, congruent and incongruent. However numerous studies have also itemised congruency as three measures (congruent / moderately congruent / incongruent) (e.g. Kalamas et al. 2006). Kalamas et al. (2006) note that limited research has investigated prototypical brand extensions with varying levels of congruency.

A congruent brand extension will match the parent brand schema, and thus will result in brand name enhancement (Gürhan-Canli & Maheswaran 1998; Swaminathan, Fox & Reddy 2001). Alternatively, an incongruent brand extension has attributes that mismatch the parent brand schema, and thus result in brand name dilution (Gürhan-Canli & Maheswaran 1998; Loken & Roedder John 1993; Roedder John, Loken & Joiner 1998). A need exists to examine the effect of prototypicality and congruency on brand resonance (Gürhan-Canli & Maheswaran 1998; Matthiesen & Phau 2005).

Motivation processing has the ability to enhance or dilute brand name and brand personality, as shown by previous literature (Gürhan-Canli & Maheswaran 1998; Matthiesen & Phau 2005). Motivation processing refers to how much effort consumers are willing to expend to process new information (Gürhan-Canli & Maheswaran 1998). Under high motivation conditions, it is expected that consumers will process all the information that is available to them. Alternatively, consumers with low motivation would rely more so on peripheral cues (or heuristic processing), and only process a subset of information (Gürhan-Canli & Maheswaran 1998; Matthiesen & Phau 2005).

With theoretical underpinnings from the Elaboration Likelihood Model and the Heuristic-Systematic Model, motivation processing is an important construct when examining new product evaluations. Being able to control for the effect of motivation, we can effectively modify the level of cognitive processing that a consumer will go through.

A brand type can be classified as functional or symbolic. Functional brands usually correspond to product attributes, and satisfy immediate and practical needs, whereas Symbolic brands relate to needs for social approval, personal expression and prestige, and their practical use is only incidental (Bhat & Reddy 1998). There exists a lack of

studies showing the differences between extensions for symbolic and functional brands and their effect on prototypicality (Kalamas et al. 2006) and brand resonance (Bhat & Reddy 1998).

“Park et al. (1986) first proposed that a brand concept can either be functional or symbolic, with brands positioned as either, but not both. Bhat and Reddy (1998) further advanced the theory by proposing that functionality and symbolism are separate components, with it being possible for a brand to have both symbolic and functional appeal” (Mowle & Merrilees 2005, p.221). Bhat and Reddy’s (1998) study also further defined symbolic brands into prestige or personality. For the purpose of this research, we will only be examining straight functional or symbolic brands.

HYPOTHESES DEVELOPMENT

Based on the literature review and the gaps outlined above, this study will investigate the following hypotheses:

H_{1a}: The bookkeeping model will be supported in high-motivation conditions. Brand resonance [(a) loyalty, (b) attachment, (c) engagement, (d) community] enhancement (dilution) will occur in response to incongruent and positive (negative) information, and evaluations will be equivalent across the typicality conditions.

H_{1b}: The subtyping model will be supported in low motivation conditions. Brand resonance [(a) loyalty, (b) attachment, (c) engagement, (d) community] enhancement (dilution) will occur in response to incongruent and positive (negative) information. Evaluations will be more extreme for high- (versus low-) typicality conditions.

H_{2a}: For incongruent extensions, more attribute-related thoughts will be generated with high (versus low) motivation. Attribute-related thoughts will not vary as a function of typicality.

H_{2b}: For incongruent extensions, more category-based and simple evaluative thoughts will be generated with low (versus high) motivation.

H_{2c}: More subtyping thoughts will be generated with low (versus high) motivation in the low- (versus high-) typicality condition in response to incongruent information.

H₃: Brand resonance [(a) loyalty, (b) attachment, (c) engagement, (d) community] enhancement (dilution) will occur in response to congruent and positive (negative) information, regardless of typicality in high- (versus low-) motivation conditions.

H_{4a}: For congruent extensions, more attribute-related thoughts will be generated in high- (versus low-) motivation conditions.

H_{4b}: For congruent extensions, more category-based and simple evaluative thoughts will be generated in low- (versus high-) motivation conditions.

