

School of Marketing

**The Art of Brand War:
A Manoeuvre Theory Approach to
Conceptualising Flanker Brands**

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**This thesis is presented for the Degree of
Doctor of Philosophy
of
Curtin University**

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Statement of Original Authorship

Declaration

To the best of my knowledge and belief, this thesis contains no material previously published by any other person except where due acknowledgement has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

The research presented and reported in this thesis was conducted in accordance with the National Health and Medical Research Council National Statement on Ethical Conduct in Human Research (2007) – updated March 2014. The proposed research study received human research ethics approval from the Curtin University Human Research Ethics Committee (EC00262), Approval Number **SOM2013002**.

A handwritten signature in black ink, appearing to read 'Aaron', written over a horizontal line.

Lim Shan Ming, Aaron

18-April-2017

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Nil Sine Labore

Abstract

Purpose – This research on the conceptualisation of flanker brands addressed five key objectives, in the context of luxury fashion brands. First, this research develops an understanding of the flanking strategy in the context of business; using manoeuvre theory, and the teachings from Sun Tzu’s Art of War as a foundation. Second, a clear concept of flanker brands is developed, solidifying the understanding of flanker brands, and their application in marketing. Third, this research develops a research framework for the empirical testing of the proposed concept of flanker brands. Fourth, this research framework is used to evaluate consumer perceptions and attitudes toward flanker brands. Finally, this research assesses the effectiveness of flanker brands as tactical tools against mimic brand competitors.

Design/Methodology/Approach – This research was conducted in three phases. The first phase involved the conceptualisation of flanker brands, and the distinguishing of flanker brands into two classifications – *Distinct* and *Latent* flanker brands. This was achieved through an extensive review of the present literature on flanker brands; and the application of manoeuvre theory, along with teachings from Sun Tzu’s Art of War. The second phase involved the development of a research framework for the empirical evaluation of flanker brands through quantitative research, that was conducted across four studies. The first two studies evaluated the research framework across two product categories (luxury bags and footwear), and examined consumer perceptions and attitudes toward the two proposed classifications of flanker brands. The following two studies, assessed the effectiveness of flanker brands as tactical tools to be used against mimic brand competitors. Similarly, this was assessed across two product categories (luxury bags and footwear). The quantitative research employed a self-administered questionnaire as the survey instrument, which was administered to Singaporean consumers (N=2,760).

Findings & Implications – Overall, this research makes three key contributions: From a theoretical perspective, it gives clarity to the concept of flanker brands, grounded with a clear and relevant theoretical foundation – manoeuvre theory. Synthesising this with the teachings from Sun Tzu’s Art of War, this research makes a key contribution through the development of a clear concept of flanker brands, and the proposal of two classifications of flanker brands – *Distinct* and *Latent* flanker brands. Further, this

research develops an empirical understanding of consumer evaluations of flanker brands, and provides insight on the tactical advantages of distinct versus latent flanker brands.

Methodologically, the quantitative research conducted helped to validate the proposed framework for evaluating flanker brands, the concept of flanker brands developed in this research, and the two classifications of flanker brands proposed – *Latent* and *Distinct* flanker brands.

From a managerial perspective, the findings of this research helped to develop insights on how consumers perceive and evaluate flanker brands, and how flanker brands may be used as a tactic against mimic brand competitors. The results help build an understanding of how consumer attitudes toward the distinct and latent flanker brands; and perceptions of physical similarities with the flagship brand, differ when compared against mimic brands. The findings show variances in how consumer attitudes toward the mimic brand; and perceptions of physical similarities with the flagship, affect the success of each flanker brand classification – distinct and latent. This helped to develop an understanding of how flanker brands could be applied as a tactic against mimic brand competitors. It builds a better understand how the characteristic differences between distinct and latent flanker brands can be leveraged to dissuade consumer interest in competing mimic brands; protecting the firm's market share and position.

Overall, these contributions will help form a solid foundation from which future research on flanker brands can be conducted; and provides brand managers with insights on how the distinct and latent flanker brands may be employed as part of their brand strategies.

Originality/Value – This research is, to the best of the author's knowledge, a first in the area of flanker brands to properly conceptualise flanking in business, and flanker brands. Given the lack of empirical research on flanker brands, this study also presents a first step towards a better understanding of the use of flanker brands as part of a firms' repertoire of brand management strategies. It is hoped that this research will help inspire and spur further research on this highly dynamic and adaptive branding strategy.

Keywords: Flanking Strategy, Flanker Brands, Brand Strategy, Brand Mimicry, Luxury Brands

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Chapter 1

Introduction

Warfare, Business & Flanking

Doing business is very much like fighting a war (Goria, 2012); scarce resources, rising costs of energy, economic uncertainty and slowdowns and political tensions are a constant threat to the survivability of firms today (e.g. Kose, 2017; Reilly, 2017; Torné, 2017). Add to that the huge number of competitors in the marketplace, each vying for a share of the customers' wallet and it becomes clear how business can be like fighting a war. It is thus little wonder that military warfare strategies have been employed in many aspects of business, and discussed in much of the literature (Burns and Warren, 2008; Rao et al., 2000; Sheetz-Runkle, 2014; Terriff, 2006). In developing competitive strategies for the marketplace, firms have come to realise that there is much to learn from the military stratagem of old (e.g. Goria, 2012; Kotler and Singh, 1981; Lynn, 1993).

Flanking is one such military strategy that has found its way into the marketer's repertoire of tactics. Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy's defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German et al., 1991; Lind, 1985; *Offense and Defense*, 2012). Drawn into the business context, there are two broad interpretations of the flanking strategy (Crittenden, 2010). A *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area, diverting the competitor's attention away from the main market focus, whilst avoiding direct confrontation with the competitor (Capon et al., 2001; Crittenden, 2010; German et al., 1991; Ries and Trout, 1993). A *flanking position* on the other hand, is a defence position that a firm employs by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Capon et al., 2001; Crittenden, 2010; Finnie, 1992). In business, the flanking strategy is often executed in the form of a flanker brand. A flanker brand is often considered to be a new brand launched in the market by a [business] with an established brand in the same product category (Kim and Lowrey, 2010; Tauber, 1981); the purpose of which is to use the flanker brand to do combat with competitors without having the flagship or parent brand compete (Giddens, 2010; Keller, 2013). Flanker brands have also been

referred to as "fighter" or "fighting" brands (e.g. Berman 2015; Crittenden 2010; Jost 2014; Ritson 2010; Ritson 2009).

Flanker brands are a prominent brand strategy, with examples that span multiple industries, ranging from fast moving consumer goods (FMCG), to automobiles, telecommunications and luxury branding (see Figure 1.1).

Figure 1.1 Examples of Flanker Brands



L'Homme Ultime by YSL
Luxury Fragrance Flanker to YSL



Fido and Koodo
Telecommunications flankers to Bell and Telus



Buick Encore
Automobile Flanker to Chevrolet



Cheer
FMCG flanker to Tide®

Image Sources: (“Buick Encore”, 2017, “Cheer Stay Colorful Fresh Clean Scent Liquid Laundry Detergent”, 2017, “Fido Gets a New Bone”, 2015, “Koodo Mobile”, 2016, “L’Homme”, 2016)

However, when marketing research borrows ideas from military doctrine, there are significant liberties taken with the terminology and interpretation of military stratagem. This results in inaccuracies in the interpretation and understanding of the literature, and presents problems for managers and academics alike who may be led astray due to confusion on the implications of flanking in business, and the lack of clarity on the concept of flanker brands. This research focuses on this issue in branding,

and attempts to solidify the notion of flanking in business; grounding it in manoeuvre theory and the teachings from Sun Tzu's Art of War, and use this to develop a clear concept of flanker brands.

Confusion in Flanking & Flanker Brands

The flanking strategy has been discussed in the context of business over the years (e.g. Barwise & Robertson, 1992; Berman, 2015; Chen and Paliwoda, 2002; Clow and Baack, 2005; Dean, 1950; Jost, 2014; Keller, 2013; Kim and Lowrey, 2010; Quelch and Harding, 1996; Ritson, 2009; Rothenberg, 1989; Tauber, 1981; Varadarajan et al., 2006; Verhoef et al., 2002); however, to the best of the author's knowledge, there is no clear attempt, in the literature, to conceptualise flanker brands (Lim, 2015; Phau and Lim, 2013). As a result of this, there has yet to be any empirical research on flanker brands, let alone in the context of luxury branding (Lim, 2015; Phau and Lim, 2013). This is in spite of the fact that flanker brands do exist in many different industries.

The present literature reveals that there is much confusion on the concept of flanker brands. The presence of "fighter brands" also known as "fighting brands", adds to the confusion of flanker brands, as some argue that, "unlike flanker brands ... that are designed with a set of target consumers in mind, ... [fighter brands] are specifically created to combat a competitor that is threatening to steal market share away from a company's main brand" (Ritson, 2009b). These are generally characterised as a lower-priced and often lower-quality offering from the flagship brand, specifically designed to compete against low-priced competitors, for the purpose of protecting the flagship brand's premium priced offerings (Johnson and Myatt, 2003; Raasch, 2008; Ritson, 2009a). However, a review of the literature reveals that there are characteristic similarities and overlap between "fighter brands" and flanker brands that make it difficult to discern what the differences are in terms of strategic implications, which makes it difficult for brand managers to ascertain the appropriate strategy, adding to further confusion on the concept (Phau and Lim, 2013). A clear concept of flanker brands is necessary for further developments in research and understanding of the flanking strategy, and flanker brands (Phau and Lim, 2013).

Research Gaps & Objectives

A review of the literature on flanking and flanker brands reveals four key research gaps, that will be addressed in this research. These research gaps are:

Gap 1: *There is a lack of clarity on the foundational theory supporting the concept of flanking in the business context.*

Gap 2: *There presently is no consensus on the conceptual definition of flanker brands, their characteristics and how they are applied in business strategy.*

Gap 3: *There is a lack of empirical research on consumer perceptions and attitudes towards flanker brands.*

Gap 4: *There is a lack of empirical research evaluating the effectiveness of flanker brands against competitor brands – mimic brands for example.*

Based on these identified research gaps, the following research objectives are proposed:

RO1: *To develop a clear understanding of the flanking strategy in the business context, using Manoeuvre Theory as the foundational theory, and supported by Sun Tzu's Art of War. [Gap 1]*

RO2: *To develop a concept flanker brands, to better understand the business applications of flanker brands. [Gap 2]*

RO3: *To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand types. [Gap 3]*

RO4: *To evaluate consumer perceptions and attitudes towards flanker brands, specifically, in the context of luxury fashion brands. [Gap 3]*

RO5: *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands. [Gap 4]*

Delimitations & Scope

The strategy of flanking and flanker brands are far reaching. Therefore, to tackle the empirical testing aspect of this research effectively and efficiently, it is necessary to delineate the research scope. The four studies in this research, make the following assumptions:

1. The luxury fashion brand is using the flanker brand as a defensive tactic against lower-priced competitors, specifically – mimic brands.

Depending on the strategic intent of the firm, flanker brands can be used to compete against competitors other than mimic brands. Thus, a defensive frame of reference is specified. The flanker brands will be tested against mimic brand competitors seeking to erode the market share of the luxury fashion brand's flagship. This leads into the second assumption – the type of brands examined in this research.

2. This research employs the use of established and mature luxury fashion brands in the marketplace.

The reason for this, as is discussed in Chapter 2, is that newcomers and mimic brands can use flanker brands to attack mature brands in the marketplace. So, it is necessary to adopt a specific perspective for testing flanker brands, which in this research, is from the position of an established and mature luxury fashion brand, defending its market share.

3. The flanker brand used by the luxury fashion brand is one that is newly developed and marketed as a new brand.

As is discussed in Chapter 2, flanker brands can be developed through several ways. A flanker brand may result from the conversion of an existing brand, may be derived from a brand extension, or may be specifically developed as a flanker brand. While the literature seems to suggest that the provenance of a flanker brand is not crucial to its use and deployment, this factor may potentially influence consumer responses to the flanker brand. Therefore, to alleviate this potential issue, this research assumes that the flanker brand is one that is newly developed specifically to function as a flanker brand.

4. The flanker brands being tested (DFB/LFB) are distinguished using only two manipulations – brand name (e.g. Avant by Prada [DFB] and Avant [LFB]); and physical characteristics.

In branding, there are many ways to position and distinguish brands in the marketplace. There are a multitude of brand elements that can influence consumer responses to the brand. Therefore, it is necessary to limit the number of manipulations used to distinguish the flanker brands from the flagship brands. So, the first manipulation is the difference in brand name, where the DFB uses nested brand naming (Bhat et al., 1998), and the LFB uses a new brand name (Bhat et al., 1998). As for the manipulation of physical characteristics, the differences between the flagship brand and flanker brand (DFB and LFB), draw upon Teah's (2013) theory on brand mimicry, imitating the signal properties of the flagship brand.

Theoretical Underpinnings

Schema Theory underpins this research, and is substantiated by several supporting theories – Attitude Theory, Functional Theory of Attitude, Categorisation Process, Anchoring Theory, Signalling Theory Cognitive Consistency, and Brand Mimicry. These theories are briefly explained here, and will be discussed in greater detail in Chapter 3.

Schema Theory

A schema is an internal, cognitive structural network of associations (associative network) that help individuals organise and guide their expectations and perceptions of the world around them (Bem, 1981; Sujan and Bettman, 1989). Schemas comprise of what a person knows about objects, events, and situations; and encompasses their past reactions and experience with this (Aggarwal and McGill, 2007; Armbruster, 1986); and, by extension, can also be considered in a person-object and person-brand arrangement (Stayman et al., 1992; Sujan, 1985; Sujan and Bettman, 1989). Individuals, through their experience with various brands and products, develop a schema or set of expectations about the typical attributes of a product, importance of these attributes, and how much variability there is across brands on these attributes (Sujan and Bettman, 1989). With this knowledge in hand, individuals can then use their schemas as reference points to evaluate new brands and product that they may encounter (Meyers-Levy and Tybout, 1989; Sujan and Bettman, 1989). Schemas make it easier for individuals to search for and integrate received information in a highly selective manner to help the individual impose structure and meaning to the incoming stimuli – for example, when encountering a new brand and product (Bem, 1981; Meyers-Levy and Tybout, 1989).

Supporting Theory

Attitude Theory

Attitudes are an overall evaluation of and judgement of a psychological object (Ajzen, 2001; Fishbein and Ajzen, 1975). Attitudes comprise of both affective (feelings of liking or disliking) and cognitive (beliefs held about object) components, and have a significant influence on an individual's behaviour (Ajzen, 1991, 2002; Katz, 1960; Najmi et al., 2012).

Functional Theory of Attitude

The functional theory of attitude explains that attitudes can serve several purposes (functions) for individuals (Katz, 1960; Wilcox et al., 2009).

(Katz, 1960; Wilcox et al., 2009). Research proposes that attitudes serve some basic functions:

1. Utilitarian Functions

- a. Utilitarian Function:** This function of attitude observes the fact that people are naturally driven to maximise the rewards and minimise the punishments obtained from their environment and the objects, people, and symbols that their attitudes are associated with (Ajzen, 2001; Katz, 1960; Shavitt, 1989a, 1990).
- b. Knowledge Function:** The knowledge function of attitude explains that individuals are driven to seek knowledge to provide meaning and organisation to the way they perceive the world around them (Katz, 1960; Shavitt, 1989a, 1990).

2. Social Identity Functions

- a. Social-Adjustive Function:** The social-adjustive function of attitude is adopted by individuals who wish to maintain their relationships or gain social approval with their peers (Shavitt et al., 1992; Wilcox et al., 2009).
- b. Value-Expressive Function:** The value-expressive function of attitude is adopted by individuals who derive satisfaction from expressing their core values and beliefs through their attitudes (Katz, 1960; Wilcox et al., 2009).

3. Self-Esteem Maintenance Function

- a. Ego-Defensive Function:** The ego-defensive function of attitude describes how an individual protects himself/herself from accepting harsh truths or counter-attitudinal information about himself/herself that the individual determines as undesirable or threatening to the self (Katz, 1960; Knight Lapinski and Boster, 2001; Shavitt, 1989a).

Categorisation Process

The categorisation process was developed as alternative to the piecemeal process (Kalamas et al., 2006), and explains how consumers organise the information within their schema so that the process of evaluating new information is less labour-intensive

(Armbruster, 1986; Bem, 1981; Goodstein, 1993). When the consumer is confronted with a stimulus, he/she will evaluate the stimulus based on his/her category schema, employing categorical cues such as brand name (Kalamas et al., 2006; Lee and Ganesh, 1999; Liu et al., 2016), product features and design cues (Aggarwal and McGill, 2007; Liu et al., 2016; Meyers-Levy and Tybout, 1989; Sujan and Bettman, 1989); and organising the incoming information to aid in their decision making (Kalamas et al., 2006).

Anchoring Theory

The notion of anchoring relates to the way an individual relies on a piece of information as an initial reference point (anchor) from which their judgements and evaluations are made (Malhotra et al., 2015; Tversky and Kahneman, 1974). Through a process of “anchoring-and-adjustment”, the individual, when faced with a new stimulus, refers to this anchor point to make mental adjustments in their evaluation of the stimulus so that the final judgement is brought closer to the anchor point (Malhotra et al., 2015; Tversky and Kahneman, 1974).

Signalling Theory

Signalling theory is useful in helping to explain how brands and consumers interact when there is asymmetry in information possessed by the brand and the consumer (Connelly et al., 2011; Erdem and Swait, 1998). Signalling is used to convey information about the brand’s characteristics and attributes. Signalling has been used in research to explain consumer-based brand evaluations and consumer brand choice (Erdem and Swait, 1998, 2004).

Cognitive Consistency

The concept of cognitive consistency posits that individuals are naturally inclined to establish cognitive and affective consistency in their attitudes, beliefs and behaviours (Palazon and Delgado-Ballester, 2013; Stumpf and Baum, 2016). This concept of cognitive consistency builds on Heider’s (1946) balance theory, Osgood and Tannenbaum’s (1955) congruity theory, and Festinger’s (1957) cognitive dissonance theory; and has links to the categorisation process (Stumpf and Baum, 2016).

Brand Mimicry

In essence, brand mimicry is “the act or art of copying or close imitation of a brand” (Teah and Phau, 2010), and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). This is so that points of parity can be made with the model (flagship) brand, so that consumers are more likely to transfer positive associations of the model (flagship) brand over to the mimic brand, and thus evaluate it favourably (Teah, 2013; Teah and Phau, 2011).

Key Concepts and Definitions

This research adopts several concepts and definitions for the conduct of each study. The conceptual definition of flanker brands, employed in this research, is detailed in Chapter 2. The definitions for the relevant constructs employed in this research are detailed in Chapter 3. The conceptual definitions are as follows:

Flanker Brands

Flanker brands are new brands that are swiftly positioned in a similar category and market as the flagship brand, through stealth and deception, for the purpose of attacking and/or defending against competitors; without risking the flagship brand's established market position by competing head-on

Distinct Flanker Brand (DFB): *A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and*

Latent Flanker Brand (LFB): *A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.*

Attitude Toward Flagship/Flanker/Mimic Brand

Attitude toward the brand is defined as a “relatively enduring, unidimensional summary evaluation of the brand that presumably energises behaviour” (Spears and Singh, 2004).

Perceptual Fit of Flanker Brand with Flagship Brand

Perceived fit is defined as the extent to which consumers accept the new product a logical and expect[ed] from the [parent] brand (Kalamas et al., 2006; Tauber, 1988).

Success of Flanker Brand

Success of the flanker brand is determined by “Overall Quality”, “Purchase Intention”, and “Success Attributes” – relating to respondents’ perceptions of the flanker brand name.

Physical Similarities of Flanker Brand/Mimic Brand with Flagship Brand

Mimic brands often imitate the physical appearance of other brands (Teah and Phau, 2011). Therefore, physical similarities of the flanker brand/mimic brand with the flagship brand refers to the physical characteristics of the flanker brand/mimic brand and how similar they appear to the flagship brand.

Research Methodology

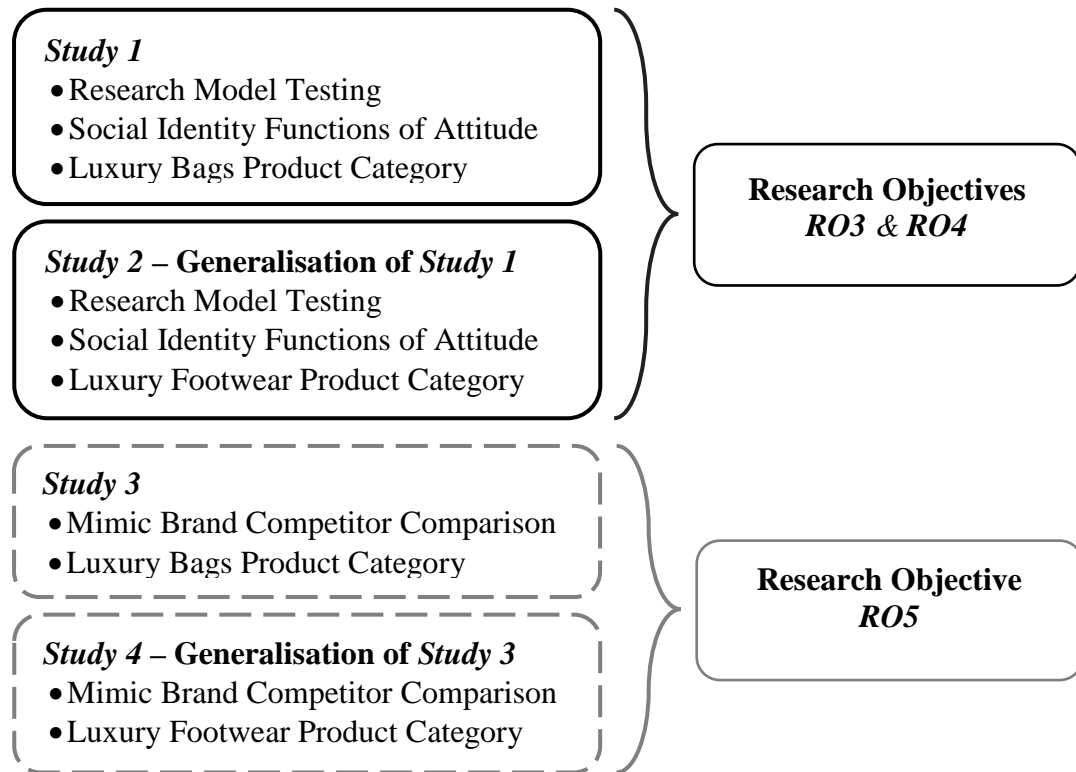
Research Context

This research is conducted in the context of luxury fashion branding. The two product categories examined in this research are luxury bags and luxury footwear. Luxury bags were chosen because luxury bags are a staple product for many luxury brands, and are among the most recognisable, and relatable, products of luxury brands given that they contribute significantly to a luxury brand's image (Solca, 2015). Luxury footwear was chosen as the second product category to explore, as it is a fast-growing product category (D'Arpizio et al., 2014, 2015a). Given the consistent growth of the luxury footwear market (D'Arpizio et al., 2015a), it is expected that more brands (e.g. mimic brands) will enter and compete in this market. Thus, this could be a market in which flanker brands may be used, to effectively engage incoming competitors.

Research Design

Due to the paucity of research in flanking and flanker brands, it is difficult to identify what aspects of a flanker brand would be useful to marketers in engaging their target audience. There may be a myriad of factors that influence consumer choice in flanker brands. Therefore, this an experimental approach is adopted. This research is comprised of four studies that are aimed at ascertaining the effectiveness of flanker brands in different situations. An overview of the research design is presented in Figure 1.3.

Figure 1.3: Studies Employed in the Research



Sample Size, Sampling Method, and Data Collection

The target demographic for this research was young adults. Singapore was chosen as it is home to many luxury brand outlets (Comer, 2015; Ranasinghe, 2013), with many shoppers in Singapore actively seeking luxury products (Choudhury, 2016; Comer, 2015). Thus, data collection in Singapore would provide a snapshot of consumers in the Asia-Pacific region. Singapore Data collection for *Study 1* to *4* occurred between January 2016 and June 2016. The data was collected using Qualtrics, an online survey software with panel data facilities. The overall sample size of this research was 2760 responses for analysis. A self-administered questionnaire was used as the survey instrument to test for the relevant hypotheses. Established scales were employed, with a few scale measures being adapted to suit this research.