RESEARCH METHODS

Sampling Method

The study will be an experimental study, and consists of a 3 (congruency) x 2 (typicality) x 2 (motivation) x 2 (brand type) factorial design, giving 24 groups. Appendix A shows a flow chart of the design of the research. The study will use one product category with four brands (6 groups per brand). The research will be limited to an Australian context only.

Data Collection

Data collection will take place via a convenience sample, using a classroom setting with approx. 15-30 respondents per sitting (One condition per sitting to eliminate possibility of individuals inadvertently exposed to other conditions and guessing intent of study). Responses will be gained via a survey style questionnaire. Gürhan-Canli and Maheswaran (1998) suggest a sample size of 60-75. Aim: 100 per group x 24 = 2400 respondents. The data collection will take place over 2 semesters using the same 1st year class.

Experimental Study Procedure

Classes will be randomly assigned to either high-motivation or low-motivation conditions. The class will be given a short introduction. In particular the class will be told that this survey is part of a consumer research exercise that is investigating a number of brands. The class will be debriefed once the exercise is finished.

Pretest 1

Pretest 1 was conducted in order to determine the appropriate category in which to study. The category had to have easily identifiable symbolic and functional brands, and highly prototypical and not so prototypical brands. Four categories were chosen, namely motorcycles, mineral water, underwear, and watches. Four sets of questionnaires were divided between 225 students. Questions asked were of an unbiased nature asking respondents to list the brands they could recall. The category of watches was chosen, as the figures were the most easily definable out of the four categories.

Pretest 2

Pretest 2 was conducted to identify the most easily definable brands to be used for the study. Where Pretest 1 was a recall based response, Pretest 2 was a recognition based response, confirming the prototypicality level and brand type. A list of watch brands was given, asking the respondent to rate the prototypicality level for each brand (High/Low). On the following page, the same brands were given, asking the respondents to rate the brand type (Functional/Symbolic). Appendix B shows the brands chosen.

Pretest 3

Pretest 3 was conducted to determine appropriate brand extensions. A list of 23 potential brand extensions were chosen and distributed to 45 students to determine appropriateness. All products listed were the same for the four brands. Respondents were asked to rate how congruent each product was to the parent brand (congruent, moderately congruent, incongruent). The categories chosen for extending the brands based on the results were a clock (congruent), pens (moderately congruent), and a dog bowl (incongruent).

Survey Instrument

A combination of established measures will be used. The survey instrument will begin with a brief introductory page. Following this will be an overall prior evaluation of four brands, in order to get the pretest scores. This scale will consist of four items per brand. Each item will be an overall view of the four measures of brand resonance. Next is a filler task, which will be the 5 item status consumption scale (Eastman,

Goldsmith & Reinecke Flynn 1999). This is done to clear the respondents mind to prevent any potential bias. The motivation variation will occur next. This will be done according to the cover sheet of the questionnaire. For the high-motivation conditions, students will be told that they are part of a very small sample and their feedback will weigh heavily on the possibility of the brand extension going ahead. They will also be told that there will be a lucky draw for all completed questionnaires. For the low-motivation conditions, students will be told that they are part of an Australia wide study and their individual feedback will not be taken into consideration, but averaged with many other respondents (Gürhan-Canli & Maheswaran 1998; Matthiesen & Phau 2005).

The advert will be shown next. Following the advert, the 21 item brand resonance scale developed by Keller (2003) will be used to determine the posttest scores. Respondents are next asked to list all the thoughts that came to mind, to measure the motivation processing mode. Next will be an 8 item thought elicitation scale representing attribute-related, category-based, subtyping and simple evaluative thoughts. This will work as a manipulation check. The respondents will be asked about the purpose of the research, as a final manipulation check to ensure the respondents do not know the purpose of the study. Lastly, demographic information will be obtained.

Scale Development

A scale will be developed in order to serve as a manipulation checking device for prototypicality. The scale is expected to consist of a number of items being uni-dimensional in nature. The first step of this scale development is to run an Exploratory Factor Analysis (EFA) on the preliminary list of items gathered for the scale through the literature. The relevant literature gave a total of 24 different definitions of the concept of prototypicality, and as such this was tested with 182 respondents on a 7 point Likert scale. The EFA gave 2 factors with 11 items with a KMO Measure of Sampling Adequacy of .901 and a Bartlett's Test of Sphericity Significance of .000.

The second step of scale development is to refine the items using Confirmatory Factor Analysis (CFA). The 11 item scale was tested with 218 respondents again using a 7

point Likert scale. The analysis was run through the AMOS structural equation modelling package. The results suggested taking away 5 items giving a significance level of .364, and an RMSEA of .021. A second CFA was run to confirm using a different data set of 224 respondents and gave similar results suggesting removal of 5 items giving a significance level of .323 and an RMSEA of .026.

Data Analyses

Further confirmatory factor analysis will be undertaken via Structural Equation Modelling to test the scale, and to check the validity of the scale. To test the main study hypotheses, a combination of ANOVA's, MANOVA's, regressions and t-tests will be run. Appendix C shows the categories to be compared.

IMPLICATIONS

The core contribution of this study is to determine the relationship between brand resonance and prototypical brands. With many brands aspiring towards resonance and prototypicality, it is important to understand the relationship these variables have between each other. Methodologically this study will advance the literature by examining each measure of brand resonance simultaneously, also by using real brands to test the research model. A major practical implication will be providing a measurement tool for the concept of prototypicality that will allow brand managers to periodically monitor the progress of their brand. The research will also supply evidence to support level of congruency fit when extending a brand.

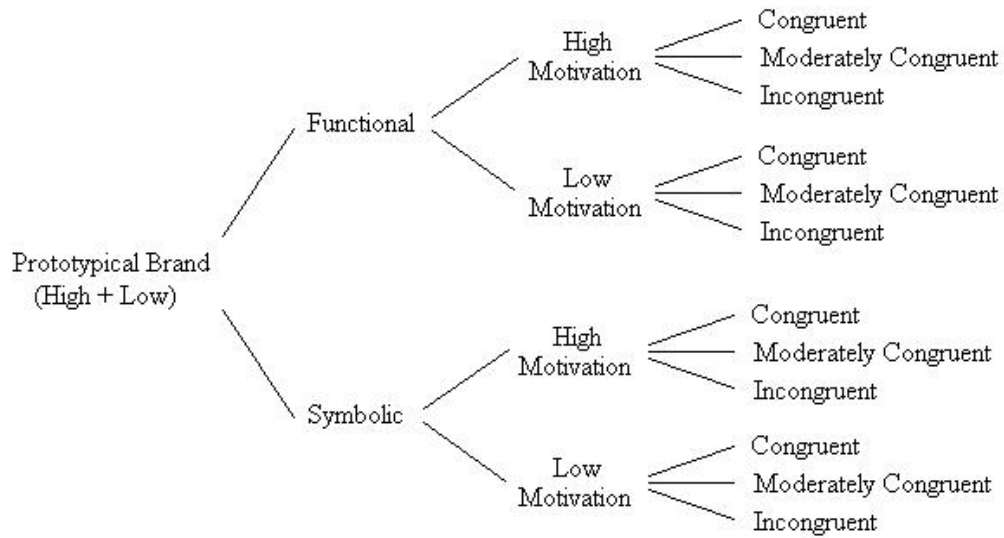
LIMITATIONS AND FUTURE DIRECTIONS

This study will only examine one product category, watches, which will limit its generalisability. Therefore future research should look into studying product categories with differing involvement levels, e.g. underwear. Further, future research should differentiate product categories by way of service, durables, consumables etc. The validation of the Prototypical Scale in other product categories will be required for its validity. Potential research should also investigate prototypical brands extensions influence on other branding concepts, such as brand personality and brand identity.