The data was analysed using SPSS 22 and AMOS 22. Structural equation modelling, regression analysis and hierarchical moderation regressions were employed in *Study 1* and *Study 2*. *Study 3* and *Study 4* employed independent sample T-Tests, one-sample T-Tests, regression analysis, and hierarchical moderated regressions. The moderation analyses for this research were conducted using the PROCESS SPSS macro developed by Hayes (2012), and applied the approach proposed by Anderson (1986) and Baron and Kenny (1986).

Research Significance

Theoretical Significance

This research makes two key theoretical contributions to the literature on the flanking strategy, and flanker brands:

1. Introducing manoeuvre theory as a foundational theory for the concept of flanking in business [*ROI – Gap 1*]

This research employs manoeuvre theory as the foundational theory for the concept of flanking. Since the present literature on flanking in business makes consistent references to the military (e.g. Crittenden, 2010; Keller, 2013; De Menezes, 2014), it was befitting to use a military warfare theory as the foundation for the present research. Also, Sun Tzu's Art of War has often been used as foundational philosophy to provide a strategic perspective on business (e.g. Macdonald & Neupert, 2005; Sheetz-Runkle, 2014; Tremayne, 2008). Thus, the teachings from Sun Tzu's Art of War are used to balance manoeuvre theory in developing an understanding of the concept of flanking in business. Seven key principles of manoeuvre were distilled from the literature on manoeuvre theory, and were matched against lessons on manoeuvre from Sun Tzu's Art of War. The use of manoeuvre theory as a foundational theory for the concept of flanking in business is crucial in helping to develop a clear concept of flanker brands.

2. Development of a clear concept of flanker brands, and the introduction of two classifications of flanker brands – *Distinct* and *Latent* flanker brands [*RO2 – Gap 2*]

This research contributes to the literature on flanker brands by developing a clear concept of flanker brands, and proposing two classifications of flanker brands – *Distinct* and *Latent* flanker brands. As discussed, there is presently significant confusion on the concept of flanker brands. For flanker brands to be effectively employed in business strategy, and for clear research directions to be pursued, it is necessary to have a clear concept of flanker brands.

A review of the literature on flanker brands was conducted, and six common and prominent characteristics of flanker brands were identified. Synthesising this with the seven key principles of manoeuvre, a concept of flanker brands is proposed:

Flanker brands are new brands that are swiftly positioned in a similar category and market as the flagship brand, through stealth and deception, for the purpose of attacking and/or defending against competitors; without risking the flagship brand's established market position by competing head-on

Alongside this, through the review of the present literature on flanker brands, two classifications of flanker brands are proposed:

Distinct Flanker Brand (DFB): A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and

Latent Flanker Brand (LFB): A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.

Methodological Significance

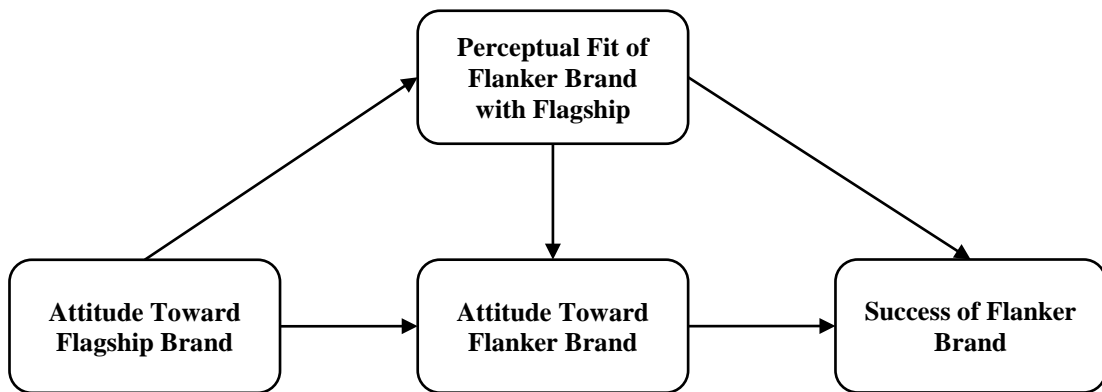
This research makes the following methodological contributions:

1. Introducing a research framework – research model and testing methodology, to empirically assess consumer evaluations of flanker brands [**RO 3 – Gap 3**]

The first methodological contribution is with the research model. To the author's knowledge, there has been no known attempt at an empirical examination of flanker brands to date. Throughout the literature on flanker brands reviewed in this research, there have been discussions on what flanker brands are, their characteristics, and how they can be used as a business tactic against competitor firms; but none have supported these discussions with empirical evidence.

As there is a lack of empirical research on flanker brands, there is no theoretical foundation from which to develop a research model for testing. The present research has adapted the research model employed by Kalamas et al. (2006). Figure 1.2 illustrates the research model employed in this research.

Figure 1.2: Research Model



This research model was used to assess consumer reactions and evaluations of the two classifications of flanker brands – *distinct* and *latent* flanker brands. While not a flawless methodological contribution, this research model represents a first step toward a better, empirical, understanding of flanker brands in the marketplace.

2. Provides validation for a number of research methods – fictitious brand name selection; approach to stimulus design; and survey instrument structure [**RO 3 – Gap 3**]

The second methodological contribution is with the approach to this research in terms of the choice of brand name and the stimulus design. First, this research helps validate and expand the applicability of the method used by Phau and Cheong (2009a, 2009b) for selecting fictitious brand names. Second, through the focus groups conducted, a better understanding of how the flanker brands should be presented in the stimuli was achieved. The process, discussed in Chapter 4, on the stimulus design could serve as a reference for future research on flanker brands. Finally, as this research makes comparisons between mimic brands and flanker brands, it necessitated the alternating of the mimic brand and flanker brand stimuli and corresponding survey questions between respondents. This was done to help reduce the potential bias and priming that a fixed survey structure may introduce.

Managerial Significance

This research makes significant contributions to the development and management of flanker brands, as a tactical tool against mimic brands. The clarification of the concept of flanking in business, and the development of a clear concept of flanker brands will aid brand managers avoid further confusion on the strategic implications of flanker

brands, and properly execute the flanking strategy. Three key managerial contributions are made:

1. Develops an understanding of consumer evaluations of the two flanker brand classifications in the context of luxury fashion [**RO4 – Gap 3**]

This research develops an understanding of the influence that attitudes toward the flagship brand, and perceptual fit between the flanker brand and flagship brand, have on attitudes toward the DFB and LFB. This is evaluated across two luxury fashion product categories – bags and footwear. This gives insight, to brand managers, on how the DFB and LFB may be used in different product categories, to effectively engage consumers.

Further, this research investigates the role that social identity functions of attitude play in consumer evaluations of the DFB and LFB. By assessing which flanker brand classification appeals more to which social identity function of attitude, this research sheds light on how consumers react differently to the DFB and LFB, depending on the social identity function their attitudes serve.

2. Develops an understanding of how each flanker brand classification can be used to target specific consumer segments in luxury fashion; in terms of the social identity functions that each flanker brand appeals to [**RO4 – Gap 3**]

The assessment of which flanker brand classification appeals to which social identity function of attitude helps develop insight on how brand managers may be able to use the two flanker brand classes to target certain consumer segments. Contrasting this with the two product categories tested, the findings from this research will help brand managers to position their flanker brands more effectively to engage specific target audiences. It also highlights the importance of nuanced factors in the branding and positioning of flanker brands, something that brand managers need to account for to achieve success with flanker brands.

3. Provides an assessment of how flanker brands can be used as a tactical tool against mimic brand competitors in the context of luxury fashion [**RO5 – Gap 4**]

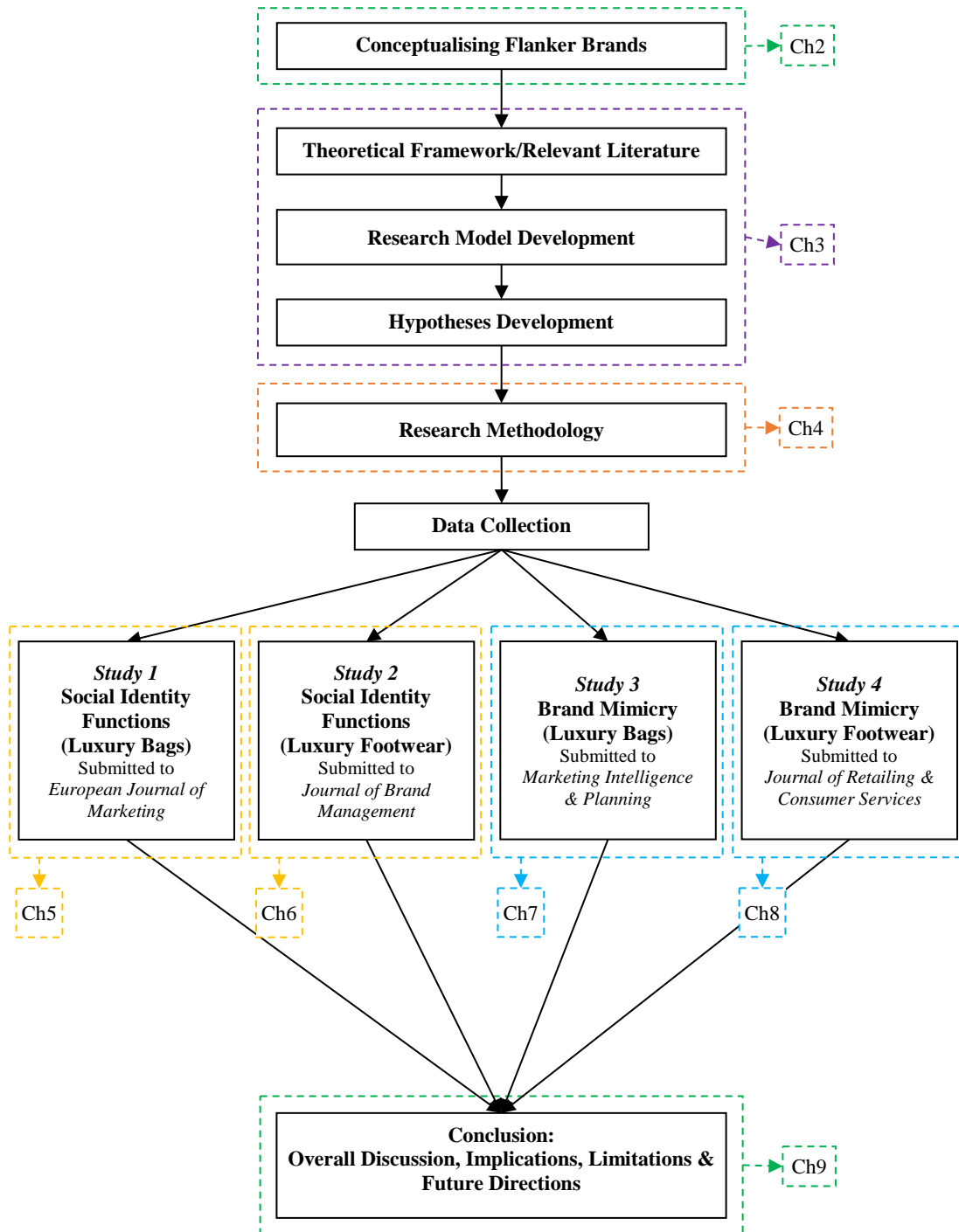
This research develops an understanding of how consumers react to flanker brands, in comparison to mimic brands. Through the examination of how consumer attitudes toward the flanker and mimic brands differ, and how perceptions of similarity to the

flagship brand vary; a clearer understanding of how flanker brands may be used to dissuade consumer preference for mimic brands is achieved. The insights from this comparison could help identify key factors that brand managers need to account for in the development of flanker brands, to make them effective against mimic brand competitors.

Organisation of Research

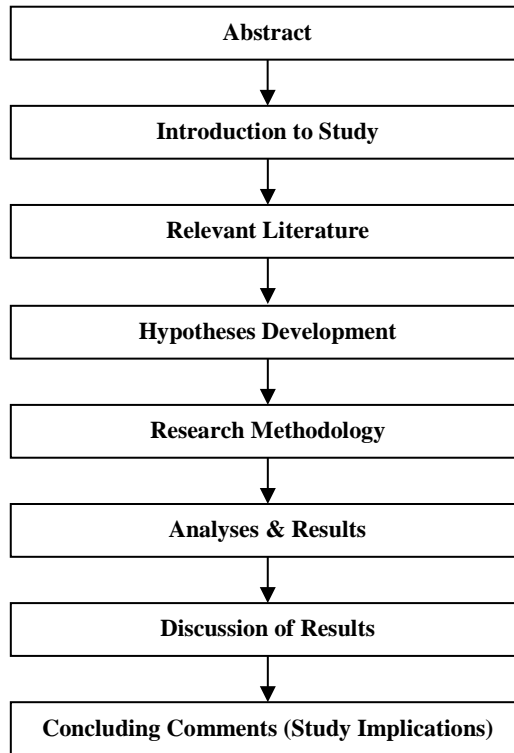
This research is organised into nine chapters: (1) Introduction; (2) Conceptualising Flanker Brands; (3) Theoretical Framework & Hypothesis Development; (4) Methodology; (5) *Study 1*; (6) *Study 2*; (7) *Study 3*; (8) *Study 4*; (9) Conclusion. A schematic overview of the research process is presented in Figure 1.4.

Figure 1.4: Schematic Overview of the Research Process



Chapters 5 (*Study 1*) to 8 (*Study 4*) have been written to follow the structure of a stand-alone journal article. For the purposes of this thesis, Chapters 5 to 8 present a clear record of the analyses conducted in *Study 1* to *Study 4*. A ‘cut-down’ version adhering to the relevant journal’s specifications has been submitted to the respective journals listed in Figure 1.4. Figure 1.5 presents a schematic overview of the chapter structure each of the chapters – Chapters 5 to 8.

Figure 1.5: Schematic Overview of Individual Chapters (5, 6, 7, 8)



Chapter 2

Conceptualising Flanker Brands – Literature Review

Introduction

The aim of this chapter is to review the literature pertaining to the present research on flanker brands, and develop a concept of flanker brands.

The chapter opens with an overview of flanking in business. This is followed by a primer on the various levels of war – strategic to tactical. Next, a review of manoeuvre theory is presented, which forms the foundations of flanking as a military and business strategy. Comparing both Western and Eastern perspectives on manoeuvre using Sun Tzu's Art of War, the review on manoeuvre theory distils key principles of manoeuvre warfare.

Using these principles as a lens, parallels between manoeuvre warfare in the military and business paradigms are drawn to validate the application of warfare theories in business. Following this, flanking as a military strategy is discussed and, similarly, the flanking strategy is examined in the context of business strategy. With the underpinning theory reviewed, the literature on flanker brands is then examined. During this review, prominent characteristics of flanker brands are brought to light.

Finally, comparing these characteristics against the principles of manoeuvre, a clear concept of flanker brands is presented. In addition, through the course of this review, research gaps pertaining to the business applications of flanker brands are identified, and presented in the conclusion to this chapter.

The Business of Flanking

Flanking is an often discussed and promoted strategy in business (e.g. Clemons and Santamaria, 2002; Janz, 1987; Ries, 2008; Ries and Trout, 1993; Ritson, 2009a, 2009b, 2010). In the automotive industry, Mercedes Benz deliberately priced itself higher than Cadillac when it entered the American market, so that consumers would view the Mercedes Benz brand as a more premium and luxury brand, allowing it to overtake Cadillac in sales (Ries, 2008). General Motors in North America have also employed flanker brands like the Buick Encore and Opel Mokka (Figure 2.1) to reinforce the market position and brand identity of their flagship brands such as Chevrolet and Cadillac (Higgins and Zha, 2013).

Figure 2.1: Buick Encore and Opel Mokka



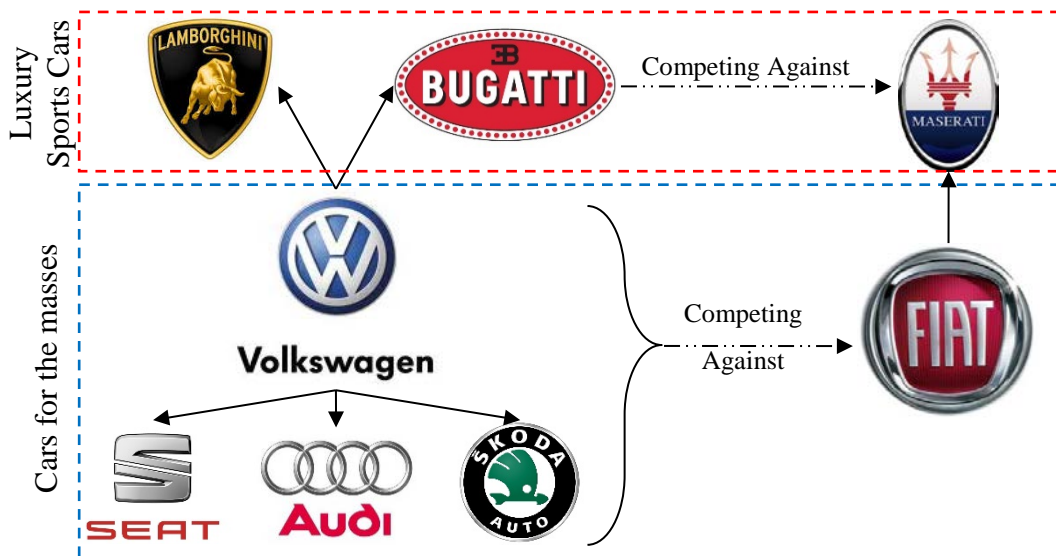
Buick Encore

Opel Mokka

Image Sources: (“Buick Encore”, 2017, “Opel Mokka”, 2017)

Another possible example is that of Volkswagen, and how it has applied flanking in its business strategy as seen in Figure 2.2.

Figure 2.2: Volkswagen Flanking Example



Images Sources: (“Audi Car Logo,” 2013; “Bugatti Logo”, 2013; “Lamborghini Car Logo”; 2013; “Logo Volkswagen”, 2013; “Maserati Vector Logo”, 2012; “Seat Reveal New Logo at Paris Motor Show”, 2012; “Skoda Logo”, 2013)

In competing with Fiat, Volkswagen has employed the use of other brands, SEAT, Audi, and Skoda to flank the parent brand Volkswagen and compete against Fiat. This allows Volkswagen to maintain a strong presence in the market without positioning itself directly against Fiat. In the luxury car market, both companies also have acquired flanker brands of their own (Lamborghini, Bugatti, and Maserati) to compete against each other as well as other luxury sports car companies. The brands such as Lamborghini, Bugatti and Maserati carry strong associations with high end luxury, of which Volkswagen nor Fiat do not. The flanking strategy has thus allowed Volkswagen and Fiat, both non-luxury sports car makers to comfortably compete in the luxury sports car market through their respective flanker brands, without changing their brand image.

Further examples can be observed in a multitude of other industries (see Figure 2.3 below). In the alcohol industry, Absolut vodka did the same thing, and outflanked Smirnoff (Ries, 2008). In the luxury fragrance market, many brands turn to flankers to bolster their fragrance lines (Sheen, 2014). YSL for example launched their new “L’Homme Ultime by YSL” fragrance as a flanker to its existing scent brands to bolster its line-up (Johnson, 2016). In the telecommunications industry, big mobile carriers in Canada like Rogers, Bell and Telus now have multiple flanker brands like Fido, and Koodo (Bader, 2016). In the cable television market, cable companies are offering up flanker brands to established channels – e.g. Science as a flanker to Discover Channel (Lafayette, 2013). In the beer industry, Miller Brewing launched High Life Genuine Draft as a flanker brand to its High Life brand of beer to combat competitors like Budweiser (Hume, 1987). Flanker brands are also employed in the food industry, as seen in Ferreira and Alcantara’s (2016) paper on tomato-derived products. In the publishing industry, the magazine Travel & Leisure launched two flanker brands – Travel & Leisure Golf, and Travel & Leisure Family to strengthen Travel & Leisure’s market position (Cleland, 1999). In the airline industry, Jetstar is touted as a low-cost flanker brand to Qantas (Homsombat et al., 2014).

Figure 2.3: Flanker Brands Across Industries



Image Sources: (“Fido Gets a New Bone”, 2015, “Koodo Mobile”, 2016, “L’Homme”, 2016, “Meet Morph”, 2011, “Miller High Life”, 2016, “Travel + Leisure Family”, 2016, “Travel + Leisure Golf”, 2016)

Clearly, the applications of flanking and flanker brands are potentially limitless, which makes it a uniquely useful tool to add to the brand manager’s repertoire of strategies. However, herein lies the first gap that this research seeks to address.

Despite flanking being employed across a multitude of industries, there is a distinct lack of clarity on the theoretical underpinnings of flanking in business. This is not to say that there is no literature supporting the notion of flanking; but in the context of marketing, not much thought seems to have been given to this. This means that the foundations for understanding flanking in business and flanker brands are shaky, which may be a reason for the fragmentation in the literature on flanker brands.

Hence, the reason for the first research gap:

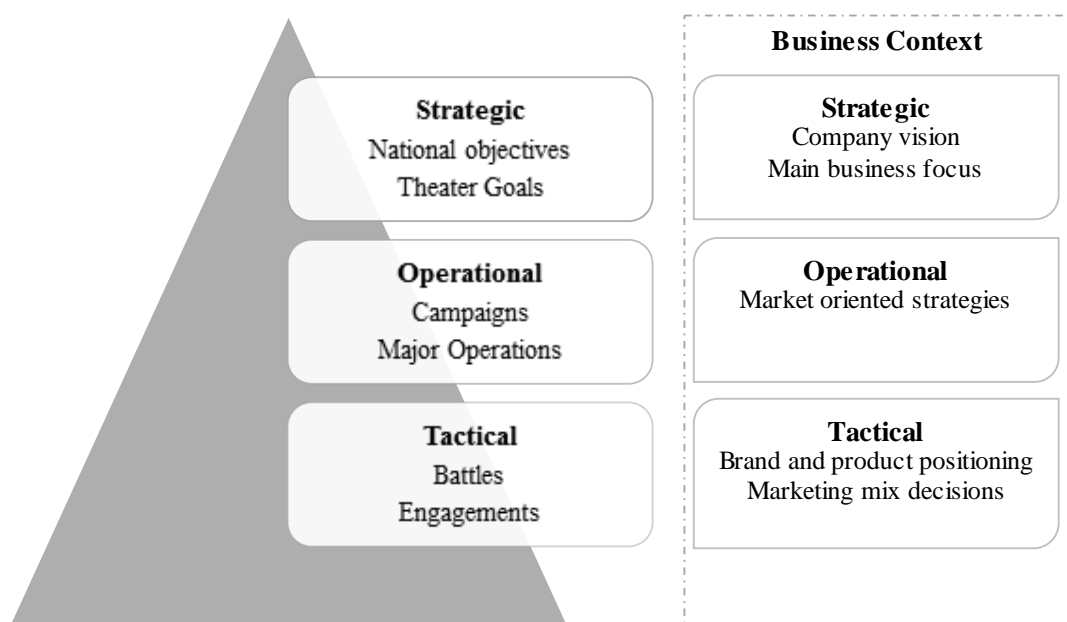
Gap 1: *There is a lack of clarity on the foundational theory supporting the concept of flanking in the business context.*

Before one can begin to conceptualise flanker brands it is important to first consider the foundational theory behind flanking in business, and use that to shape the concept of flanker brands. Flanking as a strategy and tactic is derived from military terminology. This research, therefore, is based on the foundations of manoeuvre theory, and is supported with lessons from Sun Tzu’s Art of War. It is reasoned that, since flanking is a warfare strategy, the use of military theory contextualised in business, should provide a more supportive foundation for developing the concept of flanker brands.

A Primer on War

War to the average person, is generally depicted as a bloody affair; where the just wage epic battles against evil, where men lay down their lives to protect their country and their loved ones. War shows like “Saving Private Ryan” and “Band of Brothers” often depict how soldiers fight their way past the enemy to glory. However, as Leonhard (1991) and Sun Tzu (Giles, 2014) would suggest, there is an art to war operations, a need to observe the various levels of war, and share equal focus on the campaigns as well as the battles.

Figure 2.4: Planning levels of War



Adapted from (Leonhard, 1991)

Figure 2.4 illustrates Leonhard's explanation on the various planning levels of war (Leonhard, 1991); and the parallels that can be drawn in business.

The strategic level, is concerned with overall strategic planning to achieve objectives and goals for the war effort (Leonhard, 1991). The operational level, is the intermediate level where overall war plans are linked with ground level operations, and involves the planning of war campaigns (German et al., 1991; Leonhard, 1991). In this sense, the operational level of war is based on the doctrine dictated at the strategic level (Field, 2012; Leonhard, 1991). The tactical level of war planning, governed by the operational level, involves the plans and tactics that deal with direct engagement of the opponent (German et al., 1991; Leonhard, 1991). Drawing parallels to the business context, the strategic level of a business would be represented by the firm's top management that govern the overall vision, aims and objectives of the business. For example, the overall aim for Apple Inc. could arguably be about making innovative, beautiful products that are simple and easy to use (Martellaro, 2016; Rowland, 2015) From here, the business' vision, aims and objectives are translated into operational strategy and plans. This would include things like strategic marketing decisions that govern the "overall tone and direction" of product commercialisation (Varadarajan, 2010); as well as the question of "whom we are going to sell to, and how" (Varadarajan, 2010). Staying with the Apple Inc. example, one could argue that Apple's operational strategy is about selling hardware to the end consumer (Kirk, 2013) – Apple Macintosh, Apple iPhone, Apple TV to name a few. The operational strategy is then further narrowed down and executed at the tactical level. This level involves planning and decisions using the marketing mix, and is concerned with the branding and positioning of the business' products (Varadarajan, 2010). With Apple Inc., one could argue that the way the company has managed their product launches in the past few years is a marketing tactic. For example, the iPhone SE that was launched in early 2016 saw a staggered global launch schedule, and among the first countries to receive the new iPhone was China, a tactical decision on Apple's part, to capitalise on the fast-growing consumer electronics market there (Heisler, 2016).

With this understanding of the levels of war, the next step is to examine the theoretical underpinnings of the flanking strategy. Manoeuvre theory, in the context of warfare, underpins and guides the strategic decisions of the military effort; from the strategic to tactical levels of the war effort.

Manoeuvre Theory

Be formless, shapeless, like water. Now you put water into a cup, it becomes the cup. You put water into a bottle, it becomes the bottle. You put it in a teapot, it becomes the teapot. Now water can flow, or it can crash. Be water my friend.

– Bruce Lee

Manoeuvre theory has its roots in the military, and was born out of the need to understand and explain the anomalous strategies and tactics used in warfare, that helped armies gain decisive victories over their enemies (Pech and Slade, 2003). Manoeuvre theory, and by extension manoeuvre warfare, is considered “contemporary” in military warfare, but has been employed as far back as 371 B.C. (Kolar and Toporišič, 2007; Lind, 1985). In essence, the concept of manoeuvre warfare relates to “the organised movement of forces to a new line and region for the purpose of taking an advantageous position relative to the (opponent) in order to deliver a decisive strike” (Lind, 1985; Sverdlov, 1983).

Some famous examples of manoeuvre warfare include the German Blitzkrieg of the Second World War, where the Germans employed highly mobile forces to deliver crushing blows to opposing forces, taking their opponents by surprise (Pech and Slade, 2003; Trueman, 2016). Similarly, during the Korean war, when American F-86 Sabre fighter aircraft were matched against the superior MiG-15, F-86 pilots were still able to maintain a tactical advantage over their MiG-15 counterparts. The reason behind this was because F-86 pilots had a significantly better view of the battle due to a better designed cockpit canopy, and the F-86 had quicker manoeuvrability features, thus F-86 pilots were able to out anticipate and out-manoeuvre the MiG-15s (Lind, 1985; Pech and Slade, 2003).

As the examples imply, unlike traditional attrition-based warfare, manoeuvre theory and by extension, manoeuvre warfare, emphasises mobility and intellect. An army on a battlefield is deployed to be strongest where it expects to attack or to be attacked. Therefore, fighting the opponent in a direct manner (war of attrition) may result in heavy losses for both sides (Leonhard, 1991). Manoeuvre warfare however, is characterised by speed, deception and the element of surprise to deliver striking blows to the opponent with minimal effort (Kolar and Toporišič, 2007; Pech and Durden, 2003). This speed, and sustained momentum of the attacks are aimed at forcing the opponent to move at a different pace, throwing the opponents off balance and into disarray (Pech and Durden, 2003). As Clemons and Santamaria (2002) put it, the aim

of manoeuvre warfare is “not to destroy the adversary’s forces, but to render them unable to fight in an effective, coordinated [manner]”.

Figure 2.5: Manoeuvre Tactics – Penetration of the Centre

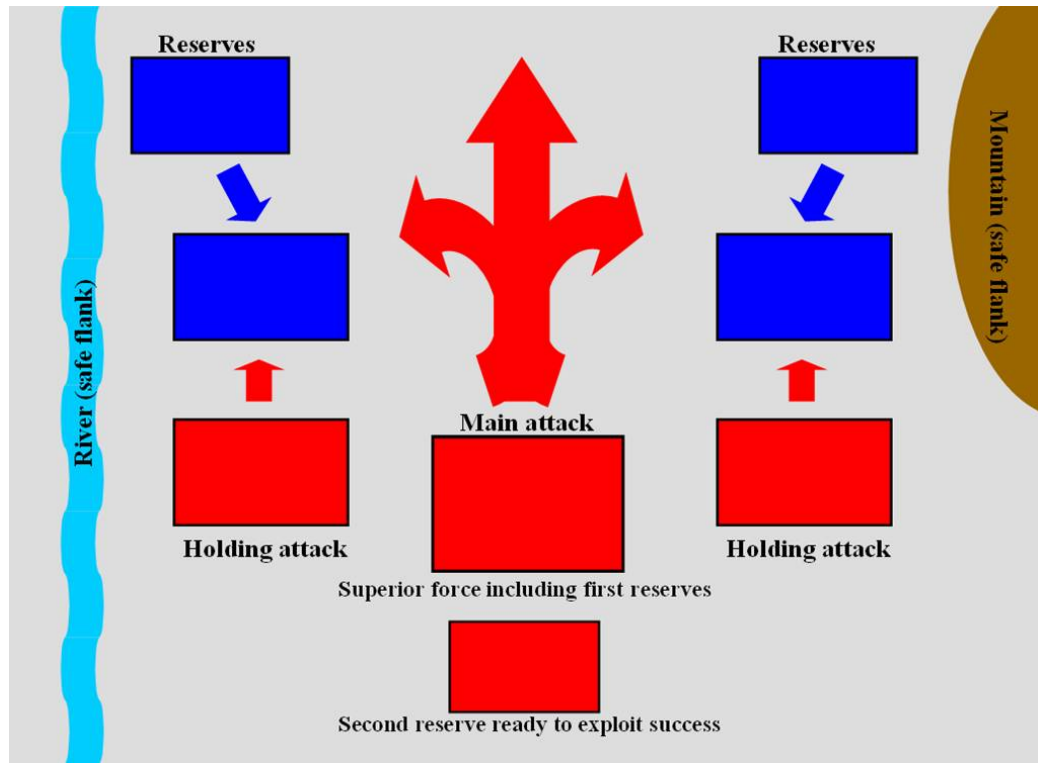


Image Source: (Webb, 2016)

By definition, manoeuvre theory covers a broad range of strategies and tactics, ranging from tactics like “Penetration of the Centre” (see Figure 2.5 above) as employed to great effectiveness in the German Blitzkrieg, to “Single Envelopments” and “Double Envelopments”, “Attacking in Oblique Order”, “Feigned Retreats” and “Flanking” (Field, 2012; “Military Strategy and Tactics”, 2016; Webb, 2016). However, all manoeuvres in warfare would have similarities in the principles that guide their execution. Further, it is important to note that while manoeuvre warfare is generally exemplified in offensive manoeuvres (e.g. German Blitzkrieg), manoeuvre theory can be applied in both offensive and defensive postures, depending on the circumstances (Field, 2012; Lind, 1985; *Warfighting (Marine Corps Doctrinal Publication 1)*, 2005).

A review of the literature around manoeuvre theory suggests that there are seven key principles that can be brought forward to the business paradigm:

1. Concentration of power

Concentrate power and attacks on the opponent's centre of strength, and attack the weak points to get to the centre. Avoid attacking the opponent directly using strength against strength.

2. Deception

Make efforts to keep opponent blind to your plans and actions, so that they can be used at the opportune moments to catch the opponent off-guard and throw them off-balance.

3. Boldness

When one does attack, one should attack with boldness and conviction to deliver breakthrough results.

4. Surprise

Actions should aim to surprise the opponent and force them into taking unplanned action, resulting in confusion and disarray.

5. Speed of Movement

Speed is the essence – main nimbleness and agility to out-manoevre the opponent. It is important to maintain a fast tempo, both in planning and movement, to out-think and out-plan the opponent.

6. Reconnaissance and Plans

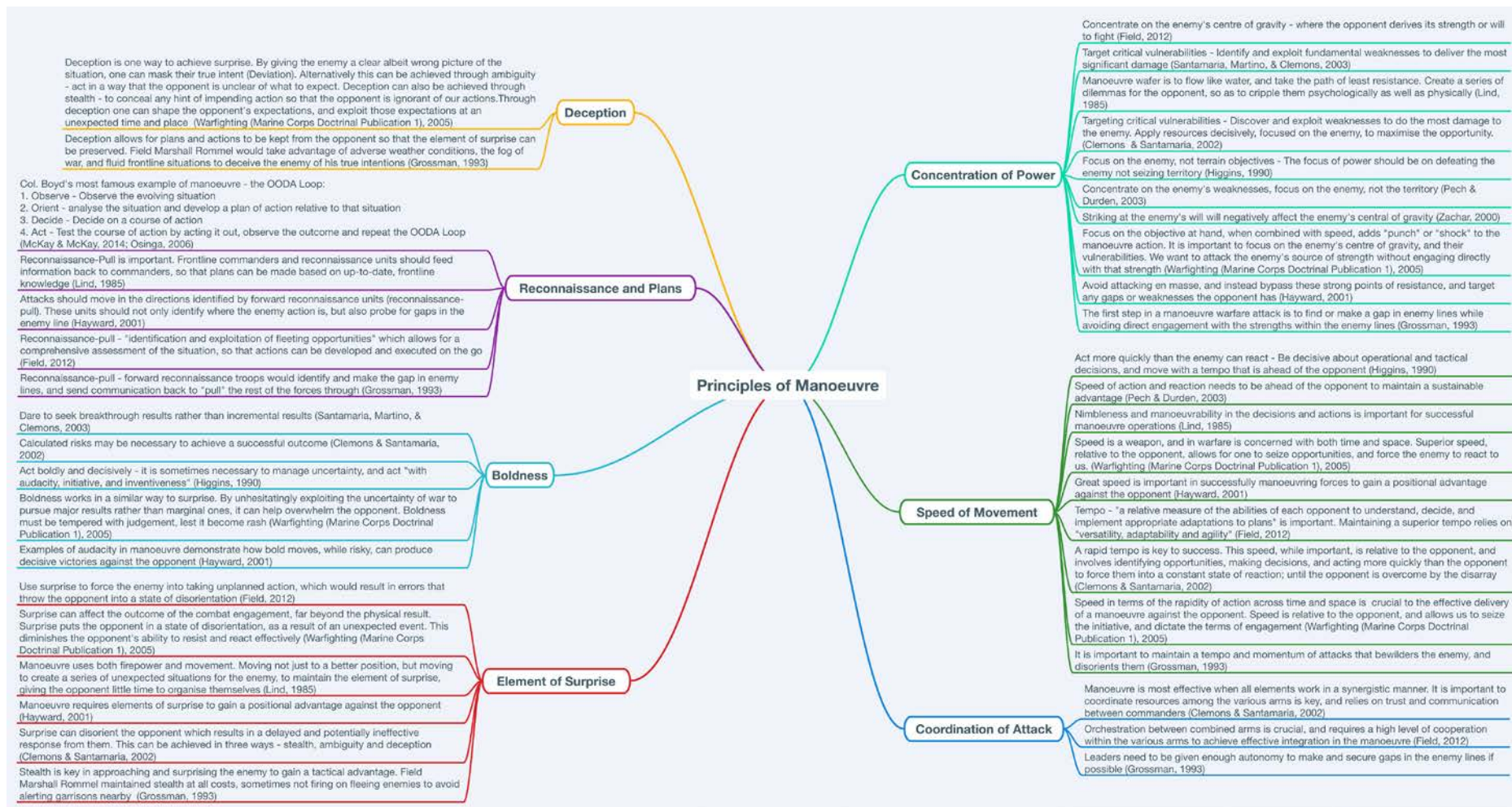
Make constant observations of your position and actions relative to the opponent, and adjust your strategy accordingly. Plans made need to be well-coordinated with the relevant forces, and sufficient resources allocated to deliver striking blows to the opponent.

7. Coordination of Attack

Manoeuvres need to be well-orchestrated, and sufficient trust and autonomy placed in the people executing these actions for smooth and effective action.

An illustration of the relevant literature from which these seven principles were derived is detailed in Figure 2.6.

Figure 2.6: Review of the Principles of Manoeuvre



Note: A high resolution image can be downloaded from <https://goo.gl/Yi1O0a>

Sun Tzu's Art of War (孙子兵法) & Manoeuvre Theory



Image Source: (“The Chinese Warring States”, 2008)

*In battle, there are not more than two methods of attack – the direct and the indirect;
yet these two in combination give rise to an endless series of manoeuvres.*

– Sun Tzu

战势不过奇正，奇正之变，不可胜穷也

Comparing these findings with a different doctrine on warfare, we find that there are many parallels to manoeuvre that can be drawn between East and West in Sun Tzu's Art of War. Over the years, Sun Tzu's words have often been used as foundational philosophy to provide strategic insight and motivational mandates in many aspects of business, from strategy to management and marketing, across a multitude of industries (e.g. Ho, 1997; Lee et al., 1994; Macdonald and Neupert, 2005; Michaelson, 2001; O'Dowd and Waldron, 1991; Rarick, 1996; Sheetz-Runkle, 2014; Tremayne, 2008).

Sun Tzu's Art of War has spanned thousands of years, and it is impossible to truly decipher all the intricacies and applications of his work. Further, different translations of his work give rise to nuanced differences in interpretation (e.g. Giles, 2014; “Sun Tzu's Art of War,” 2013; Tarver, 2002).

To facilitate the effort in drawing parallels between manoeuvre theory and Sun Tzu's Art of War, this research focuses on a single translation of Sun Tzu's Art of War, by Lionel Giles (2014). Further, the comparisons made do not delve deeply into the philosophical and literary complexities of his work. Instead a more direct and literal approach is taken in this cross-examination. Despite this more simplistic approach, there is still much that can be learned and compared between manoeuvre theory and

Sun Tzu's Art of War; all while avoiding the potential of reading too much into the intricacy of his writing, and inadvertently misinterpreting his work.

An examination of Sun Tzu's Art of War was conducted, distilling the most obvious references to manoeuvre warfare, and drawing parallels to the lessons manoeuvre theory. This was achieved through a review of Lionel Gile's (2014) translation of Sun Tzu's Art of War, picking out any excerpts that might seem related to M manoeuvre theory. Following this, the excerpts were compared against the seven principles of Manoeuvre that were identified earlier. Excerpts that had elements of manoeuvre theory were assigned the relevant principle and then re-interpreted in relation to manoeuvre theory. Excerpts that did not have elements of manoeuvre theory were discarded. In all, 36 excerpts were identified as having parallels to manoeuvre theory, and these are presented in Table 2.1.

Table 2.1: Examination of Sun Tzu's Art of War against Manoeuvre Theory

No.	Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
1	While heading the profit of my counsel, avail yourself also of any helpful circumstances over and beyond the ordinary rules. According as circumstances are favourable, one should modify one's plans – <i>Laying Plans: 1.17</i> 計利以聽，乃為之勢，以佐其外；勢者，因利而制權也	Reconnaissance & Plans	Manoeuvre warfare is all about adjusting the strategy in relation to the changes with the opponent and the immediate situation (e.g. Boyd's OODA Loop (McKay and McKay, 2014; Osinga, 2006)).
2	All warfare is based on deception. Hence when able to attack, we must seem unable; when using our forces, we must seem inactive; when we are near, we must make the enemy believe we are far away; when far away, we must make him believe we are near – <i>Laying Plans: 1.18 – 1.19</i> 兵者，詭道也。故能而示之不能，用而示之不用，近而示之遠，遠而示之近	Deception Surprise Reconnaissance & Plans	It is important to employ deception to keep the opponent blind to one's actions. That way, the element of surprise can be maintained at the point which one attacks the opponent. To deceive the opponent effectively requires a keen assessment of the opponent's actions so that one can create the illusion of being near whilst actually being far away. (e.g. Lind, 1985; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i> , 2005)

¹ Mandarin translations were obtained from <http://ctext.org/art-of-war/>

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>3 Hold out baits to entice the enemy. Feign disorder, and crush him – <i>Laying Plans: 1.20</i></p> <p>利而誘之，亂而取之</p>	<p>Concentration of Power Deception Surprise Coordination of Attack</p>	<p>Deception and coordination is key to “feign(ing) disorder” to maintain the element of surprise. A well-coordinated force will be able to create the appearance of disorder to deceive the opponent. Further high concentration of power is important to deliver a crushing blow to the opponent. (e.g. Clemons and Santamaria, 2002; Field, 2012; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>4 Attack him where he is unprepared, appear where you are not expected. These military devices, leading to victory, must not be divulged beforehand – <i>Laying Plans: 1.24 – 1.25</i></p> <p>攻其無備，出其不意，此兵家之勝，不可先傳也</p>	<p>Deception Surprise</p>	<p>Similar to no.2, deception is key to maintaining the element of surprise so as to create the circumstances for an effective manoeuvre against the opponent. (e.g. Field, 2012; Hayward, 2001; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>5 Though we have heard of stupid haste in war, cleverness has never been associated with long delays – <i>Waging War 2.5</i></p> <p>故兵聞拙速，未睹巧之久也</p>	<p>Speed of Movement Reconnaissance & Plans</p>	<p>It is important to maintain a speed and tempo that is ahead of the opponent. Actions must be supported with well-laid plans based on knowledge of the battlefield. (Field, 2012; Lind, 1985; Pech and Durden, 2003)</p>
<p>6 That the impact of your army may be like a grindstone dashed against an egg – This is effected by the science of weak points and strong – <i>Energy 5.4</i></p> <p>兵之所加，如以礮投卵者，虛實是也</p>	<p>Concentration of Power Boldness</p>	<p>When action is taken against the opponent, power should be concentrated at the weak points identified in the opponent’s defense line. Actions should also seek to deliver breakthrough results with overwhelming force to deliver decisive blows to the opponent. (e.g. Clemons & Santamaria, 2002; Higgins, 1990; Santamaria et al., 2003; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>7 In all fighting, the direct method may be used for joining battle, but indirect methods will be needed in order to secure victory. Indirect tactics, efficiently applied, are inexhaustible as Heaven and Earth, unending as the flow of rivers and streams; like the sun and moon, they end but to begin anew; like the four seasons, they pass away to return once more – <i>Energy: 5.5 – 5.6</i></p> <p>凡戰者，以正合，以奇勝。故善出奇者，無窮如天地，不竭如江河，終而復始，日月是也；死而復生，四時是也。</p>	<p>Manoeuvre Theory Lessons 1-7</p>	<p>This speaks to manoeuvre theory as a whole. Manoeuvre theory is centred around the indirect approach to warfare, and so all lessons within manoeuvre theory apply.</p>

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>8 Simulated disorder postulates perfect discipline, simulated fear postulates courage; simulated weakness postulates strength. Hiding order beneath the cloak of disorder is simply a question of subdivision; concealing courage under a show of timidity presupposes a fund of latent energy; masking strength with weakness is to be effected by tactical dispositions – <i>Energy: 5.17 – 5.18</i></p> <p>亂生于治，怯生于勇，弱生于強。治亂，數也。勇怯，勢也。強弱，形也。</p>	<p>Deception Surprise Coordination of Attack</p>	<p>Deception and surprise are key to postulating the right image to the opponent, and deceive them of the true intentions of one's forces. Again, creating a believable appearance of one's forces requires great coordination and clarity of communication within the force. (e.g. Clemons and Santamaria, 2002; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>9 The clever combatant imposes his will on the enemy, but does not allow the enemy's will to be imposed on him – <i>Weak Points & Strong: 6.2</i></p> <p>故善戰者，致人而不致于人。</p>	<p>Boldness Speed of Movement Reconnaissance & Plans Coordination of Attack</p>	<p>To “impose (one's) will on the enemy”, one needs to have a clear assessment of the opponent's movements, and the necessary speed to deliver bold and coordinated attacks to affect the opponent in a significant way. As related to in Figure 2.6 speed also refers to tempo, and there is a need to maintain a tempo ahead of the opponent in order to “impose (one's) will”, and control the outcome of engagements. (e.g. Clemons and Santamaria, 2002; Field, 2012; Grossman, 1993; Higgins, 1990; Lind, 1985)</p>
<p>10 Appear at points which the enemy must hasten to defend; march swiftly to places where you are not expected – <i>Weak Points & Strong: 6.5</i></p> <p>出其不意，趨其所不意</p>	<p>Concentration of Power Deception Surprise Reconnaissance & Plans Speed of Movement</p>	<p>This relates to the notion that manoeuvre warfare is about attacking the opponent's weak points, which requires clear assessment and reconnaissance of the opponent's actions. Further, to deliver an effective attack, it is important to maintain the element of stealth, moving quickly to surprise the opponent. (e.g. Field, 2012; Grossman, 1993; Hayward, 2001; Lind, 1985; Pech and Durden, 2003)</p>
<p>11 You can be sure of succeeding in your attacks if you only attack places which are undefended. You can ensure the safety of your defense if you only hold positions that cannot be attacked. Hence that general is skilful in attack whose opponent does not know what to defend; and he is skilful in defense whose opponent does not know what to attack – <i>Weak Points & Strong: 6.7 – 6.8</i></p> <p>攻而必取者，攻其所不守也；守而必固者，守其所不攻也。故善攻者，敵不知其所守；善守者，敵不知其所攻。</p>	<p>Concentration of Power Deception Surprise Reconnaissance & Plans Coordination of Attack</p>	<p>Successful manoeuvres hinge on attacking the opponent at their weak points. These are identified through effective reconnaissance and fluid plans that change to suit the situation. The idea of the “general is skilful in attack whose opponent does not know what to defend...” alludes to the notion that a skilful leader would employ the art of deception to mask the real plan of attack so that the opponent is not sure of what to prepare for. This requires, again, clarity in information through reconnaissance, and deft coordination of one's forces. (e.g. Field, 2012; Lind, 1985; McKay and McKay, 2014; Osinga, 2006; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>12 O divine art of subtlety and secrecy! Through you we learn to be invisible, through you inaudible; and hence we can hold the enemy's fate in our hands – <i>Weak Points & Strong: 6.9</i></p> <p>微乎微乎！至于無形；神乎神乎！至于無聲，故能為敵之司命。</p>	<p>Deception Surprise</p>	<p>The key to successful manoeuvres is to ensure that the opponent is unaware of one's plans and tactics. (e.g. Grossman, 1993; Lind, 1985; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>13 You may advance and be absolutely irresistible, if you make for the enemy's weak points; you may retire and be safe from pursuit if your movements are more rapid than those of the enemy – <i>Weak Points & Strong: 6.10</i></p> <p>進而不可禦者，衝其虛也；退而不可追者，速而不可及也。</p>	<p>Concentration of Power Speed of Movement</p>	<p>Attacking the opponent's weak points allows for swift and decisive victory. Further it is important to maintain a high speed and tempo to ensure that one remains ahead of the opponent. (e.g. Clemons & Santamaria, 2002; Grossman, 1993; Hayward, 2001; Santamaria et al., 2003; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>14 By discovering the enemy's dispositions and remaining invisible ourselves, we can keep our forces concentrated, while the enemy's must be divided. – <i>Weak Points & Strong: 6.13</i></p> <p>故形人而我無形，則我專而敵分</p>	<p>Concentration of Power Deception Surprise Reconnaissance & Plans Coordination of Attack</p>	<p>It is important to continuously monitor the opponent's movements and actions, adjusting one's strategy to ensure that one's forces remain strong against the opponent's plans. Further deception keeps the opponent from knowing one's true intentions so that a coordinated (concentrated) attack can be made against the opponent when they least expect it and throw them into disarray (divided). (Field, 2012; Lind, 1985; McKay and McKay, 2014; Osinga, 2006; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>15 We can form a single united body, while the enemy must be split up into fractions. Hence there will be a whole pitted against separate parts of a whole, which means that we shall be many to the enemy's few. And if we are able thus to attack an inferior force with a superior one, our opponents will be in dire straits – <i>Weak Points & Strong: 6.14 – 6.15</i></p> <p>我專為一，敵分為十，是以十攻其一也。則我眾而敵寡，能以眾擊寡，則我之所與戰者，約矣。</p>	<p>Concentration of Power Reconnaissance & Plans Coordination of Attack</p>	<p>Continuing the theme from no. 14, one's own forces need to be kept strong against the opponent, attacking any weak points that are identified through reconnaissance (Reconnaissance-pull). This helps to create disorder and disarray in the opponent, creating a tactical advantage for one's own forces ("a whole pitted against separate parts of a whole"). Here, it is implied again, that a well-coordinated attack must be conducted in order to gain the upper hand with a "superior force". (e.g. Clemons and Santamaria, 2002; Field, 2012; Grossman, 1993; Lind, 1985; Pech and Durden, 2003)</p>
<p>16 The spot where we intend to fight must not be made known; for then the enemy will have to prepare against a possible attack at several different points; and his forces being thus distributed in many directions, the numbers we shall have to face at any given point will be proportionately few – <i>Weak Points & Strong: 6.16</i></p> <p>吾所與戰之地不可知，不可知，則敵所備者多，敵所備者多，則我所與戰者寡矣。</p>	<p>Deception Surprise</p>	<p>Well executed manoeuvres require that the opponent be kept in the dark about ones plans and strategy. This results in the opponent being unclear of what to expect ("ambiguity" as described in <i>Warfighting (Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)), and thus will be ill-equipped to deal with an attack when it comes as the opponent would have to spread their resources across multiple fronts.</p>