APPENDICES

Appendix A

Flow chart of factorial design of the research



Appendix B

Brands chosen for study

	SYMBOLIC	FUNCTIONAL
HIGH TYPICALITY	Rolex	Seiko
LOW TYPICALITY	Ferrari	Everlast

Appendix C

Post- and Pretest Parent Brand Evaluations and Thoughts by Experimental Conditions

	<u>Congruent</u>				<u>Moderately Congruent</u>				<u>Incongruent</u>			
	<u>High Motivation</u>		<u>Low Motivation</u>		<u>High Motivation</u>		<u>Low Motivation</u>		<u>High Motivation</u>		<u>Low Motivation</u>	
	<u>Prototypicality</u>		<u>Prototypicality</u>		<u>Prototypicality</u>		<u>Prototypicality</u>		<u>Prototypicality</u>		<u>Prototypicality</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
Enhancement Effects												
<i>Posttest</i>												
<i>Pretest</i>												
Dilution Effects												
<i>Posttest</i>												
<i>Pretest</i>												
Attribute-related												
Category-based												
Subtyping												
Simple evaluative												

REFERENCES

Aaker, David A. and Kevin Lane Keller (1990), "Consumer evaluations of brand extensions," *Journal of Marketing*, 54 (1), 27-41.

Bhat, Subodh and Srinivas K. Reddy (1998), "Symbolic and functional positioning of brands," *Journal of Consumer Marketing*, 15 (1), 32-43.

Boush, David M. and Barbara Loken (1991), "A process-tracing study of brand extension evaluation," *Journal of Marketing Research*, 28 (1), 16-28.

Carpenter, Gregory S. and Kent Nakamoto (1989), "Consumer preference formation and pioneering advantage," *Journal of Marketing Research*, 26 (3), 285-298.

Carson, Stephen J., Robert D. Jewell, and Christopher Joiner (2007), "Prototypicality advantages for pioneers over me-too brands: The role of evolving product designs," *Journal of the Academy of Marketing Science*, 35 (2), 172-183.

Eastman, Jacqueline K., Ronald E. Goldsmith, and Leisa Reinecke Flynn (1999), "Status consumption in consumer behavior: Scale development and validation," *Journal of Marketing Theory and Practice*, 7 (3), 41-52.

Gürhan-Canli, Zeynep and Durairaj Maheswaran (1998), "The effects of extensions on brand name dilution and enhancement," *Journal of Marketing Research*, 35 (4), 464-473.

Kalamas, Maria, Mark Cleveland, Michel Laroche, and Robert Laufer (2006), "The critical role of congruency in prototypical brand extensions," *Journal of Strategic Marketing*, 14 (3), 193-210.

Keller, Kevin Lane (2003), *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (Second ed.). Australia: Prentice Hall.

Keller, Kevin Lane (2008), *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (Third ed.). Australia: Pearson Education.

Loken, Barbara and Deborah Roedder John (1993), "Diluting brand beliefs: When do brand extensions have a negative impact?," *Journal of Marketing*, 57 (3), 71-84.

Loken, Barbara and James Ward (1990), "Alternative approaches to understanding the determinants of typicality," *Journal of Consumer Research*, 17 (2), 111-126.

Matthiesen, Insa-Mascha and Ian Phau (2005), "A schema theory approach to examining brand personality dilution and enhancement of brand extensions," Unpublished thesis, Curtin University of Technology.

Mowle, James and Bill Merrilees (2005), "A functional and symbolic perspective to branding Australian SME wineries," *Journal of Product and Brand Management*, 14 (4), 220-227.

Nedungadi, Prakash and J. Wesley Hutchinson (1985), "The prototypicality of brands: Relationships with brand awareness, preference and usage," *Advances in Consumer Research*, 12 (1), 498-503.

Park, C. Whan, Bernard J. Jaworski, and Deborah J. MacInnis (1986), "Strategic brand concept-image management," *Journal of Marketing*, 50 (4), 135-145.

Roedder John, Deborah, Barbara Loken, and Christopher Joiner (1998), "The negative impact of extensions: Can flagship products be diluted?," *Journal of Marketing*, 62 (1), 19-32.

Swaminathan, Vanitha, Richard J. Fox, and Srinivas K. Reddy (2001), "The impact of brand extension introduction on choice," *Journal of Marketing*, 65 (4), 1-15.

Tauber, Edward M. (1988), "Brand leverage: Strategy for growth in a cost-control world," *Journal of Advertising Research*, 28 (4), 26-30.