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>17 Though the enemy be stronger in numbers, we may prevent him from fighting. Scheme so as to discover his plans and the likelihood of their success. Rouse him, and learn the principle of his activity or inactivity. Force him to reveal himself, so as to find out his vulnerable spots. Carefully compare the opposing army with your own, so that you may know where strength is superabundant and where it is deficient – <i>Weak Points & Strong</i>: 6.22 – 6.23</p> <p>勝可為也，敵雖眾，可使無鬥。故策之而知得失之計，作之而知動靜之理，形之而知死生之地，角之而知有餘不足之處。</p>	Reconnaissance & Plans	It is important to continuously observe and understand the opponent's movements and plans. The concept of Reconnaissance-pull as described in manoeuvre theory (e.g. Field, 2012; Grossman, 1993; Lind, 1985; McKay and McKay, 2014) is crucial to identifying the opponent's weak points and strong, so as to allow commanders to make plans for the ideal manoeuvre against the opponent.
<p>18 In making tactical dispositions, the highest pitch you can attain is to conceal them; conceal your dispositions, and you will be safe from the prying of the subtlest spies, from the machinations of the wisest brains – <i>Weak Points & Strong</i>: 6.25</p> <p>故形兵之極，至于無形；無形，則深間不能窺，智者不能謀。</p>	Deception	This points directly to the notion of deception in manoeuvre theory, as discussed in <i>Warfighting (Warfighting (Marine Corps Doctrinal Publication 1)</i> , 2005). Deception can be achieved through providing the wrong picture to the opponent, through “ambiguity” or through stealth.
<p>19 All men can see the tactics whereby I conquer, but what none can see is the strategy out of which victory is evolved.</p> <p>人皆知我所以勝之形，而莫知吾所以制勝之形</p>	Reconnaissance & Plans Deception	This quote highlights the importance of reconnaissance, planning and deception in manoeuvre warfare (e.g. Field, 2012; Grossman, 1993; Lind, 1985; McKay and McKay, 2014). Through careful planning and deception, the opponent can be kept guessing at the true intent of one's manoeuvre, and never realise how one's strategy is intended to defeat the opponent.
<p>20 Do not repeat the tactics which have gained you one victory, but let your methods be regulated by the infinite variety of circumstances – <i>Weak Points & Strong</i>: 6.28</p> <p>故其戰勝不復，而應形於無窮</p>	Reconnaissance & Plans	Plans and strategies should not be dictated in doctrine alone. It is important to understand and assess the situation on the ground, and make necessary changes as the situation unfolds. (e.g. Grossman, 1993; Lind, 1985; McKay and McKay, 2014; Osinga, 2006)
<p>21 Military tactics are like unto water; for water in its natural course runs away from high places and hastens downwards. So in war, the way is to avoid what is strong, and to strike what is weak – <i>Weak Points & Strong</i>: 6.29-6.30</p> <p>夫兵形象水，水之形，避高而趨下；兵之形，避實而擊虛；水因地而制流，兵因敵而制勝。</p>	Concentration of Power	As prescribed in manoeuvre theory, it is important to engage the opponent at their weak points, crippling the opponent's source of strength without engaging directly with that strength (e.g. Clemons and Santamaria, 2002; Field, 2012; Lind, 1985; Pech & Durden, 2003; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i> , 2005)

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>22 Water shapes its course according to the nature of the ground over which it flows; the soldier works out his victory in relation to the foe whom he is facing. Therefore, just as water retains no constant shape, so in warfare there are no constant conditions. He who can modify his tactics in relation to his opponent and thereby succeed in winning, may be called a heaven-born captain – <i>Weak Points & Strong: 6.31 – 6.32</i></p> <p>故兵無常勢，水無常形；能因敵變化而取勝，謂之神。</p>	<p>Concentration of Power Reconnaissance & Plans</p>	<p>As with no.20 manoeuvre warfare is about taking the path of least resistance, striking the opponent at their weak points (e.g. Clemons & Santamaria, 2002; Field, 2012; Lind, 1985; Pech & Durden, 2003; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005). Further, given that in war there are “no constant conditions”, there is a need to ensure that plans and strategies are updated as the opponent’s actions change in relation to one’s own. (e.g. McKay & McKay, 2014; Osinga, 2006)</p>
<p>23 After that, comes tactical manoeuvring, than which there is nothing more difficult. The difficulty of tactical manoeuvring consists in turning the devious into the direct, and misfortune into gain. Thus to take a long and circuitous route, after enticing the enemy out of the way, and though starting after him, to contrive to reach the goal before him, shows knowledge of the artifice of <i>deviation</i> – <i>Manoeuvring: 7.3 – 7.4</i></p> <p>軍爭之難者，以迂為直，以患為利。故迂其途，而誘之以利，後人發，先人至，此知迂直之計者也。</p>	<p>Deception Coordination of Attack</p>	<p>Coordination of forces in tactical manoeuvring is crucial to a successful manoeuvre in warfare. It is therefore important that clear lines of communication are drawn so that all forces in the manoeuvre are aware of the situation as it unfolds. Further the notion of “deviation” relates to the principle of deception in manoeuvre, as described in <i>Warfighting (Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>24 Manoeuvring with an army is advantageous; with an undisciplined multitude, most dangerous – <i>Manoeuvring: 7.5</i></p> <p>故軍爭為利，軍爭為危。</p>	<p>Coordination of Attack</p>	<p>This relates closely to the notion that when conducting manoeuvre warfare, it is most effective when the forces work in a synergistic manner, and are well-coordinated so that the attack results in victory (e.g. Clemons & Santamaria, 2002; Field, 2012)</p>
<p>25 In war, practice dissimulation, and you will succeed – <i>Manoeuvring: 7.15</i></p> <p>故兵以詐立，以利動</p>	<p>Deception</p>	<p>This emphasises the notion of deception in manoeuvre warfare (e.g. Grossman, 1993; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>26 Whether do concentrate or divide your troops, must be decided by circumstances – <i>Manoeuvring: 7.16</i></p> <p>以分合為變者也</p>	<p>Reconnaissance & Plans</p>	<p>As discussed in manoeuvre theory, it is important to make plans according to the situation at hand. Using feedback and information from the ground to determine how to deploy forces to best strike at the opponent (e.g. Field, 2012; Lind, 1985; McKay & McKay, 2014)</p>

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>27 Let your rapidity be that of the wind, your compactness that of the forest – <i>Manoeuvring: 7.17</i></p> <p>故其疾如風，其徐如林</p>	<p>Speed of Movement Coordination of Attack</p>	<p>Speed is key to manoeuvre warfare, moving at a pace faster than the opponent will grant advantages in being to dictate the terms for the opponent (Clemons and Santamaria, 2002; Hayward, 2001; Pech and Durden, 2003). The idea of “compactness (being) that of the forest” alludes to the notion that manoeuvres need to be well-orchestrated, with each part of the force playing its role in harmony with the others, so that the forces move as one well-coordinated army. (Clemons and Santamaria, 2002; Field, 2012)</p>
<p>28 Let your plans be dark and impenetrable as night, and when you move, fall like a thunderbolt – <i>Manoeuvring: 7.19</i></p> <p>難知如陰，動如雷霆</p>	<p>Deception Boldness</p>	<p>One's plan of action should be kept secret from the opponent so that they are unclear of what to expect. Further, when an attack is made, as explained in manoeuvre theory; where prudent, one should dare to seek breakthrough results and act boldly and decisively (e.g. Higgins, 1990; Santamaria et al., 2003; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>29 He will conquer who has learned the artifice of deviation. Such is the art of manoeuvring – <i>Manoeuvring: 7.22</i></p> <p>先知迂直之計者勝，此軍爭之法也</p>	<p>Deception</p>	<p>This quote emphasises the need for deception in manoeuvre theory. (e.g. Grossman, 1993; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>30 Rapidity is the essence of war: Take advantage of the enemy's unreadiness, make your way by unexpected routes, and attack unguarded spots – <i>The Nine Situations: 11.19</i></p> <p>兵之情主速，乘人之不及，由不虞之道，攻其所不戒也</p>	<p>Concentration of Power Speed of Movement Surprise</p>	<p>This emphasises the need to move swiftly and decisively in manoeuvre; the use of surprise to attack weak points and catch the opponent off-guard and where they are unable to mount an effective defense (e.g. Higgins, 1990; Pech and Durden, 2003; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>31 Carefully study the well-being of your men, and do not overtax them. Concentrate your energy and hoard your strength. Keep your army continually on the move, and devise unfathomable plans – <i>The Nine Situations: 11.22</i></p> <p>謹養而無勞，併氣積力，運兵計謀，為不可測</p>	<p>Deception Coordination of Attack</p>	<p>This quote extends a little beyond the scope of the principles of manoeuvre, with the notion of managing welfare of the people. However, it does allude to the need to ensure that the army is well-coordinated, given that an army is able to operate well when the people are in a good state. This is something that is discussed briefly in most warfare texts (e.g. Lind, 1985; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005). Further, this quote emphasises the need for deception in planning to ensure that the opponent is caught off-guard when attacked. (<i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005).</p>
<p>32 The further you penetrate into a country, the greater will be the solidarity of your troops, and thus the defenders will not prevail against you – <i>The Nine Situations: 11.20</i></p> <p>凡為客之道，深入則專，主人不克，掠于饒野</p>	<p>Boldness</p>	<p>This relates to the notion of “boldness” – to seek breakthrough results rather than seek skirmishes with the opponent. Manoeuvres against the opponent should be aimed at dealing crushing blows to their source of strength. (e.g. Field, 2012; Higgins, 1990; Zachar, 2000)</p>

No. Excerpt from Sun Tzu's Art of War ¹	Related Principles of Manoeuvre Theory	Interpretation of Sun Tzu in relation to Manoeuvre Theory
<p>33 The skilful tactician may be likened to the <i>shuai-ran</i>. Now the <i>shuai-ran</i> is a snake that is found in the Ch'ang mountains. Strike at its head, and you will be attacked by its tail; strike at its tail, and you will be attacked by its head; strike at the middle, and you will be attacked by head and tail both – <i>The Nine Situations: 11.29</i></p>	<p>Speed of Movement Coordination of Attack Reconnaissance & Plans</p>	<p>This quote, perhaps speaks best to the “soul” of manoeuvre warfare, and alludes to the notion of “flanking” that will be discussed later. Manoeuvre warfare is about adjusting one’s strategy, as the situation unfolds, in relation to the opponent. Therefore, as with the “<i>Shuai-jan</i>”, depending on how the situation unfolds, be it when one is under attack, or when one is attacking, manoeuvre theory calls for swift, well-coordinated attacks against the opponent. (e.g. Lind, 1985; McKay and McKay, 2014; Osinga, 2006; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>34 If the enemy leaves a door open, you must rush in – <i>The Nine Situations: 11.65</i></p> <p>敵人開闔，必亟入之</p>	<p>Reconnaissance & Plans</p>	<p>One should always be observing the opponent’s movements to identify any gaps that can be taken advantage of. (e.g. Field, 2012; Lind, 1985; McKay and McKay, 2014; Osinga, 2006)</p>
<p>35 Walk in the path defined by rule, and accommodate yourself to the enemy until you can fight a decisive battle. At first, then, exhibit the coyness of a maiden, until the enemy gives you an opening; afterwards emulate the rapidity of a running hare, and it will be too late for the enemy to oppose you – <i>The Nine Situations: 11.67 – 11.68</i></p>	<p>Surprise Speed of Movement Reconnaissance & Plans</p>	<p>It is important to continuously observe the opponent’s actions, and, at first, react accommodatingly to their actions until the appropriate opportunity arises. This is when one should leverage the opportunity, and act swiftly and decisively against the opponent to catch them off-guard, and throw them off-balance. (e.g. Clemons & Santamaria, 2002; Field, 2012; McKay and McKay, 2014; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>
<p>36 Move not unless you see an advantage; use not your troops unless there is something to be gained; fight not unless the position is critical – <i>The Attack by Fire: 12.17</i></p> <p>非利不動，非得不用，非危不戰。</p>	<p>Concentration of Power</p>	<p>As explained in manoeuvre theory, the key is not to engage in direct combat, but to attack the opponent’s weak points, striking at source of strength while avoiding engaging that strength directly. It is important to understand here, that the focus is on the opponent, and objective at hand, and not simply to “conquer” (e.g. Clemons and Santamaria, 2002; Hayward, 2001; Lind, 1985; <i>Warfighting (Marine Corps Doctrinal Publication 1)</i>, 2005)</p>

Overall, it is clear that there are many similarities between the principles identified in manoeuvre theory, and the lessons learnt in Sun Tzu’s Art of War. This lends significant support for aforementioned seven principles of manoeuvre theory, and its application to the business paradigm. The examination of 36 excerpts from Sun Tzu’s Art of War (Giles, 2014) revealed that “Concentration of Power” was referred to in 11 instances, “Deception” referred to in 16 instances, “Boldness” referred to in four instances, “Surprise” referred to in 11 instances, “Speed of Movement” referred to in

eight instances, “Reconnaissance and Plans” referred to in 16 instances, and, “Coordination of Attack” referred to in 11 instances. While by no means scientific, this cross-examination of Sun Tzu’s Art of War against manoeuvre theory lends credence to the identified seven principles of manoeuvre.

Manoeuvre Theory in Business

The notion of applying warfare lessons in business is not new (e.g. Gorla, 2012; Kollenscher et al., 2013; Kotler and Singh, 1981; Lynn, 1993), and certainly has its merits. This is particularly so, when taking the perspective that doing business is like fighting a war (e.g. Kolar and Toporišič, 2007; Rindfleisch, 1996). Manoeuvre theory, when employed in warfare, underpins, and guides the decisions of the military effort; from the overall strategy, down to the tactics employed in individual battles. Similarly, the merits of manoeuvre theory can be drawn in the business context. One of the proponents of manoeuvre theory in business is Pech (Pech and Durden, 2003; Pech and Slade, 2003, 2005), who argues that the lessons from manoeuvre warfare can be applied to the business context, and introduced a decision making model based on manoeuvre theory to better equip businesses in developing effective strategies for “rapid goal achievement and change” in the modern business environment (Pech and Slade, 2003).

The rationale for applying manoeuvre theory in business is that, the advent of disruptive technologies have resulted in increasingly globalised and connected consumers; coupled with a counter-intuitive increase in localization make for a business world has become much more volatile and unpredictable (“Five Challenges For Tomorrow’s Global Marketing Leaders: Study”, 2012; Kaletsky, 2016; Watts and Hasker, 2006); a trend that that is mirrored in modern warfare (Pech and Durden, 2003).

Pech and Durden (2003) identify a number of parallels between the failures in the military and business:

Failure 1.: Fundamental conservatism and clinging to outworn traditions

Failure 2.: Rejecting or ignoring information that is unpalatable or conflicts with preconceived notions

Failure 3.: Underestimating the opponent and overestimating one’s capabilities

Failure 4.: Persistence in one’s ways despite strong evidence against it

Failure 5.: Inadequate reconnaissance to ascertain the opponent’s movements and intentions

Failure 6.: Failing to exploit the current position of advantage, and choosing to seek skirmishes rather than push home an attack on the opponent

In their paper, Pech and Durden (2003) explain how manoeuvre theory relates to these lessons, drawing close comparisons to the principles of manoeuvre discussed earlier. First, Pech and Durden (2003) explain the importance of business intelligence in acquiring accurate and timely information to facilitate the decision-making process, and relates to the principle of *Reconnaissance & Plans* – “probing for a competitor’s weaknesses, reporting back, and decisive exploitation of those weaknesses” (Pech and Durden, 2003) (**Failure 3. & 5.**). They then go on to explain that “commander(s) must trust (their) subordinates to execute their missions according to their commander’s intent” (Pech and Durden, 2003), a notion echoed in the principle of *Coordination of Attack* and supported by Field (2012) and Grossman (1993) who state that in manoeuvre warfare, it is crucial that there is a high level of cooperation between forces, and autonomy given to leaders on the ground to leverage fleeting opportunities in the opponent’s defence lines (**Failure 3. & 4.**). Following this, they assert that “success is often dictated by a competitor’s speed of response; therefore, the efficacy of decision-making processes is a crucial factor in an organisation’s strategic arsenal” (Pech and Durden, 2003). This relates closely to the principle of *Speed of Movement*, where there successful manoeuvre is achieved through speed in identifying opportunities, making decisions, and taking action to out-manoeuve the opponent (Clemons and Santamaria, 2002; Lind, 1985; *Warfighting (Marine Corps Doctrinal Publication 1)*, 2005) (**Failure 6.**). The principles of *Deception* and *Surprise* are further alluded to with Pech and Durden (2003) discussing how “the victor is often the one who can sustain the element of surprise beyond the first strike” (**Failure 1. & 3.**). Finally, the notion of *Boldness* is discussed with Pech and Durden (2003) citing an example of how American Tobacco’s Paul Mall brand lost market leadership due to the company’s indecisiveness about taking the risk of introducing filters to their cigarette line. This lack of risk taking was what lead to the Paul Mall brand’s demise in the market (**Failure 6.**).

Applying this to the present research context – luxury fashion goods, it is clear that manoeuvre theory could play an integral role in helping luxury fashion brands maintain an edge over their competitors.

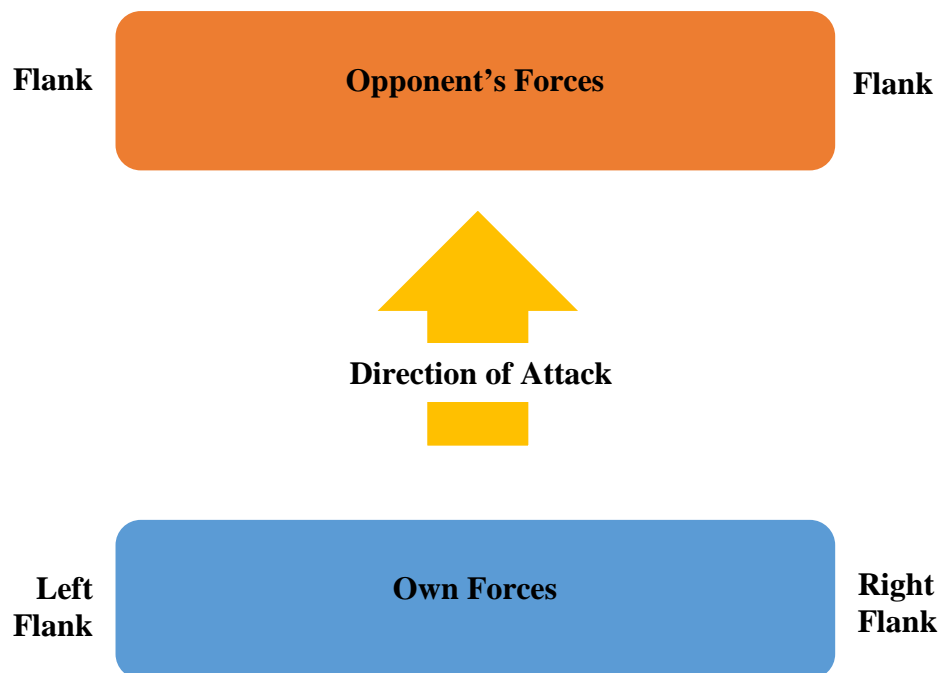
The luxury fashion market, it seems, exhibits many of the failures in business that Pech and Durden (2003) explain in their paper. For example, as Timms (2015) notes: The luxury fashion market, traditionally, has been “control oriented”, seeking to control their distribution and marketing channels, and have thus far continued to rely on the traditional brick-and-mortar and publications to sell and promote their products. Timms (2015) further reports that “40 percent of all luxury brands choose not to sell their wares online”, despite the possibility that online sales of luxury brands could “tack another \$43bn onto sales in the next five years” (Timms, 2015). Bain and Company (D’Arpizio et al., 2015b) report that e-commerce in the luxury goods market grew by seven percent in 2015, indicating that online sales channels are increasingly important. This is a clear indication of failures **1.**, **2.**, and **4.**; with luxury brands choosing to ignore the clear benefits and trend towards e-commerce (e.g. Andjelic, 2015), and being slow on the uptake of e-commerce, instead continuing to cling to their old traditions of retail (Singh, 2015; Timms, 2015). This is ironic, given that the established brands would have had ample opportunity and funds to direct resources to developing new and innovative ways to market to the luxury market. This is indicative of another failure (**Failure 6.**), where luxury brands are now lagging behind in e-commerce, because they failed to exploit the ground gained by their established heritage and customer base, and their underestimation of upcoming, new luxury retailers (Singh, 2015). Given the slow uptake on e-commerce channels, the trend is such that majority of luxury brands are lagging behind specialised e-commerce retailers who have a more established position, with only the largest brands with online and omni-channel platforms being able to maintain an effective online presence (D’Arpizio et al., 2015b). Further, specialised luxury e-tailers from China are “progressively extending their geographic reach and gaining share on a global basis” (D’Arpizio et al., 2015b), which speaks to Pech and Durden’s (2003) assessment of business failure – that while the incumbent giants play but the current rules of marketing in the industry, new market entrants like the Chinese e-tailers move in under the radar, exploiting a “new set of rules and moving at a pace” (Pech and Durden, 2003) that takes the current incumbents by surprise (**Failure 3.**).

Based on this assessment, then, it appears that manoeuvre theory has a significant role to play in the luxury fashion industry. Next, this research looks to examine, in detail, one of the possible strategies that can be employed under the umbrella of manoeuvre theory – Flanking (Field, 2012; Leonhard, 1991; Lind, 1985). Further, it will seek to develop a clear conceptualisation of flanking and flanker brands, and validate this conceptualisation in the context of luxury fashion.

Flanking and Flanker Brands

In military terms, a flank is the right or left limit of the combat unit relative to the direction of its movement, and is often a weak point, as the unit cannot apply much direct fire to the flanks (*Offense and Defense*, 2012). It is because of this, that flanking as a military strategy and tactic is commonly employed in battle (Dempsey, 1994; Elliott - Bateman, 1990; Field, 2012; Fry and Kiszely, 1998; Glantz, 1988). Commanders employ flanking tactics to engage these weak points, and defeat the enemy. An illustration of the flanks of a combat unit is presented in Figure 2.7.

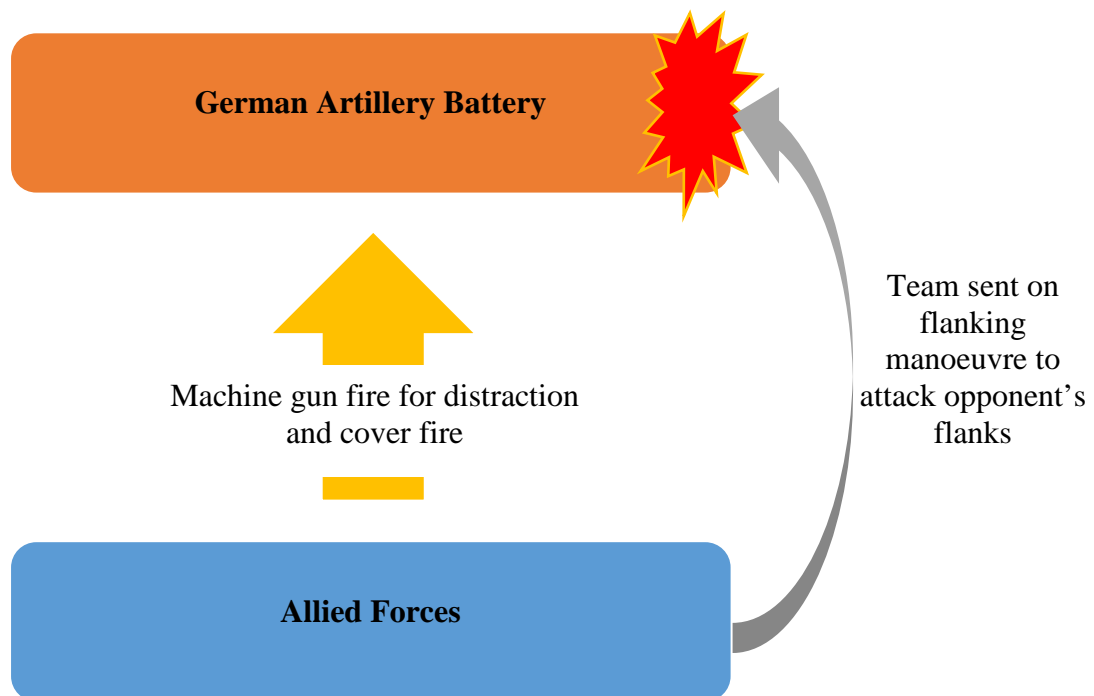
Figure 2.7: Flanks of a Combat Unit



Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy's defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German et al., 1991; Lind, 1985; *Offense and Defense*, 2012). A classic example of flanking at the tactical level is illustrated in the Allied forces' Assault of Brécourt Manor during the Normandy Invasion of World

War II, and dramatized in the famous non-fiction book and war drama miniseries – Band of Brothers (Ambrose, 2002). In that instance, the objective was to destroy the German forces’ artillery battery, a well-fortified position (Ambrose, 2002). After a quick reconnaissance of the German position, the commander laid out a simple flanking manoeuvre to attack the position (Ambrose, 2002). First, a machine gun fire base was set up to engage the opponent directly, providing cover fire for the assaulting forces, and distracting the opponent of the impending flanking manoeuvre (Ambrose, 1998, 2002). Once this was established, a team was sent to skirt around the opponent’s defences, and attack the artillery battery from the flanks, which were not as well defended. This was used to lethal effectiveness in the Brécourt Manor Assault, allowing the Allied forces to push through the Germans’ defences, and eliminate a 50-man platoon, which controlled the artillery battery, with only a 12-man squad (Ambrose, 1998). A simplified diagram of the Brécourt Manor Assault flanking manoeuvre is illustrated in Figure 2.8.

Figure 2.8: Brécourt Manor Assault (6 June 1944) – Flanking Manoeuvre



Apart from this, the Brécourt Manor Assault is also an illustration of how flanking applies key principles from manoeuvre theory. For example, First Lieutenant Lipton who was part of this assault was quoted saying that: “the quickness and audacity of the frontal attack, and the fire into (the opponent’s) positions from several different directions demoralised the German forces, and convinced them that they were being

hit by a much larger force” (Ambrose, 1998). This description of the assault illustrates how the flanking manoeuvre applied manoeuvre theory. First, the commander’s quick assessment of the situation is indicative of the principle of *Reconnaissance and Plans*, where he assessed the situation and made plans in response to the opponent’s movements. Second, First Lieutenant Lipton describes how the attack was “quick” and “audacious”; which relate closely to the principles of *Speed of Movement* and *Boldness*. This led to the opponents believing they were being attacked by a much larger force, which was a result of the disorientation and confusion that occurred as a result of being *Surprised*. This then allowed the small 12-man squad to attack the opponent’s weak points in a flanking manoeuvre (*Concentration of Power*), and overrun the position in a well-coordinated flanking manoeuvre (*Coordination of Attack*).

Flanking in Business

Drawn into the business context, there are presently two broad interpretations of the flanking strategy (Crittenden, 2010). A *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area (*Concentration of Power* at the weak point), diverting the competitor’s attention away from the main market focus (*Deception*), whilst avoiding direct confrontation with the competitor (Capon et al., 2001; Crittenden, 2010; German et al., 1991; Ries and Trout, 1993). An possible example of this, is of how in Absolut vodka priced their products at 50% more than their main competitor Smirnoff, and out-flanked Smirnoff to occupy the premium vodka segment of the market (Burns, 2013).

A *flanking position* on the other hand, is a defence position that a firm employs by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Capon et al., 2001; Crittenden, 2010; Finnie, 1992). In this sense, a firm employing a *flanking position*, is one that is applying the principles of manoeuvre theory from a defensive perspective. For example, the principle of *Concentration of Power* is not directed at identifying the opponent’s weak points, but rather identifying one’s own potential weak points and building defences around those areas. For example, one could argue that when Apple launched the iPhone 5C, Apple was taking up a *flanking position*, and the iPhone 5C was launched as part of a defensive flanking strategy (Johansson and Carlson, 2014; Nguyen, 2013). The iPhone is generally positioned as a premium product, leaving much room for lower-priced

competitors to compete for a share of the customers' wallet. Emerging markets such as China and India are dominated by brands which offer a similar value proposition as the iPhone, but at a much lower price (Johansson and Carlson, 2014; Ribeiro, 2015). Thus the iPhone 5C could be considered as a means of defending its market share against these lower-priced competitors (Mohammed, 2013) (See Figure 2.9 below).

Figure 2.9: iPhone 5c Positioning



Image Sources: (Hopewell, 2013; “Identify Your iPhone Model”, 2016, “iPhone 5s & iPhone 5c Arrive on Friday, 20 September”, 2013, “Samsung I9505 Galaxy S4 Pictures”, 2013)

Overall, flanking should be considered as both an offensive and defensive strategy, as there are elements of both when a flanking manoeuvre is employed in business. A firm may launch a number of flanker brands which can serve to both attack a competitor’s market share, while at the same time defend the flagship brand’s market position

(Capon et al., 2001; German et al., 1991). As evident in the examples of *flanking attacks* and *flanking positions*, in both instances the flanking manoeuvre is used in an offensive manoeuvre for defensive purposes.

Based on this understanding of flanking in business, it is clear that the flanking strategy applies the principles of manoeuvre theory, in line with the military interpretation of flanking, and has real-world applications to business strategy. The challenge however, is that marketing literature often bandies the term flanker brand, with a distinct lack of clarity of what a flanker brand is (Phau and Lim, 2013). There remain gaps in the present understanding of flanker brands: What are the characteristics of flanker brands? What defines a flanker brand?

This is where the second research gap is identified:

Gap 2: *There presently is no consensus on the conceptual definition of flanker brands, their characteristics and how they are applied in business strategy.*

Flanker Brands

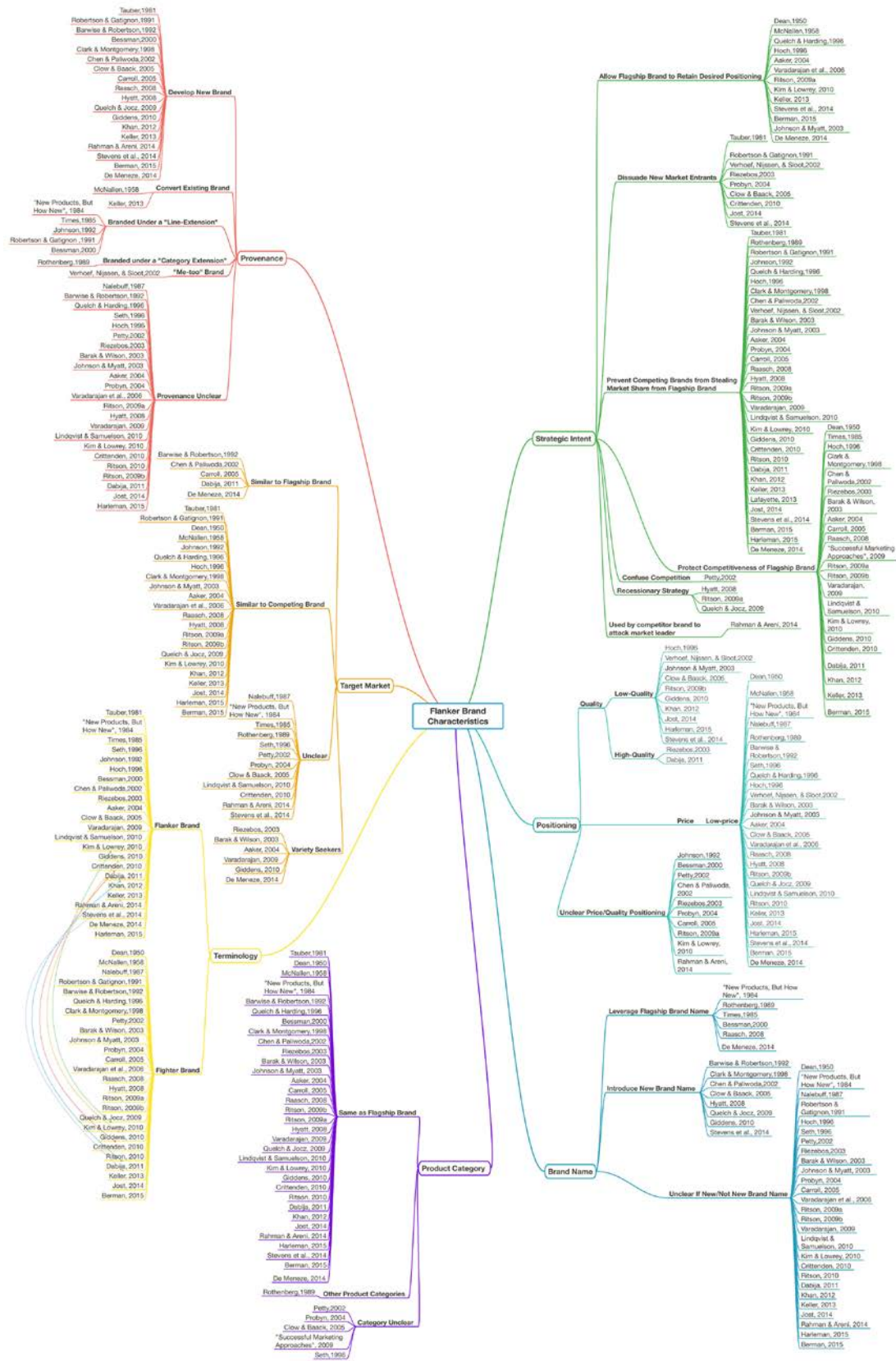
The idea of flanker brands is not new in business, with first mention of flanker brands in marketing literature dating as far back as 1981 in Tauber's (1981) paper on brand franchise extensions. Further, there is mention of flanker brands in much of the literature surrounding brand strategy (e.g. Aaker, 2004; Carroll, 2005; Crittenden, 2010; Giddens, 2010; Hyatt, 1980; Keller, 2008; Kim and Lowrey, 2010; Quelch and Jocz, 2009; Raasch, 2008; Rao et al., 2000; Riezebos, 2003; Ritson, 2009a, 2009b; Tauber, 1981; Varadarajan et al., 2006) yet to the authors' knowledge almost none of the literature make a clear attempt to conceptualise flanker brands (Phau and Lim, 2013).

Compounding the confusion, there is also the prevalence of "fighter brands" also known as "fighting brands", which "unlike flanker brands ... that are designed with a set of target consumers in mind, ... are specifically created to combat a competitor that is threatening to steal market share away from a company's main brand" (Ritson, 2009b). These are generally characterised as a lower-priced and often lower-quality offering from the flagship brand, specifically designed to compete against low-priced competitors, for the purpose of protecting the flagship brand's premium priced offerings (Johnson and Myatt, 2003; Raasch, 2008; Ritson, 2009a). However, a review of the literature reveals that there are characteristic similarities and overlap between

“fighter brands” and flanker brands that make it difficult to discern what the differences are in terms of strategic implications, which makes it difficult for brand managers to ascertain the appropriate strategy, adding to further confusion on the concept (Phau and Lim, 2013). A clear concept of flanker brands is key to further developments in research and understanding of the flanking strategy and flanker brands (Phau and Lim, 2013).

To address the question of “What is a flanker brand?”, this research has conducted a review of the literature on the concept of flanker brands. This includes concepts of “fighter brands”, which have strong overlap with flanker brands. Key characteristics have been identified in each of the concepts, and these were then compared against characteristics of the flanking strategy. Finally, a conceptual definition of flanker brands is then presented. A review of the literature on the concept of flanker brands was conducted, and the common flanker brand characteristics, and the relevant sources were consolidated. This is illustrated in Figure 2.10. A tabulated review of the literature on the flanker brand concept is appended at the end of this chapter (Chapter 2 Appendix).

Figure 2.10: Commonalities in Flanker Brand Characteristics



Note: A high resolution image can be downloaded from <https://goo.gl/f1RQVi>

It should be noted that this list of flanker brand characteristics (Figure 2.10) is only a distillation of the literature that do explain (at some length), what a flanker brand's characteristics are. There is a deluge of other literature that mention flanker brands, as a potential strategy, or as an example of what firms have done, but do not go into any detail on what a flanker brand is (e.g. Bolan and Summary, 2005; Costello, 2004; Freeman, 1984; Greenwood, 2007; Hume, 1987, 1992; Lazarus, 1986; Naughton, 2007; Tara, 2013; Wilson, 2009; Zerrillo, 2012).

Reviewing these concepts of flanker brands, it is apparent that “flanker” and “fighter” are often confused and used interchangeably (e.g. Crittenden, 2010; Dabija, 2011; De Menezes, 2014; Giddens, 2010; Keller, 2013; Kim and Lowrey, 2010), and only a few, actually distinguish “flanker brands” and “fighter brands” (e.g. Ritson, 2009a, 2009b, 2010). For example, Ritson (2009b) makes the distinction that: “unlike flanker brands ... that are designed with a set of target consumers in mind, ... [fighter brands] are specifically created to combat a competitor that is threatening to steal market share away from a company's main brand” (Ritson, 2009b). However, when comparing this notion of “fighter brands” to the other concepts, this distinction is rendered moot as many other conceptualisations also discuss how “flanker brands” are designed to face competing brands and protect the flagship brand's market share (e.g. Clow and Baack, 2005; Keller, 2013; Khan, 2012; Stevens et al., 2014). Therefore, arguably, the difference of “flanker” versus “fighter” is one of semantics; and therefore, this research continues to refer to both as “flanker brands”.

Based on Figure 2.10, the most prominent characteristics of flanker brands were distilled:

1. Provenance

The origins of a flanker brand are not crucial to its deployment in the marketplace, however most of the literature suggest that a flanker brand is launched in the market as a new brand.

2. Strategic Intent

Most of the time, a flanker brand's purpose is to protect the flagship brand from competitor brands in the marketplace (*Flanking position*). Launching a flanker brand allows a firm to retain the desired positioning of the flagship brand, and use flanker brands to do combat with competitors. However, in some cases (e.g. H&M and Collection of Style mentioned below), competitor brands may use the flanking strategy to attack (*Flanking attack*) established brands in the marketplace.

3. Product Category

A flanker brand is deployed in the same product category as the flagship brand

4. Brand Name

A flanker brand can either draw a distinct link to the flagship brand; or it can make no association to the flagship brand. This depends on the firm's strategic intent for the specific flanker brand.

5. Positioning

A flanker brand is often positioned lower than the flagship brand, closer to the competitor brand, both in terms of price and quality. This is to better position the flanker brand as an alternative to the competitor brand, while differentiating it from the flagship brand to avoid cannibalisation. There are however, exceptions to this – Volkswagen and Fiat (as mentioned above), for example.

6. Target market

A flanker brand is often targeted at the competitor's customers to draw customers away from the competition and back towards the firm.

A Conceptual Definition of Flanker Brands

In proposing a new conceptual definition of flanker brands, the principles of manoeuvre were applied to the characteristics of flanker brands (See Table 2.2 below).

Table 2.2: Principles of Manoeuvre & Characteristics of Flanker Brands

Principles of Manoeuvre	Characteristics of Flanker Brands
<p>1. Concentration of power</p> <p>Concentrate power and attacks on the opponent's centre of strength, and attack the weak points to get to the centre. Avoid attacking the opponent directly using strength against strength.</p>	<p>1. Provenance</p> <p>The origins of a flanker brand are not crucial to its deployment in the marketplace, however most of the literature suggest that a flanker brand is launched in the market as a new brand.</p>
<p>2. Deception</p> <p>Make efforts to keep opponent blind to your plans and actions, so that they can be used at the opportune moments to catch the opponent off-guard and throw them off-balance.</p>	<p>2. Strategic Intent</p> <p>Most of the time, a flanker brand's purpose is to protect the flagship brand from competitor brands in the marketplace (<i>Flanking position</i>). Launching a flanker brand allows a firm to retain the desired positioning of the flagship brand, and use flanker brands to do combat with competitors. However, in some cases (e.g. H&M and Collection of Style mentioned below), competitor brands may use the flanking strategy to attack (<i>Flanking attack</i>) established brands in the marketplace.</p>
<p>3. Boldness</p> <p>When one does attack, one should attack with boldness and conviction to deliver breakthrough results.</p>	<p>3. Product Category</p> <p>A flanker brand is deployed in the same product category as the flagship brand</p>
<p>4. Surprise</p> <p>Actions should aim to surprise the opponent and force them into taking unplanned action, resulting in confusion and disarray.</p>	<p>4. Brand Name</p> <p>A flanker brand can either draw a distinct link to the flagship brand; or it can make no association to the flagship brand. This depends on the firm's strategic intent for the specific flanker brand.</p>
<p>5. Speed of Movement</p> <p>Speed is the essence – main nimbleness and agility to out-manoeuve the opponent. It is important to maintain a fast tempo, both in planning and movement, to out think and out plan the opponent.</p>	<p>5. Positioning</p> <p>A flanker brand is often positioned lower than the flagship brand, closer to the competitor brand, both in terms of price and quality. This is to better position the flanker brand as an alternative to the competitor brand, while differentiating it from the flagship brand to avoid cannibalisation. There are however, exceptions to this – Volkswagen and Fiat (as mentioned above), for example.</p>
<p>6. Reconnaissance and Plans</p> <p>Make constant observations of your position and actions relative to the opponent, and adjust your strategy accordingly. Plans made need to be well-coordinated with the relevant forces, and sufficient resources allocated to deliver striking blows to the opponent.</p>	<p>6. Target market</p> <p>A flanker brand is often targeted at the competitor's customers to draw customers away from the competition and back towards the firm.</p>
<p>7. Coordination of Attack</p> <p>Manoeuvres need to be well-orchestrated, and sufficient trust and autonomy placed in the people executing these actions for smooth and effective action.</p>	

Based on this assessment, the following conceptual definition of flanker brands is proposed:

*Flanker brands are **new brands** that are **swiftly positioned** in a **similar category and market** as the flagship brand, through **stealth and deception**, for the purpose of **attacking and/or defending against** competitors; **without risking** the flagship brand's established market position by competing head-on*

As discussed, the conceptual definition of flanker brands was developed by applying the principles of manoeuvre to the identified characteristics of flanker brands. First, as the review on flanker brands showed, most flanker brands are launched as new brands in the marketplace (e.g. Clow and Baack, 2005; Hyatt, 2008; Keller, 2013; Tauber, 1981). Next, flanker brands are often positioned in a similar product category and market as the flagship brand, though the price and quality position is usually lower than the flagship brand and closer to the competitor brand (Quelch and Harding, 1996). Firms launching a flanker brand need to apply the flanking strategy: Leveraging principles such as *deception* – so that competitor brands are unclear of the strategic intent of the flanker brand, and be caught by *surprise*, allowing the firm to have the upper hand, as competitors scramble to deal with the new threat (Bellamy, 1990). For example, the lower-cost iPhone 5C launch baffled many people (Mohammed, 2013; Yarow, 2013); and *speed of movement* – to engage the market quickly enough to outflank the competition. Flanker brands are positioned to attack competitor brands' market position, while protecting the flagship brand; and allowing the flagship brand to retain its desired positioning (Keller, 2013; Lafayette, 2013). This requires that the firm make keen observations of competitor brand movements and positioning so that the flanker brand can be tailored to have the appropriate points-of-parity with competing brands, attacking the competition's weak points (*Concentration of Power*), and drawing customers away from the competition (*Reconnaissance and Plans*). Doing this, requires that the deployment of a flanker brand alongside the flagship brand be done with a great deal of coordination (*Coordination of Attack*).

Further, given that flanker brands may or may not leverage the flagship brand's market image and brand equity using the flagship brand's name (e.g. Berman, 2015; De Menezes, 2014; Raasch, 2008), it is also proposed that flanker brands can be separated into two classifications:

Distinct Flanker Brand (DFB): A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and

Latent Flanker Brand (LFB): A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.

The two classifications of flanker brands proposed – LFB & DFB, hold different advantages over the other. DFBs are likely to be easier to introduce into the market and gain consumer acceptance more quickly, as it leverages the positive brand associations consumers have of the flagship brand, and transfers this onto the DFB (Gürhan-Canli and Maheswaran, 1998; Kalamas et al., 2006; Kim and Lavack, 1996). The iPhone 5C for example, speaks to the DFB classification, leveraging the established “Apple” and “iPhone” moniker. Conversely, Nike adopted the LFB classification, and took efforts to market Converse and Nike separately despite Converse being acquired by Nike in 2003 (Wayne, 2003). This allowed Nike retain its market position and image, whilst using Converse to bolster its flanks (*flanking position*), solidifying its position in the sports fashion footwear market, where it had an already established foothold with its own Nike branded fashion footwear as well as celebrity endorsed “Jordan” range of footwear (“Converse’s All-Star Image”, 2008). This is illustrated in Figure 2.11.

Figure 2.11: Nike, Converse & Nike Jordan



Image Sources: (“Air Jordan 3 Retro White Grey Red”, 2011; “Converse 2010 Winter Arrivals”, 2010; Farmer, 2012)

LFBs, therefore, are better utilised when the flagship brand wishes to dissociate itself as much as possible from the flanker brand. Consumers generally try to relate a new brand to the flagship brand using categorical cues such as links in the brand name (Dacin and Smith, 1994; Lee and Ganesh, 1999), as described in DFBs. As a new brand with a new brand name however, consumers are unlikely to make a connection between the flagship brand and the new brand, which reduces the influence of the new brand on the flagship brand, and vice-versa (Bhat et al., 1998). In this way, LFBs are advantageous in that there is a lower chance that the flagship brand's position will be compromised by the new brand. In 2007, the H&M group launched a new brand – Collection of Style (COS), positioning COS as a high fashion but affordable retailer (“COS: Collection of Style”, 2007), flanking the H&M brand as an alternative to other fashion brands such as Zara. This applies the notion of a *flanking attack*, allowing H&M, which has traditionally been positioned as lower price and quality to Zara, to compete on more level ground with Zara. Unless consumers actively search for the information, there is little marketing material that explains COS's affiliation to H&M. This disassociation between H&M and COS is deliberate, allowing the COS brand to be perceived by consumers to be on the same level as Zara. In this instance, the strategic intent is not so much to preserve the flagship brand's intended market positioning, but to ensure that that the flagship brand's (H&M) market positioning does not negatively affect the COS brand, which is being pitched at a higher price and quality position. This is illustrated in Figure 2.12.

Figure 2.12: H&M Flanker Brand – COS

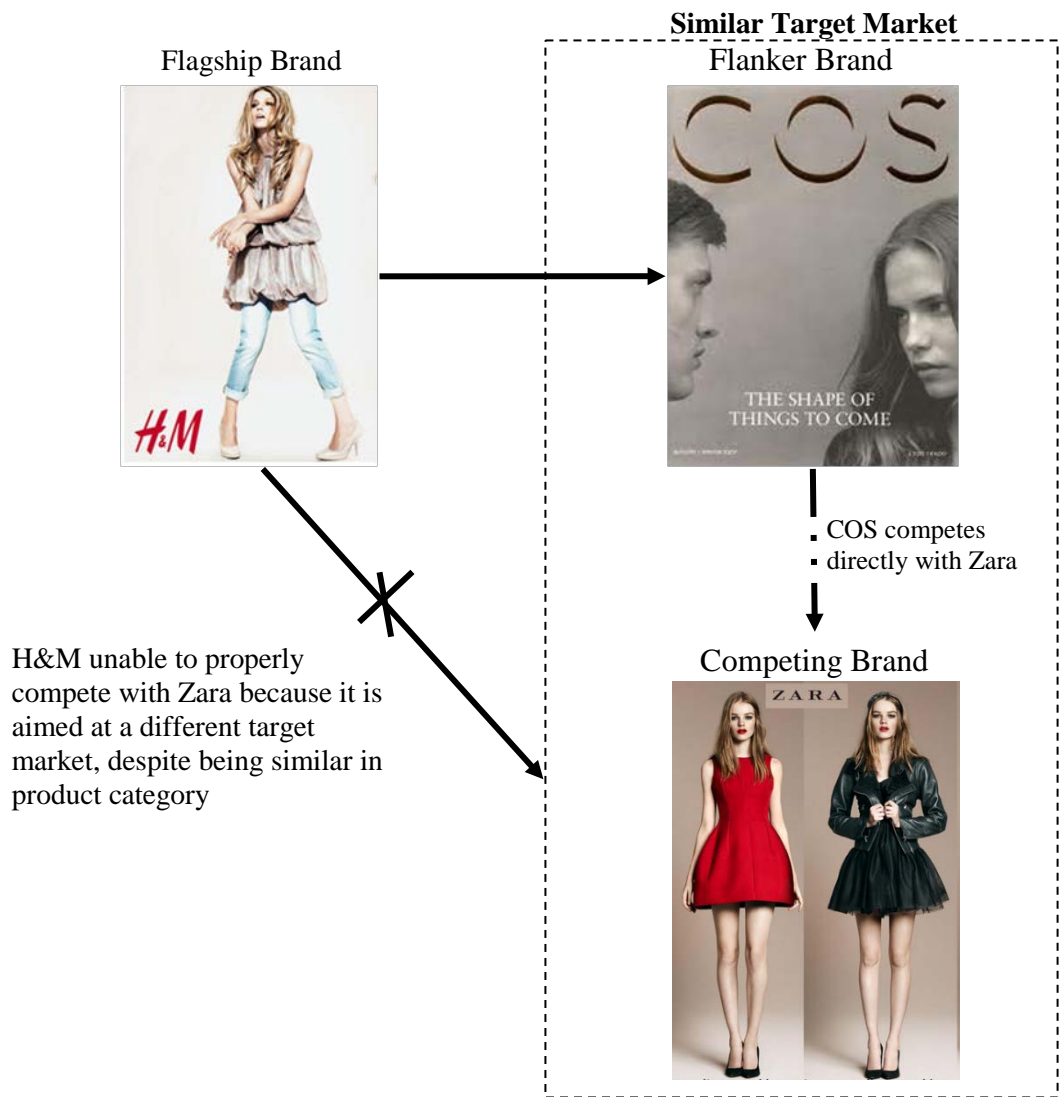


Image Sources: (“COS: Collection of Style”, 2007; “Hey there, H&M...and more of our favourite global brands”, 2013; “The Economics of Zara”, 2013)

The Misnomer of Flanker Brands

It is important to note that there is a significant difference between the flanking strategy and the brand extension strategy. Flanker brands, as discussed above, can be derived from brand extensions (e.g. line extensions) (e.g. Bessman, 2000; Johnson, 1992; Lamphier, 1985; Rothenberg, 1989); however, the underlying strategic intent is fundamentally different. Further, examples in the industry can help explain and illustrate the flanking strategy; but it should be noted that examples do not convey the underlying strategic goals or intentions of the firm, and thus it is also easy to misconstrue a competitor's flanker brand as a mere brand extension.

Brand extensions, broadly speaking, are employed by companies to strategically leverage their brands to enter new categories and markets, or to introduce new products as in the case of line extensions (Hayran and Gürhan-Canli, 2016; Milberg and Sinn, 2008). Brand extensions are generally associated with a brand growth strategy, and the strategy facilitates new product acceptance by leveraging the positive associations consumers have with the parent brand, thus reducing consumers' perceived risk of the new product or brand (Hayran and Gürhan-Canli, 2016; Keller, 2013)

For example, Armani/Dolci is a category extension introduced by Giorgio Armani, and seeks to expand the Armani brand, traditionally a fashion apparel brand, into the confectionary category. Burberry on the other hand, over the years has introduced a number of line extensions – Burberry Prorsum, Burberry London, and Burberry Brit for the various tiers of fashion (*Burberry Annual Report*, 2016). In both cases, the extensions leverage the positive associations that consumers have of parent brand's image, and equity; allowing both firms to expand their market reach. These examples are illustrated in Figure 2.13.

Figure 2.13: Examples of Brand Extensions





		Extension Type	
		Category Extension	Line Extension
Parent Brand	Giorgio Armani (Fashion)	Burberry Prorsum (Fashion)	
			
Extension Brand	Armani/Dolci (Confectionery)	Burberry London (Fashion)	
			

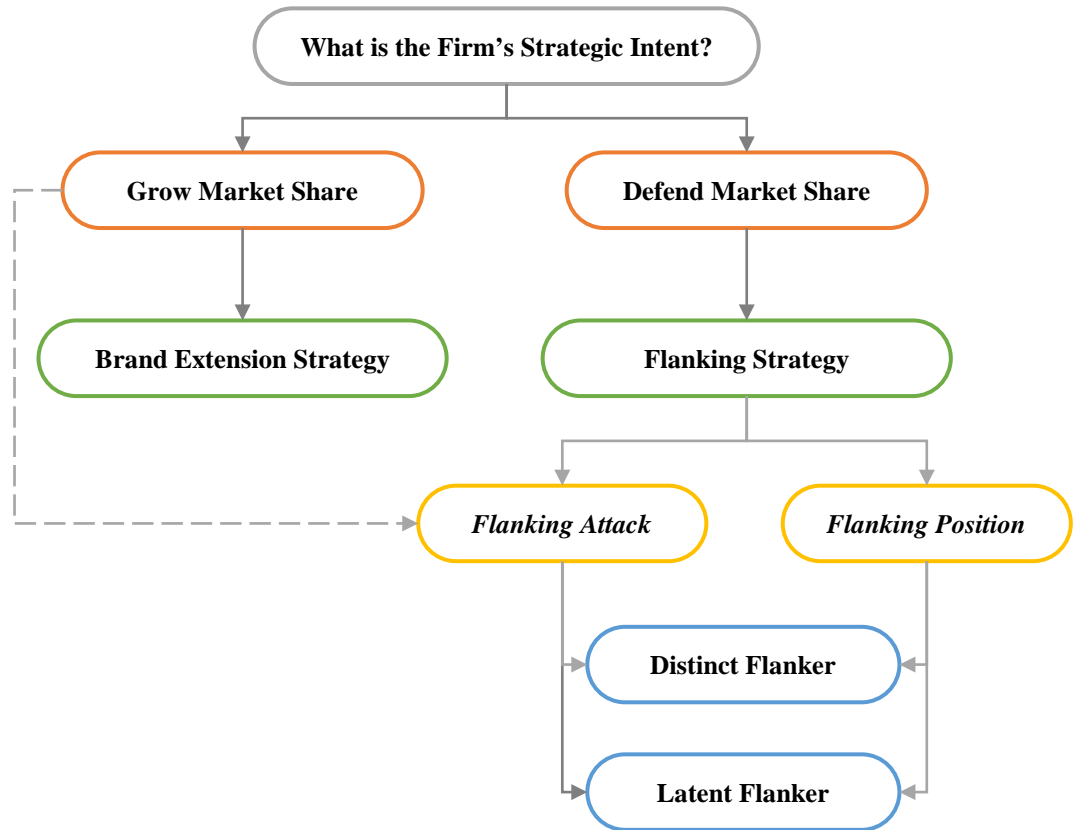
Image Sources: (“Emporio Armani Fall-Winter 2015-2016 Menswear Ad Campaign”, 2015; Jing, 2012; Varinelli, 2012)

While they may appear similar in execution to brand extensions, flanker brands have a different strategic intent and purpose than simple brand growth. As previously discussed, flanker brands can serve two broad strategic purposes – defence and attack. The literature on flanker brands suggests that flanker brands are more commonly employed as part of a *flanking position* strategy, protecting the flagship brand from competitor brands in the marketplace. Launching a flanker brand allows a firm to retain the desired positioning of the flagship brand, and use flanker brands to do combat with competitors. In some cases, competitor brands may employ a flanking attack to destabilise the market position of an established competitor in the marketplace (e.g. H&M and COS). In this instance, the flanking attack can also be viewed as a potential growth strategy for the firm. This duplicity in the strategic intent and outcome of the flanking strategy (e.g. Boone and Kurtz, 2015), and flanker brands, can make for some confusion in the interpretation and categorisation of flanker brands – flanker brands

can sometimes be misinterpreted as a brand extension, both from the firm's perspective, and from the consumer's perspective.

Figure 2.14 provides a basic flowchart to illustrate how the flanking strategy and flanker brands differ from the brand extension strategy.

Figure 2.14: Difference Between Brand Extension & Flanking Strategy



Flanking Strategy & Brand Mimicry

Brand Mimicry

The term mimicry, from a biological perspective, relates to the visible similarities of physical appearance like shape, colour and patterns between organisms in distinct families (Phau and Teah, 2016). By extension, brand mimicry “involves a brand (the mimic) which simulates the signal propert[ies] of a second brand (the model) through, for example, the trade dress, image, concept, which are perceived signals of interest by a third party (the signal receiver/dupe/operator); such that the mimic brand gains fitness as a result of the signal receiver identifying it as an example of the model brand” (Teah, 2013). In essence, brand mimicry is “the act or art of copying or close imitation of a brand” (Teah and Phau, 2010), and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011).

It is usually employed by competitor brands looking to enter and compete in an established industry, or to survive in the market (Teah and Phau, 2010, 2011). Mimic brands generally copy packaging, design, and brand concept to create points of parity with the model brand (Teah and Phau, 2010). Mimicry in the marketplace affects both convenience goods and luxury brands, particularly in the fashion industry, and can sometimes be considered as a useful strategy to aid in stimulating demand for the product, and spurring business growth and innovation (Hilton et al., 2004; Teah and Phau, 2010; Yoo and Lee, 2012).

From a consumer perspective, there are several arguments for brand mimicry. For example, some research argues that imitation in the marketplace can provide consumers with viable alternatives to luxury brand products that they might not otherwise be able to afford (Hemphill and Suk, 2009; Nia and Zaichkowsky, 2000; Teah, 2013). However, while this might be beneficial to the consumer – being given more choice in terms of pricing, it does mean that established brands in the marketplace must now make do with the presence of mimic brands, and face potential shrinkage of their market share. This is where it is postulated that flanker brands can be used as an effective strategy against mimic competitors in the marketplace, particularly in the luxury branding industry.

Flanker Brands & Mimic Brands

Brand mimicry in the luxury brand industry is an area of research that has sparked interest (Phau and Teah, 2016; Teah, 2013; Wilcox et al., 2009). Brands such as Zara

and H&M are some of the more prominent fashion mimic brands in the marketplace, often mimicking designs from luxury labels (Campbell, 2016; Cormack, 2016). Some argue that the presence of mimicry has helped spur innovation and growth in the luxury brand industry (Raustiala and Sprigman, 2012; Teah, 2013). However, mimic brands also present a significant threat to luxury brands established in the industry (Cormack, 2016; “Does Look-a-Likes Impact Luxury Brands?”, 2016). Presently there are few options for firms looking to fend off mimic brand competitors. Teah (2013) explains that, in the luxury fashion industry, one of the main responses to brand mimicry is for companies to continually change designs each season, making it more difficult for mimic brands to keep up with the established brand. Another option that luxury brand firms employ is to market special and limited editions of their products in order to create a sense of exclusivity and appeal that warrant greater attention, and indeed the consumers’ money, over competing mimic brands (Fionda and Moore, 2009; Teah, 2013). However, these options are not without caveats. First, continually changing designs from season to season is a potentially costly affair, and can be taxing on the firm as it is continuously forced to come up with new designs and products in order to stay ahead of the mimic brand competition (Bhardwaj and Fairhurst, 2010; Dier, 2016). This issue may be alleviated with the introduction of special and limited edition products (Amatulli et al., 2016; Su, 2016). However, this poses another potential issue – a limited edition, is by nature, a transient brand (Amatulli et al., 2016), making it difficult for a firm to justify keeping it in production, even if the limited edition proves successful in the marketplace. Noting this, it is postulated that a flanker brand may be a useful addition, if not an alternative, to these existing strategies.

Referring to the literature on flanker brands, and comparing it with the literature on brand mimicry, there are some parallels that can be drawn. Chiefly, because flanker brands are often positioned at the same level as competitor brands (Keller, 2013; Kim and Lowrey, 2010; Ritson, 2009a), mimic brands in this case, they need to have points of parity with these mimic brands in order for consumers to consider them for purchase (Keller, 2013; Ritson, 2009b; Varadarajan et al., 2006). Therefore, arguably, a flanker brand could be launched as a “mimic” of the flagship brand. In this sense, strategically, the flagship brand can outflank competing mimic brands by introducing its own “mimic brand” into the marketplace – a flanker brand. In doing so, the flanker brand

competes directly with mimic brand competitors, and protects the flagship brand's market position.

In addition to this, a flanker brand, if successful, can be kept in the firm's portfolio on a more permanent basis, avoiding the disadvantage of special/limited edition brands (Sheen, 2014). Further, since flanker brands are essentially "mimics" of the flagship brand, the benefits afforded of a seasonal design strategy can be strengthened, with the flanker brand "mimicking" the flagship brand's designs each season, by maintaining parity with competing mimics which employ similar seasonal strategies. This allows the firm to target those consumers who cannot afford the flagship brand, drawing consumers away from other mimic brand competitors in the marketplace.

Therefore, it is postulated there is potential that flanker brands could serve as an effective means of competing against mimic brands, without having to sacrifice the flagship brand's equity and market positioning.

The Need for Research on Flanker Brands

Presently, this research has sought to develop a clear concept of flanker brands by building on the theoretical foundations of manoeuvre theory and Sun Tzu's Art of War – a military paradigm. The rationale, as discussed, is that flanker brands are derived from the notion of "flanking" which is an application of manoeuvre warfare. Further, this research has attempted to bridge the military and business paradigm through an evaluation of the literature on flanking in manoeuvre warfare, and flanking in business. Through a review of flanker brands in the literature, this research has identified several prominent characteristics of flanker brands, and has matched them with the principles of manoeuvre theory to derive a clear concept of flanker brands. Finally, on an operational front, the concept of flanker brands has been compared against brand extensions, to clarify the strategic differences in the intent behind a flanking strategy and a brand extension strategy. Further, a brief assessment of how flanker brands can be employed as a tactic against mimic brands is presented. However, there is still a need to validate this concept and ascertain its applicability in business.

The flanking strategy and accompanying flanker brands make for a useful and important tool in the marketer's repertoire (e.g. Berman, 2015; Giddens, 2010; Jost, 2014; Ritson, 2009a, 2009b). Its applicability has been proven with great success multiple industries (e.g. Dobby, 2015; Freeman, 1984; Lafayette, 2013; Sheen, 2014).

However, one industry that has yet to see strong implementation of the flanking strategy is in luxury branding, with most of the flanker brands currently being employed mainly in the context of luxury fragrances (Bolan et al., 2005; Gabbert, 2013; Sheen, 2014; Tara, 2013). Further, the question of how flanker brands can be effectively employed as part of a firm's branding strategy, has yet to be empirically verified.

The preceding discussion has proposed a conceptual definition of flanker brands and two possible types of flanker brands that firms may be able to use. However, like much of the literature, many discussions on the applications of flanker brands only occur at the theoretical level, with no research presently done to empirically verify a flanker brand's effectiveness against competitor brands; nor any research on consumer receptiveness to flanker brands (Phau and Lim, 2013).

Further research on this phenomenon and understanding the circumstances in which this use of the flanking strategy and accompanying flanker brands is appropriate would certainly benefit academia and marketing practitioners alike (Phau and Lim, 2013).

This is where the following research gaps have been identified:

Gap 3: *There is a lack of empirical research on consumer perceptions and attitudes towards flanker brands.*

Gap 4: *There is a lack of empirical research evaluating the effectiveness of flanker brands against competitor brands – mimic brands for example.*

Research Objectives

As a summary, research gaps identified in this chapter are:

Gap 1: *There is a lack of clarity on the foundational theory supporting the concept of flanking in the business context.*

Gap 2: *There presently is no consensus on the conceptual definition of flanker brands, their characteristics and how they are applied in business strategy.*

Gap 3: *There is a lack of empirical research on consumer perceptions and attitudes towards flanker brands.*

Gap 4: *There is a lack of empirical research evaluating the effectiveness of flanker brands against competitor brands – mimic brands for example.*

Based on these research gaps, the following research objectives are proposed:

RO1: *To develop a clear understanding of the flanking strategy in the business context, using Manoeuvre Theory as the foundational theory, and supported by Sun Tzu's Art of War.*

Research Objective 1 (RO1) addresses Research Gap 1, which observes that there is a need to clarify the theoretical underpinnings of flanking in the business context, so that a clear concept of flanker brands can be developed. The present research addressed this by:

- Using manoeuvre theory as a foundation for the concept of flanking in business. This is supported by lessons from Sun Tzu's Art of War. From this, seven principles of manoeuvre have been identified. Further, this research examines the literature on the use of manoeuvre theory in context of business, and compares it against the seven principles of manoeuvre. Through this, a clear foundation for understand the flanking strategy, as it stands in the context of business, is built.

This is then used to address Research Objective 2.

RO2: *To develop a concept flanker brands, to better understand the business applications of flanker brands.*

Research Objective 2 (RO2) addresses Research Gap 2, which observes the need for a clear conceptual definition of flanker brands, so that they can be effectively employed

in business strategy development. Also, a clear concept of flanker brands would aid in both academic and industry oriented research, as it would serve as a common foundation from which flanker brand research can be conducted. This would help reduce the confusion and potential misinterpretation of flanker brands in business and research. The present research addresses RO2 by:

- Conducting a review of the foundational theory of flanking in the military context (manoeuvre theory), and combining it with the business paradigm (RO1). Using this as a basis, this research distils the key characteristics of flanker brands, and synthesises the characteristics with the previously identified principles of manoeuvre, to develop a clear concept of flanker brands. The present research also identifies to classifications of flanker brands – Distinct Flanker Brands and Latent Flanker Brands.

This concept of flanker brands is then used to address RO3 to RO5.

RO3: *To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand types.*

Research Objective 3 (RO3) seeks to address Research Gap 3, which notes that there is a lack of empirical research on flanker brands. Much of the literature on flanker brands do not provide any empirical evidence for their use, and merely suggest that flanker brands could be used as a business tactic for combat against a firm's competitor. Therefore, there needs to exist a method for evaluating consumer perceptions and attitudes towards flanker brands so that firms can make an educated decision on whether to apply the flanking strategy, and what type of flanker brand to deploy. Therefore, RO3 will be addressed by:

- Developing a research framework – research model and proposed testing methodology, to empirically evaluate consumer perceptions and attitudes towards flanker brands.

The research framework, developed in the process of addressing RO3, will serve as tool to conduct further testing to understand consumer perceptions, attitudes, and behavioural intention towards flanker brands.

RO4: *To evaluate consumer perceptions and attitudes towards flanker brands, specifically, in the context of luxury fashion brands.*

Research Objective 4 (RO4) extends on RO3 and addresses Research Gap 3, which observes the need for empirical research on consumer perceptions and attitudes towards flanker brands. As discussed, there is currently a dearth of studies that examine flanker brands as a business tactic; and which endeavour to make empirical evaluations of consumer perceptions of flanker brands. Knowing how consumers perceive flanker brands and their attitudes to the two types of flanker brands would allow for a better understanding of the application of flanker brands in the marketplace. Given that flanker brands can be employed in a myriad of industries (e.g. Ho, 1997; Lee et al., 1994; Macdonald and Neupert, 2005; Michaelson, 2001; O’Dowd and Waldron, 1991; Rarick, 1996; Sheetz-Runkle, 2014; Tremayne, 2008), there is a need to delineate the scope for examination. Therefore, the present research pays specific focus to luxury fashion brands, and applies the proposed research framework to address RO4 by:

- Examining how consumers’ functions of attitude – Value-Expressive and Social-Adjustive functions, influences consumer attitudes, and purchase intentions towards Distinct Flanker Brands (DFB) and Latent Flanker Brands (LFB).

Achieving RO4 will shed light on how the two types of flanker brands can be used to target specific luxury fashion consumers, by determining how a consumer whose attitudes towards luxury fashion brand serve a value-expressive/social-adjustive function, would gravitate towards which type of flanker brand – DFB/LFB.

RO5: *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands.*

Research Objective 5 (RO5) addresses Research Gap 4, by examining the effectiveness of the proposed types of flanker brands as a tactic against mimic brands in the marketplace. As discussed, flanker brands can be employed as a defensive tactic, as a means of protecting the flagship brand from lower-priced competitors; or can be used as an offensive tactic to attack mature brands in the marketplace. The scope for this will be discussed in Chapter 3, and addresses RO5 by:

- Examining how consumers' attitudes toward the flanker brands, and the success of the flanker brands, is influenced by the presence of mimic brands. Specifically, it examines how consumer attitudes toward the mimic brand; and their perception of physical similarities of the mimic brand with flagship brand, affects consumer attitudes toward the flanker brand, and the success of the flanker brand.

Addressing RO5 will help validate the effectiveness of flanker brands as a tactical manoeuvre against mimic brands, lending credence to the flanking strategy.

In summary, the research objectives are:

RO1: *To develop a clear understanding of the flanking strategy in the business context, using Manoeuvre Theory as the foundational theory, and supported by Sun Tzu's Art of War. [Gap 1]*

RO2: *To develop a concept flanker brands, to better understand the business applications of flanker brands. [Gap 2]*

RO3: *To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand types. [Gap 3]*

RO4: *To evaluate consumer perceptions and attitudes towards flanker brands, specifically, in the context of luxury fashion brands. [Gap 3]*

RO5: *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands. [Gap 4]*

Concluding Comments

Chapter 2 has sought to discuss the key relevant literature pertinent to this study. The main contribution of this chapter was also to establish a clear concept of flanker brands. Chapter 3 will explore the research questions, research objectives, theoretical underpinnings, the conceptual framework, and the development of hypotheses that will address the deficiencies highlighted in this chapter.

Chapter 2 Appendix: Literature Review on the Flanker Brand Concept

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Dean, 1950) <i>Journal of Marketing</i>	<ul style="list-style-type: none"> • Sometimes the purpose of high-end items is to “bring prestige to the entire line”. Therefore, the “price of the prestige items should not be set with any view to its effect on sales of that product itself, but rather with the view of its effect upon attitudes of consumers towards the lower-priced, high volume members of the line”. • A ‘fighting brand’ may thus be used to “counter price competition by keeping some items in the line competitive with the lowest price product in the market”. 	<ul style="list-style-type: none"> • Referred as a “fighting brand” • Unclear if new brand • Lower-priced offering to compete with lower-priced competitors • Same product category as flagship brand • Purpose is to help products in the product line remain competitive while ensuring that the prestige brand retains its high-end positioning and price
(McNallen, 1958) <i>Journal of Marketing</i>	<ul style="list-style-type: none"> • Competitors have been able to “convert their regular [product/brand] into a ‘fighting brand’, reducing the price to meet direct price competition while maintaining the price of their premium [product/brand]” 	<ul style="list-style-type: none"> • Referred as a “fighting brand” • Conversion of existing product into a flanker brand • Lower-priced offering to compete with lower-priced competitors • Same product category as flagship brand • Retain price and positioning of premium brands
(Tauber, 1981) <i>Journal of Marketing</i>	<ul style="list-style-type: none"> • Flanker brands are new brands introduced into a product category where “the firm already has a market position” used as a “defensive tactic to tie up shelf space and ‘share of mind’” 	<ul style="list-style-type: none"> • New brand • Launched in existing product category • Purpose is to fill market space and consumer consideration sets so that competitors cannot enter
(<i>New York Times</i> , 1984) <i>New York Times</i>	<ul style="list-style-type: none"> • In the marketing world, these “new-products-that-are-really-just-variations-on-old-products are known as ‘line extensions’ – basically the same product in a different form – or ‘flankers’ – generally a similar product in the same brand line. Often, they are priced at a lower level than the originals”. 	<ul style="list-style-type: none"> • Unclear if new brand • Leverages flagship brand name • Similar product as flagship brand • Priced lower than flagship brand • Perception of similarity with line-extension

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Lamphier, 1985) <i>The Citizen</i>	<ul style="list-style-type: none"> • “Most new products are in fact line extensions or “flankers”, introduced partly to protect existing brands from drowning in the tide of a fleet of new competitors”. “Line extensions and flankers are inherently efficient means of leveraging existing assets”. “In other words, a way to milk more profit and extend the life of a known brand”. 	<ul style="list-style-type: none"> • Essentially a line-extension • Leverages flagship brand name – line extension • Purpose to protect existing brands in the portfolio • Leverages existing assets – e.g. production capacity, brand position
(Nalebuff, 1987) <i>The Journal of Economic Perspectives</i>	<ul style="list-style-type: none"> • Fighting brands are used as a “loss leader” and is a lower-priced brand to get customers in. 	<ul style="list-style-type: none"> • Referred as a “fighting brand” • Lower-priced brand to engage customers
(Rothenberg, 1989) <i>New York Times</i>	<ul style="list-style-type: none"> • “A flanker represents a means for a company to economise by spreading a brand name over more categories...flankers take less money as a rule” compared to the introduction of new brands 	<ul style="list-style-type: none"> • Existing brand name used across multiple product categories – similar to a brand extension • Low-cost offering • Purpose to allow firm to gain greater economies, leveraging parent brand name
(Robertson and Gatignon, 1991) <i>Planning Review</i>	<ul style="list-style-type: none"> • Under a “second brand strategy”, a new brand can be positioned as a “fighting brand’, or ‘spoiler brand”. • “The idea of a fighting brand is that some customers like to try out new brands. So why not split any trial and put a damper on the new competitor’s results? The fighting brand also allows the manufacturer to try out new ideas and programs without risking injury to the reputation or sales of the pioneering brand”. • “The objectives for a [fighting brand] are to position it so that it takes sales away from the new entrant while minimising cannibalisation of the pioneering brand. Ideally, the second brand will expand the overall market”. 	<ul style="list-style-type: none"> • Referred as a “fighting brand” • New ‘second brand’ in the same product category • Appeals to consumer variety seeking behaviour • Leverages flagship brand equity, dissuading consumers from competitor brands • Purpose is to draw sales away from new market entrants, minimise cannibalisation of flagship brand
(Barwise and Robertson, 1992) <i>European Management Journal</i>	<ul style="list-style-type: none"> • “Lower-priced ‘fighting brand’ to compete against retailers’ own brands” 	<ul style="list-style-type: none"> • Referred as a “fighting brand” • Lower-priced alternative • Positioned against the flagship brand • Example given suggests flanker brand is a new brand with new brand name in the same product category

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Johnson, 1992) <i>Marketing News</i>	<ul style="list-style-type: none"> Flanker brand is a “new line for an established brand to counter attrition made by a new line introduced by a competitor” 	<ul style="list-style-type: none"> Line extension based Purpose is to pull consumers back, and away from the competitor brand
(Quelch and Harding, 1996) <i>Harvard Business Review</i>	<ul style="list-style-type: none"> Fighting brands are “price positioned between [competitor brands] and the [flagship brand] they aim to defend. The purpose of a fighting brand is to avoid the huge contribution loss that would occur if a leading [flagship brand] tried to stem share losses to [competitor brands] by dropping its price; the fighting brand gives the price-sensitive consumer a low-cost branded alternative”. 	<ul style="list-style-type: none"> Unclear if new brand Positioned between flagship brand and competition Purpose is to give consumers a low-cost alternative to the flagship brand, drawing them away from the competitor brands
(Seth, 1996) <i>Marketing</i>	<ul style="list-style-type: none"> “Offer a flanker value brand if there’s long term volume in it” 	<ul style="list-style-type: none"> Lower-priced brand offering
(Hoch, 1996) <i>MIT Sloan Management Review</i>	<ul style="list-style-type: none"> Flanker brand is termed a “Value Flanker”. “The intent is to offer a lower-priced, possibly lower-quality item to crowd out the private label or pre-emptively limit the [competitor brand’s] viability to move up-scale”. There are a few advantages to the value-flanker strategy: <ul style="list-style-type: none"> It allows the [flagship] brand to preserve both a premium image and, at the same time, avoid excessive price competition that may erode both manufacturer and retailer profit margins It can provide an outlet for utilising excessive manufacturing capacity Disadvantages include: <ul style="list-style-type: none"> The flanker could cannibalise sales currently accruing to the premium [flagship brand] The flanker must be able to distinguish itself from the [competitor brands] in order to generate enough of a premium to cover marketing and distribution costs without diluting the [flagship] brand 	<ul style="list-style-type: none"> Unclear if new brand Lower positioning compared to flagship brand – lower-priced and lower-quality Purpose is to allow flagship brand to retain premium positioning, avoiding a price war Purpose is to protect flagship brand from competitor brands and stop competitors from moving up-scale
(Clark and Montgomery, 1998) <i>Management Science</i>	<ul style="list-style-type: none"> “[Brand A] also introduced a fighting brand, [Brand B], with characteristics and package design similar to [Competitor Brand]” 	<ul style="list-style-type: none"> Referred as a “fighting brand” New brand Similar benefit offering as competitor brand Purpose is to defend against competitor brands Same product category as flagship brand

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Bessman, 2000) <i>Billboard</i>	<ul style="list-style-type: none"> • “A Flanker is a new product related to a previously existing one”. “A flanker product is when you put out a product that is based on what’s already been done, but you come out with a new version”; “you’re not reinventing the wheel but taking capital that’s already invested in the basic product and bringing to the consumer an extension of what you’ve already been doing”. 	<ul style="list-style-type: none"> • New brand • Closely related to the flagship brand – in terms of product category, and benefits offered • Viewed as an extension for consumer choice
(Chen and Paliwoda, 2002) <i>American Marketing Association</i>	<ul style="list-style-type: none"> • “The multi-branding strategy enables the company to lock up more distributor shelf space and to protect its major brand by setting up flanker brands. The new brand will bring internal competition into the firm and improve working efficiency.” 	<ul style="list-style-type: none"> • New brand • Under the umbrella of a multi-brand strategy • Purpose is to fill up market space, and protect flagship brand while promoting internal competition for improved efficiency • Same product category as flagship brand
(Petty, 2002) <i>Journal of Public Policy & Marketing</i>	<ul style="list-style-type: none"> • A firm may not expect the fighting brand to succeed. “Instead, it merely wants to confuse the marketplace enough to injure a smaller innovator” 	<ul style="list-style-type: none"> • Referred as a “fighting brand” • Purpose is to introduce confusion to negatively affect competitor brands
(Verhoef et al., 2002) <i>European Journal of Marketing</i>	<ul style="list-style-type: none"> • “Formulate a me-too strategy by introducing a value-flanker” “Offer a lower-priced, possibly lower quality item to crowd out the [competitor brand] or pre-emptively limit the [competitor brand’s] possibility to move up-scale. The resulting extra variety acts as a barrier to entry, simply because the market share is carved up into smaller pieces.” 	<ul style="list-style-type: none"> • New “me-too” brand • Lower-priced, lower-quality • Purpose is to crowd out the market and prevent market entry from competitors
(Riezebos, 2003) <i>Brand Management: A Theoretical and Practical Approach</i>	<ul style="list-style-type: none"> • “Flanker brands have the same price-profit ratio as the flagship brand, but cater to different needs and desires of consumers than does the flagship brand. It is characterised by a high level of perceived performance and a reasonably high level of social meaning. By catering to the specific needs and desires of consumers, flanker brands can make it very difficult for competitors to pursue the market”. 	<ul style="list-style-type: none"> • Unclear if new brand • Retains similar profit margins as flagship brand • Different positioning according to customer needs and desires • Perceived to have high performance, high social status • Same product category as flagship brand

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Barak and Wilson, 2003) <i>International Journal of Medical Marketing</i>	<ul style="list-style-type: none"> • A “‘Fighter brand’ – similar to launching a [competing brand] to compete in price sensitive markets, but where brand loyalty is low and brand sensitivity is high, a so-called ‘fighter brand’ can be used to attack the company’s own prescription brand and switch people to another brand rather than allow them to switch to a competitor’s generic alternative”. 	<ul style="list-style-type: none"> • Referred as a “fighter brand” • Unclear if new brand • Lower-priced – lower-positioned • Same product category as flagship brand • Purpose is to introduce a ‘competitor brand’, used against the flagship brand, so that when consumers switch brands, they switch to the flanker brand, owned by the flagship brand – retaining share of wallet
(Johnson and Myatt, 2003) <i>The American Economic Review</i>	<ul style="list-style-type: none"> • Incumbent brands may “respond to [low-end] competition by expanding [their] product line, often to include a lower-quality good called a ‘fighting brand’” • Fighting brands can be introduced to go after “the price-sensitive consumer, while allowing [the incumbent brand] to be [the] premier brand in the market”. • “The introduction of a low-quality fighting brand that allows its total output to increase while still exercising market power through the restriction of supply of the high-quality good”. • “Fighting brands tend to emerge when the entrants offer only low-end products”. • The fighting brand “will be of quality comparable to the lowest quality good of the entrant’s”. • A fighting brand is one where “incumbent can compete for new customers while protecting the mark-up on its high-quality products”. 	<ul style="list-style-type: none"> • Unclear if new brand • Lower-quality, lower-price brand compared to the flagship • Allows the flagship brand to retain its high-end positioning • Mainly used to fend off low-end competitors

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Aaker, 2004) <i>Brand Portfolio Strategy</i>	<ul style="list-style-type: none"> • “A flanker brand gets its label from a war metaphor. When an army advances to meet another army head-on, it keeps a small portion of its forces facing outward to protect its flanks.” • A flanker brand is one that a firm may use to protect the flagship brand from attacks by competitors with a “value offer or unique position”. “Analogously protect[ing] the [flagship] brand from a competitor that is not competing head-on with attributes and benefits the [flagship] brand has cultivated”, “undercut[ting] the competitor brand where it is positioned without forcing the [flagship] brand to change its focus”. • “A flanker brand is often used when a competitor comes in with a low price position, intending to undercut a price premium. If a brand were to respond with price cuts to protect its market share, the profitability of the brand (if not the category) would be threatened. A flanker brand – in this case, a price brand – would seek to neutralise the competitor’s position, preventing the latter from occupying an attractive niche without any resistance”. 	<ul style="list-style-type: none"> • Used as a defensive tactic • Value offering or unique positioning • Draws upon flagship brand attributes and benefits • Undercuts competitor brand in terms of price • Purpose is to protect flagship brand, and allow it to retain market focus and positioning • Purpose is to engage competitors and preventing them from encroaching on flagship brand’s market • Same product category as flagship brand • Referred as a “fighting brand” • Unclear if new brand • Purpose is to prevent competitor brands and new entrants from taking market share
(Probyn, 2004) <i>Australian Health Review</i>	<ul style="list-style-type: none"> • Fighting brands exist to “fight the [competitor brands] and, in some cases, to delay the entry of competitors into the market. 	
(Clow and Baack, 2005) <i>Concise Encyclopedia of Advertising</i>	<ul style="list-style-type: none"> • “A flanker brand is a new brand created by a company in a good or service category in which it has a brand offering. Flanker brands are used to help a company offer a more complete line of products.” • “This creates barriers to entry for competing firms”. • “A flanker brand is introduced when company leaders believe that offering the product under the current brand name may adversely affect the current brand”. • “This type of strategy is often used by firms in high-end markets who wish to compete in low-end markets.” • “It is also used in international expansion. Offering different brands for specific markets is a common flanker brand strategy. This helps a firm expand in an international market using more than their current brands”. 	<ul style="list-style-type: none"> • New brand • Introduced under a new brand name so that potential negative effects on flagship brand name can be avoided • Purpose is to fill market space and dissuade new market entrants • Utilised by high-end brands (e.g. luxury brands) to compete at a lower-end position • Also used for international expansion

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Carroll, 2005) <i>Australasian Law Management Journal</i>	<ul style="list-style-type: none"> • Fighter brands are employed where "a major brand protects [its] flank[s] by creating a new brand around the core brand." 	<ul style="list-style-type: none"> • New brand • Purpose to protect market weak points (flanks) around the flagship brand (core brand) • "around the core brand" suggests: <ul style="list-style-type: none"> ○ Similar market as flagship brand ○ Similar product category as flagship brand
(Varadarajan et al., 2006) <i>Journal of the Academy of Marketing Science</i>	<ul style="list-style-type: none"> • "A firm might strive to maintain the desired positioning of one of its flagship brands by launching flanker brands that are in parity with competitors' brands". • "A firm may elect to offer a low-priced brand as a flanker to compete with store brands". 	<ul style="list-style-type: none"> • Unclear if new brand • Flanker brands have similarities to flagship brand (e.g. positioning) • Low-price to compete with low-price competitors

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Raasch, 2008) <i>Journal of Medical Marketing</i>	<ul style="list-style-type: none"> • Fighter brands is the “introduction of an additional branded product sold at a discount price compared to the original”. Fighter brands are positioned in a similar “pric[ing] level of generic competitors or somewhat higher, depending on the strength of its brand”. • There are four “principle advantages [of fighter brands] over market entrants”: • “Has a reputation as the producer of the time-tested original brand that is likely to benefit the new brand” • “The incumbent’s move into the discount market may deter some market entrants due to the threat of more intense price competition” • “Fighter brand can be produced using existing manufacturing equipment. This not only supports capacity utilisation, but may also enable the incumbent to profit from learning-curve-based cost advantages compared to generic entrants” • “The incumbent can resort to its prior knowledge of [consumer habits] and target its marketing effort accordingly” • To fully exploit the advantages of fighter brands, they should be employed as an “early-entry strategy” • Disadvantages include: • Potential for cannibalisation of the flagship brand • Fighter brand cannot be marketed the same way as the flagship brand as it may negatively affect the premium positioning of the flagship brand and signal that the firm is willing to enter the discount market 	<ul style="list-style-type: none"> • Referred as a “fighter brand” • New brand • Used as an “early-entry” strategy • Priced lower than the flagship brand • Positioned and priced at a similar level to competitor brands • New flanker brand leverages flagship brand equity in being marketed to consumers • Leveraging the flagship brand name, the flanker brand’s entry in the market space may deter competitors

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Hyatt, 2008) <i>CFO</i>	<ul style="list-style-type: none"> • Fighter brands are a “low-priced version of the flagship product, sold under a different name – that will satisfy the appetites of price-conscious consumers” • “You bring this brand out just to cater to this recessionary environment” • This results in “others [having] no option but to cut their price or fiddle with packaging on existing brands. But if you are a market leader, you can use your clout with retailers to get the shelf space for it”. • “Fighter brands have to achieve a delicate balance: being identified with the premium brand without cannibalizing it”. • “In theory, fighter brands are distinct from ‘flanker brands’, which are intended to stay in the ring even after the economy has finished delivering its punches”. • Fighter brands “block your competitors from undercutting you”, “if it can be produced at a significantly lower cost than the main brand”. • “Some companies create a de facto fighter brand by coming up with a stripped-down version of their core brand, counting on a bare-bones option to maintain sales”. 	<ul style="list-style-type: none"> • Referred as a “fighter brand” • Used as a recession strategy • Flanker brands stay as part of the company’s portfolio even after a recession unlike a “fighter brand” which is only used for recessions • Produced cheaply, “fighter brands” are lower-priced options that compete directly with competitors, undercutting them
(Daily News, 2009) <i>Daily News</i>	<ul style="list-style-type: none"> • Flanker brands “protect vulnerable positions in the marketplace”. 	<ul style="list-style-type: none"> • Purpose is to protect a brand’s weak points in the marketplace
(Ritson, 2009b) <i>Brand Strategy Insider</i>	<ul style="list-style-type: none"> • Fighter brands are “usually a classic recession strategy. As value competitors gain share and private labels grow stronger – an increasing number of marketers turn to a fighter brand to rescue disappearing sales while maintaining their premium brand’s equity”. • They are “specifically created to combat a competitor that is threatening to steal market share away from a company’s main brand”. • “The provenance of a fighter brand is very different from the usual brand launch. It originates with a competitor and the strategic success it has achieved, or threatens to achieve, against your organization. The DNA of a fighter brand is therefore potentially flawed from the very outset because it is derived from company deficiencies and competitor strengths, rather than a specific focus on a particular target segment of consumers”. 	<ul style="list-style-type: none"> • Unclear if a new brand • Usually used in a recession • Purpose is to prevent competitors from stealing market share from the flagship brand, while maintaining the flagship brand’s equity • Flanker brand is designed to create points-of-parity with the competitor brand to draw consumers away from the competitor brand • Not the main focus – particular consumer segment

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Ritson, 2009a) <i>Harvard Business Review</i>	<ul style="list-style-type: none"> • “Most fighter brands are created explicitly to win back customers that have switched to a low-priced rival”. • Fighter brands are brands “designed to combat, and ideally eliminate, low-priced competitors while protecting [a firm’s] premium-price offering”. • “A fighter brand inevitably originates from the recognition of a competitor and the limitations of an organisation’s existing premium brand [to compete with this low-priced competitor]”. • “Positioning a fighter brand presents a manager with a dual challenge: You must ensure that it appeals to the price-conscious segment you want to attract while guaranteeing that it falls short for current consumers of your premium brand. That means you must match your fighter brand’s low price with equally low perceived quality.” 	<ul style="list-style-type: none"> • Referred as a “fighter brand” • Purpose is to draw customers away from low-priced competitor and regain market share • Protects flagship brand • Low-price is matched by low-quality that is matched against the competitor brand
(Varadarajan, 2009) <i>Business Horizons</i>	<ul style="list-style-type: none"> • Flanker brands protect the flagship brand. Flanker brands “occupy positions adjacent to a firm’s flagship brand(s) on either side in retail store shelves”. • “At the retail store shelf level, the flanker brands serve to increase the physical distance between the firms’ flagship brand and the competitors’ brand”. • “For products that trigger a greater degree of variety-seeking behaviour by consumers, flanker brands increase the profitability of brand switching occurring within the firms’ brand offerings, and lower the probability of the user of a firm’s brand offering switching to a competitor’s brand offering”. 	<ul style="list-style-type: none"> • Designed to sit on the flagship brand’s “flanks” • Purpose in retail shelf context is to increase physical distance from competitor brands – drawing consumer attention away from competitor brands
(Quelch and Jocz, 2009) <i>Harvard Business Review</i>	<ul style="list-style-type: none"> • Marketing throughout a recession – premium-brand market leaders can “introduce a ‘fighter brand’, a lower-priced version of the premium offering sold under a different name and backed by minimal advertising”. • “When a recession ends, the fighter brand can either be quietly withdrawn or continue as a value entry in the overall product line”. 	<ul style="list-style-type: none"> • Referred as a “fighter brand” • New brand • Used as a recession strategy • Lower-priced version of the flagship brand • Different brand name to flagship brand • “Fighter brand” is withdrawn after recession, or retained as a low-end entry level offering

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Lindqvist and Samuelsson, 2010) <i>Organic Brand Development (Thesis)</i>	<ul style="list-style-type: none"> • “The flanker brand is a brand without any major importance for the company. This brand is used in conflict with competitors when the company is in need of a brand to sacrifice and do not want to injure any of the more important brands. It is used to undercut the competitor for example in price wars to be able to take a low-price position of this brand instead of threatening the profitability of the major brand”. 	<ul style="list-style-type: none"> • Flanker brand is an expendable brand • Purpose is to be used as a ‘sacrifice’ to undercut competitor brands in pricing, protecting the flagship brand(s) from these competitors
(Kim and Lowrey, 2010) <i>Wiley International Encyclopedia of Marketing</i>	<ul style="list-style-type: none"> • “A flanker brand (also called a fighting brand is a new brand launched in the market by a company with an established brand name in the same category”. • “A flanker brand protects the flagship brand from a competitor that is not competing directly with attributes and benefits that the flagship brand has nurtured”. • “Ideally, a flanker brand should compete in the same category as the flagship brand without cannibalising the flagship brand’s market share through targeting a different group of consumers. The objective of a flanker brand is to debilitate the competitor brand where it is positioned without compelling the flagship brand to divert its focus”. 	<ul style="list-style-type: none"> • “Flanker” and “fighter” used interchangeably • New brand • Launched in the same product category as flagship brand • Purpose is to protect the flagship brand from oblique competitors trying to attack the flagship brand’s flanks • Flanker brand protects flagship brand so that the flagship brand does not need to compete directly with competition

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Giddens, 2010) <i>Ag Decision Maker</i>	<ul style="list-style-type: none"> • “A flanker brand is a new brand introduced into the market by a company that already has an established brand in the same product category”. • This new brand is “designed to compete in the category without damaging the existing item’s market share by targeting a different group of consumers”. • “This strategy, also called fighter branding or multi-branding, is used to achieve a larger total market share than one product could garner alone”. • Advantages: <ul style="list-style-type: none"> • Gain more shelf space for the company, which increases retailer dependence on the company’s brands • Capture “brand switchers” by offering several brands • Develop excitement within the company by monitoring sales figures of the different brands • Protect the company – giving a product its own unique name means it will not be readily associated with the existing brand. This reduces risk to the existing brand and/or company if the product fails • Companies with a high-quality existing product can introduce lower-quality brands without diluting their high-quality brand names • Disadvantages: <ul style="list-style-type: none"> • Creating another independent brand [flanker brand] requires name research and substantial advertising expenditure to create name recognition and preference for the new brand 	<ul style="list-style-type: none"> • “Flanker” and “fighter” used interchangeably • New brand – new brand name separate from the flagship brand to avoid brand dilution • Launched in the same product category as the flagship brand • Flanker brand targets a different consumer, so that it does not cannibalise the flagship brand’s current market share • Purpose is to achieve a larger total market share, and capture variety seeking consumers • Purpose is to protect the higher-quality flagship brand by introducing a lower-quality flanker brand
(Crittenden, 2010) <i>Wiley International Encyclopedia of Marketing</i>	<ul style="list-style-type: none"> • “As a defensive move, a company following a flanking growth strategy will offer products in peripheral/secondary markets so as to prevent competitive attacks on a weak or no brand position”. • “The flanking brand growth strategy suggests that the brand is a fighting brand. A company following this strategy generally does not want to use its leading brand in battle”. • A fighting brand is thus introduced to “battle on possibly less strategic fronts and/or prevent the competition from gaining market entry from a vulnerable position” 	<ul style="list-style-type: none"> • “Flanking” and “Fighting” used interchangeably • Used as a defensive strategy <ul style="list-style-type: none"> ○ Flanker brands are used to protect the flagship brand’s flanks (potential weak points), by engaging different consumer markets • Used to defend against new market entrants

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(Ritson, 2010) <i>Marketing News</i>	<ul style="list-style-type: none"> • “Fighter brands are one of the oldest strategies in branding, dating back to the cigarette brands of the 19th century. Unlike traditional or flanker brands that are designed with a set of target consumers in mind, fighter brands are specifically created to combat low-price competition. In theory, a fighter brand will deliver a one-two punch: the fighter brand will damage or destroy the competition while opening a new market to complement existing sales. 	<ul style="list-style-type: none"> • “Fighter brands” termed as different to “flanker brands” <ul style="list-style-type: none"> ○ Distinction is that flanker brands target a different consumer market while fighter brands target low-price competitors
(Dabija, 2011) <i>Management & Marketing</i>	<ul style="list-style-type: none"> • “Flanker brands or fighter brands. They serve as defenders of the profitable flagship brands. The fighter brands must be positioned so that they should not tarnish the image, awareness or success of the defended brands or cannibalise them. Instead, fighter brands should be able to better distinguish flagship brands from the competing brands, particularly from the retail discount brands. Moreover, whenever consumers are exposed to this type of brand, they should not form the impression that it is of a lower quality than the flagship brands”. 	<ul style="list-style-type: none"> • “Flanker” and “fighter” used interchangeably • Purpose is to defend flagship brands by creating a greater distinction between flagship brands from competing low-priced brands; without itself being viewed as lower quality than the flagship brand
(Khan, 2012) <i>International Review of Management and Business Research</i>	<ul style="list-style-type: none"> • A flanker brand is a “new brand that is offered by a company which is a bit low in the aspects of product attributes, and its aim is to protect the main product of the company from the competitor brand. The new flanker brand will compete with the competitor products and the main product of the company will remain safe from the attacks of competition.” • “The firm has to create a clear differentiation for the flanker brand in order to keep safe the main brand of the company in order to avoid the concept of cannibalisation.” 	<ul style="list-style-type: none"> • New brand • Positioned lower in quality and other attributes to the flagship brand • Purpose is to protect the flagship brand from competing brands • Designed to have a clear distinction from the flagship brand so that the potential for cannibalisation can be avoided
(Keller, 2013) <i>Strategic Brand Management</i>	<ul style="list-style-type: none"> • “Certain brands act as protective flanker or ‘fighter brands’”. • “The purpose of flanker brands typically is to create stronger points-of-parity with competitors’ brands so that more important (and more profitable) flagship brands can retain their desired positioning”. • “many firms are introducing discount brands as flankers, to better compete with store brands and private labels and to protect their higher-priced brand companions”. • “In other cases, firms have repositioned existing brands in their portfolio to play that role’. • “Fighters must not be so attractive that they take sales away from their higher-priced comparison brands or referents. At the same time, if they are connected to other brands in the portfolio in any way (say, through a common branding strategy), they must not be designed so cheaply that they reflect poorly on these other brands”. 	<ul style="list-style-type: none"> • “Flanker” and “fighter” used interchangeably • Some brands within the brand portfolio serve as flanker brands • Purpose is to create points-of-parity with competing brands so that consumers’ attention is drawn away from the competition, thus protecting the flagship brand, and allowing it to retain its current positioning • Flanker brands can be new brands introduced, or existing brands in the portfolio that are repositioned

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Lafayette, 2013) <i>Broadcasting & Cable</i>	<ul style="list-style-type: none"> • Flanker brands are offered “as a way to protect their mature [brands] from rivals and grow revenue” 	<ul style="list-style-type: none"> • Purpose of flanker brand is to protect against competing brands
(De Menezes, 2014) <i>Watermark: Intellectual Asset Management</i>	<ul style="list-style-type: none"> • “The term ‘flanker’ is used in military terms to describe a soldier positioned to protect the flank of troops on the march.” • “A flanker brand, sometimes called a ‘fighter brand’, plays a similar role.” • “A flanker brand is used to offer a new product to the market in order to capture a larger portion of the market – ‘from the side’, so to speak – while remaining tied back to the main brand.” • “Normally, the aim is to increase market share by detracting from a competitor’s main market share. In turn this protects, or supports, the main brand.” • “A flanker brand allows the brand owner to capitalise on the reputation of its main brand, and on all the messages about quality and source which are espoused in the existing brand. This allows for potential capturing of new clients, including those who are unhappy with competitor’s products in the same space, or those who are looking for a more economic choice.” • “The flanker may be developed to promote different messages about the new product offering from those associated with the main brand.” 	<ul style="list-style-type: none"> • New brand • “Flanker” and “Fighter” used interchangeably • Leverages the flagship brand’s equity and reputation by linking itself to the flagship brand – e.g. brand name • Flanker brand may be a lower-priced brand compared to the flagship brand – “those who are looking for a more economic choice” • Same product category as flagship brand • Purpose is to draw consumer attention away from competitors and grow the firm’s market share
(Jost, 2014) <i>International Journal of Research in Marketing</i>	<ul style="list-style-type: none"> • “Portfolio adjustment: ... which has not been used widely so far, is to enlarge the product portfolio. In this case the brand manufacturer adds a second, lower positioned product, a so called “fighter brand”, to the existing higher positioned brand product” • “The challenge here is to position the second product (fighter brand) such that it serves two purposes: On one hand, it should fend off the entrant in order to directly compete with the premium product. On the other hand, the introduction of the second brand (fighter brand) should not lead to the cannibalisation in the sense that current consumers of the premium products switch to buy the incumbent’s lower quality product although they would have never switched to the low-price entrant’s product.” 	<ul style="list-style-type: none"> • Flanker brand referred as “fighter brand” • Designed to be positioned lower than the flagship brand • Flanker brand is positioned in a way that it protects the flagship brand from new market entrants; and designed so that cannibalisation is avoided
(Rahman and Areni, 2014) <i>Journal of Strategic Marketing</i>	<ul style="list-style-type: none"> • “In a flanker strategy, a competitor with adequate capabilities develops a differentiated product offering to appeal to a segment where the market leader is weak, and thereby captures a larger share of the market. 	<ul style="list-style-type: none"> • Flanker brand is a differentiated brand used by a competitor brand to attack the market leader’s weak points.

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Sheen, 2014) <i>FASHION Magazine</i>	<ul style="list-style-type: none"> • “Flankers are a relatively recent phenomenon designed to bring attention back to best-sellers and capture new audiences” • “A flanker is usually a limited-edition remix of an existing scent based on a season, an ingredient, a time of day or an age group (‘sport’ or ‘fresh’ versions are usually designed to reach a younger crowd” • ““When we launch a flanker, the sale of the original goes up”” • “It’s a lot cheaper and easier to launch a flanker than a new scent” • “Customers are already aware of the brand, so the house merely needs to remind people of what they already know” <p>Note: This description of flanker brands is specific to the fragrances industry, but the characteristics can be drawn into a more general branding context</p>	<ul style="list-style-type: none"> • Flanker brand viewed as a limited-edition brand • Flanker brand is positioned in a way that it protects the flagship brand’s market share by drawing attention to the flagship brand • Flanker brand is generally positioned to sit alongside the flagship brand, targeted at a slightly differentiated market, to avoid cannibalisation • Flanker brands are a low-cost alternative to launching a new brand • flanker brands leverage the flagship brand name that consumers are already aware and familiar with
(Stevens et al., 2014) <i>Concise Encyclopedia of Advertising</i>	<ul style="list-style-type: none"> • “A flanker brand is a new brand created by a company in a good or service category in which it currently has a brand offering. Flanker brands are used to help a company offer a more complete line of products. This creates barriers to entry for competing firms. Sometimes a flanker brand is introduced when company leaders believe that offering the product under the current brand name may adversely affect the current brand. This type of strategy is often used by firms in high-end market show wish to compete in low-end markets. It is also used in international expansion. Offering different brands for specific markets is a less common flanker brand strategy. This helps a firm expand in an international market using more than their current brands.” 	<ul style="list-style-type: none"> • New brand • Launched in the same product category as the flagship brand • Keeps out new market entrants • Flanker brand is launched under a new brand name • Flanker brands often used by brands in high-end markets looking to compete in low-end markets • Can be used for international expansion as well

Author/Year/Source	Conceptualisations of Flanker Brand	Key Characteristics & Purpose
(Berman, 2015) <i>Business Horizons</i>	<ul style="list-style-type: none"> • “The strategy of developing a new fighter brand to be sold along with traditional brands combines elements of two other strategies: keeping the current pricing and matching low-cost competitors’ pricing”. • “By keeping the current pricing, the traditional brand keeps its current loyal customers, provides high profit margins, and retains its current image. By also developing a fighter brand, the firm competes directly with low-cost competitors’ products, slows competitors’ growth, and provides access to a fast-growing market.” • “A fighter brand enables a manufacturer to better control the quality, performance, and features gap between its multiple brand offerings.” 	<ul style="list-style-type: none"> • Flanker brand referred as “fighter brand” • Flagship brand retains pricing and positioning while the flanker brand attacks low-priced competitors • Purpose is to slow competitors down and access fast moving markets • Flanker brands allow greater branding control for the firm
(Boone and Kurtz, 2015) <i>Contemporary Marketing, Update 2015</i>	<ul style="list-style-type: none"> • “Firms may choose to introduce new product into markets in which they have already established positions to try to increase the overall market share. These new offerings are called flanker brands” 	<ul style="list-style-type: none"> • Flanker brands are brands launched in the same markets as the established flagship brand. • Purpose appears to have two goals – to grow market share and protect the firm’s market position in the category
(Harleman, 2015) <i>National Brands in the Discount Supermarket: Does Brand Image Transfer Occur On National Brands When They Are Available In the Discount Supermarket (Thesis)</i>	<ul style="list-style-type: none"> • “A value flanker, which means that the [flagship brand] moves closer to the [competing brand] by introducing a lower-priced and possibly even lower-quality product.” 	<ul style="list-style-type: none"> • Positioned lower than the flagship brand in price and quality • Flanker brand is positioned in a way that it protects the flagship brand from competing brand

Chapter 3

Theoretical Framework & Hypotheses Development

Introduction

As previously discussed, there is a deficit in empirical research on flanker brands. At present, much of the literature on flanker brands are based on conjecture and anecdotal evidence from industry, with little or no empirical research available. Chapter 2 bridged this gap in knowledge on the flanking strategy in business; and develops a unified concept of flanker brands for use in business strategy. Further, Chapter 2 distinguishes flanker brands into two main classifications – *Distinct Flanker Brands* and *Latent Flanker Brands*. To address the research gaps identified in Chapter 2, Chapter 3 details the relevant research objectives and delineates the scope of testing for flanker brands.

The chapter begins with a review of the research objectives addressed in this research. Following this, the research framework and scope is presented. The overall theoretical framework for this research is then discussed, followed by the presentation of the proposed research model. Finally, the relevant hypotheses are developed to address the identified objectives.

Research Objectives

Based on the research gaps identified in Chapter 2, this research will address the following research objectives:

RO1: *To develop a clear understanding of the flanking strategy in the business context, using Manoeuvre Theory as the foundational theory, and supported by Sun Tzu's Art of War. [Gap 1]*

RO2: *To develop a concept flanker brands, to better understand the business applications of flanker brands. [Gap 2]*

RO3: *To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand classifications. [Gap 3]*

RO4: *To evaluate consumer perceptions and attitudes toward flanker brands, specifically, in the context of luxury fashion brands. [Gap 3]*

RO5: *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands. [Gap 4]*

Research objectives 1 and 2, and the corresponding research gaps were addressed in Chapter 2.

Research Objective 1 (**RO1**) was addressed by applying manoeuvre theory, as a foundational theory, to the concept of flanking in business. This is supported by lessons from Sun Tzu's Art of War. From this, seven principles of manoeuvre were identified. Further, this research examines the literature on the use of manoeuvre theory in context of business, and compares it against the seven principles of manoeuvre. Through this, a clear foundation for understand the flanking strategy, as it stands in the context of business, was developed.

Research Objective 2 (**RO2**) was addressed by conducting a review of the foundational theory of flanking in the military context (manoeuvre theory), and applying it to the business paradigm. Using this as a basis, key characteristics of flanker brands were distilled through an extensive review of the present literature on flanker brands. These characteristics were then synthesised with the key principles of manoeuvre to develop a clear concept of flanker brands:

*Flanker brands are **new brands** that are **swiftly positioned** in a **similar category and market** as the flagship brand, through **stealth and deception**, for the purpose of **attacking and/or defending against** competitors; **without risking** the flagship brand's established market position by competing head-on*

Further, two classifications of flanker brands were proposed – Distinct Flanker Brands and Latent Flanker Brands:

***Distinct Flanker Brand (DFB):** A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and*

***Latent Flanker Brand (LFB):** A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.*

The present chapter, Chapter 3, focuses on addressing research objectives 3 to 5. Recapping what was discussed in Chapter 2:

***RO3:** To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand classifications.*

Research Objective 3 (**RO3**) seeks to address Research Gap 3, which notes that there is a lack of empirical research on flanker brands. Much of the literature on flanker brands do not provide any empirical evidence for their use, and merely suggest that flanker brands could be used as a business tactic for combat against a firm's competitor. Therefore, there needs to exist a method for evaluating consumer perceptions and attitudes toward flanker brands so that firms can make an educated decision on whether to apply the flanking strategy, and what classification of flanker brand to deploy. Therefore, RO3 will be addressed by:

- Developing a research framework – research model and proposed testing methodology, to empirically assess consumer evaluations of flanker brands.

The research framework, developed in the process of addressing RO3, will serve as tool to conduct further testing to understand consumer perceptions, attitudes, and behavioural intention toward flanker brands.

RO4: *To evaluate consumer perceptions and attitudes toward flanker brands, specifically, in the context of luxury fashion brands.*

Research Objective 4 (RO4) extends on RO3 and addresses Research Gap 3, which observes the need for empirical research on consumer perceptions and attitudes toward flanker brands. As discussed, there is currently a dearth of studies that examine flanker brands as a business tactic; and which endeavour to make empirical evaluations of consumer perceptions of flanker brands. Knowing how consumers perceive flanker brands and their attitudes to the two classifications of flanker brands would allow for a better understanding of the application of flanker brands in the marketplace. Given that flanker brands can be employed in a myriad of industries (e.g. Ho, 1997; Lee, Chng, & Wee, 1994; Macdonald & Neupert, 2005; Michaelson, 2001; O’Dowd & Waldron, 1991; Rarick, 1996; Sheetz-Runkle, 2014; Tremayne, 2008), there is a need to delineate the scope for examination. Therefore, the present research pays specific focus to luxury fashion brands, and applies the proposed research framework to address RO4 by:

- Examining how consumers’ functions of attitude – Value-Expressive and Social-Adjustive functions, influences consumer attitudes, and purchase intentions toward Distinct Flanker Brands (DFB) and Latent Flanker Brands (LFB).

Achieving RO4 will shed light on how the two classifications of flanker brands can be used to target specific luxury fashion consumers, by determining how a consumer whose attitudes toward luxury fashion brand serve a value-expressive/social-adjustive function, would gravitate toward which class of flanker brand – DFB/LFB.

***RO5:** To assess the effectiveness of flanker brands as a tactic to compete against mimic brands.*

Research Objective 5 (RO5) addresses Research Gap 4, by examining the effectiveness of the proposed classifications of flanker brands as a tactic against mimic brands in the marketplace. As discussed, flanker brands can be employed as a defensive tactic, as a means of protecting the flagship brand from lower-priced competitors; or can be used as an offensive tactic to attack mature brands in the marketplace. This research addresses RO5 by:

- RO5-1.* Comparing consumer attitudes toward flanker brands against mimic brands
- RO5-2.* Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand
- RO5-3.* Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success
- RO5-4.* Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

Addressing RO5 will help validate the effectiveness of flanker brands as a tactical manoeuvre against mimic brands, lending credence to the flanking strategy.

Research Framework & Scope

Research Framework

The present research is comprised of two main overall studies that are split into four sub-studies – *Study 1* to *Study 4*.

Study 1 and *Study 2* apply the research model proposed in Figure 3.1 below, and serve to evaluate the research model proposed [**RO3**]. In addition, both *Study 1* and *Study 2* evaluate the influence of the social identity functions of attitude on consumer choice of flanker brands [**RO4**].

As will be discussed in the following sections, the social identity functions of attitude are the focus for this research. It is through these functions of attitude that individuals express core values, establish their identity, and/or gain social approval among their peers (Schade et al., 2016; Shavitt et al., 1992). Prior research has shown that consumers' attitudes toward luxury brands may serve either one of these functions or both (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). In contrast to non-luxury brands, luxury brands are generally high in symbolic value and generally appeal to status driven consumers where price is not the first concern, and the functional value is understood as given (Nueno and Quelch, 1998; Riley et al., 2004). Therefore, it is postulated that the social identity functions of attitude bear greater relevance in the present research, and thus is the focus of this research.

Study 1: Study 1 focuses on determining how social identity functions of attitude (value-expressive and social-adjustive) influence consumers' choice of flanker brand (DFB/LFB) in terms of attitude toward the flanker brand and the flanker brand success. Study 1 examines this in the context of luxury bags. [**RO3 & RO4**]

Study 2: Study 2 extends on Study 1, seeking to generalise the findings from *Study 1*, and examines social identity functions and their influence on choice of flanker brand in a different luxury product category – luxury footwear. [**RO3 & RO4**]

Study 3 and *Study 4* draw focus on the managerial implications, and seek to examine the tactical applications of flanker brands in the marketplace; by examining how consumer attitudes toward flanker brands, and the success of flanker brands, are influenced by mimic brands [**RO5**]. The findings from *Study 3* and *Study 4* will also

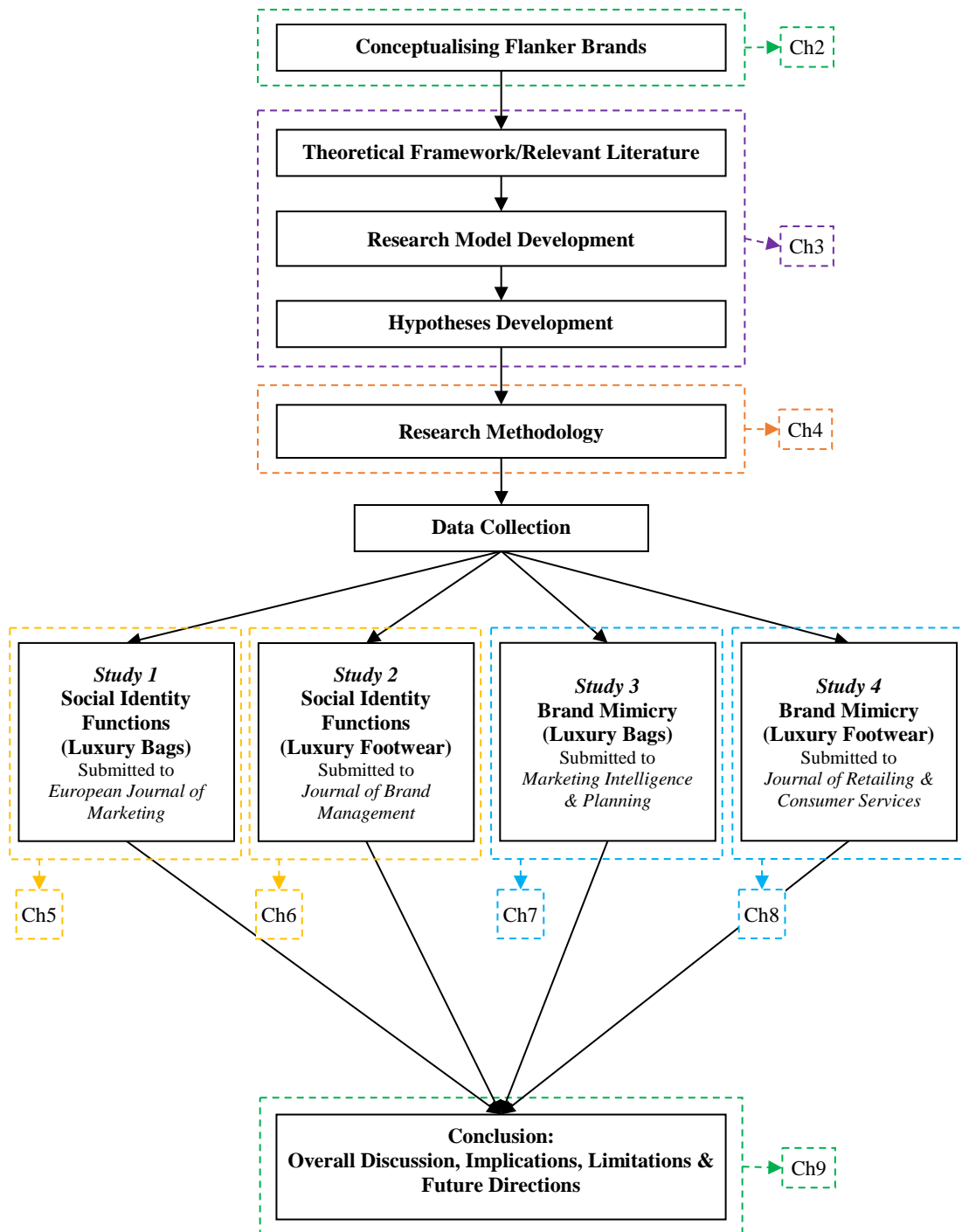
help to further validate the two classifications of flanker brands (DFB/LFB), and extend the theoretical implications from *Study 1* and *Study 2*.

Study 3: Study 3 examines if, and how, consumer attitude toward mimic brands, and the presence of mimicry, specific to physical characteristics; influence consumer attitudes toward flanker brands, and the success of flanker brands. [R05]

Study 4: Study 4 extends on Study 3, seeking to generalise the findings from *Study 3*, and examines if, and how, consumer attitude toward mimic brands, and the presence of mimicry, specific to physical characteristics; influence consumer attitudes toward flanker brands, and the success of flanker brands, in a different luxury product category – luxury footwear. [R05]

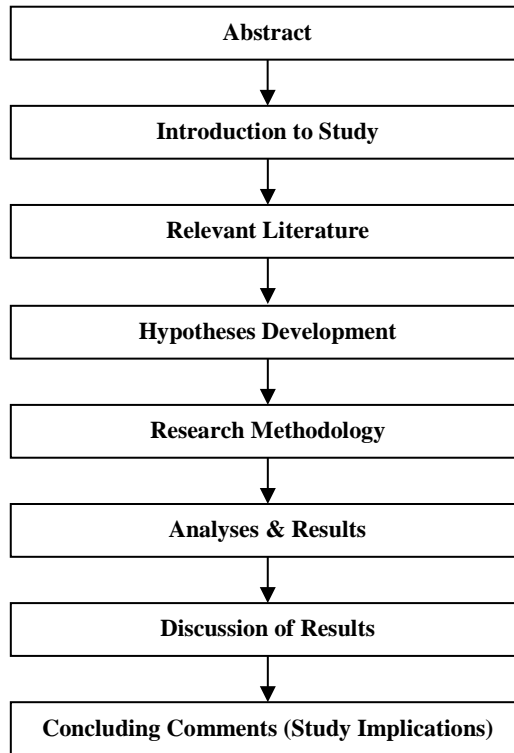
Chapter 3 and Chapter 4 will present the overall theoretical framework, research model, hypotheses development and research methodology to be employed in this research. The subsequent chapters (Chapters 5 to 8), will distil the relevant content from Chapters 2, 3 and 4; and contextualise it to the relevant studies – *Study 1* to *Study 4*. Figure 3.1 presents an overview of how the subsequent chapters are linked.

Figure 3.1: Schematic Overview of Research Process – Chapter 3 to Chapter 9



Chapters 5 (*Study 1*) to 8 (*Study 4*) have been written to follow the structure of a stand-alone journal article. For the purposes of this thesis, Chapters 5 to 8 present a clear record of the analyses conducted in *Study 1* to *Study 4*. A ‘cut-down’ version adhering to the relevant journal’s specifications has been submitted to the respective journals listed in Figure 3.1. To this end, Figure 3.2 presents a schematic overview of the chapter structure each of the chapters – Chapters 5 to 8.

Figure 3.2: Schematic Overview of Individual Chapters (5, 6, 7, 8)



Overall Research Scope

As discussed in Chapter 2, the applications of the flanking strategy are far reaching. This makes it necessary to delineate the research scope for more efficient and effective empirical testing. Therefore, *Study 1* to *Study 4* make the following assumptions:

1. The luxury fashion brand is using the flanker brand as a defensive tactic against lower-priced competitors, specifically – mimic brands.

Depending on the strategic intent of the firm, flanker brands can be used to compete against competitors other than mimic brands. Thus, to specify the frame of reference, testing of the flanker brands will be matched against mimic brands. This leads into the second assumption – the type of brands examined in this research.

2. This research employs the use of established and mature luxury fashion brands in the marketplace.
3. The reason for this, as is discussed in Chapter 2, is that newcomers and mimic brands can use flanker brands to attack mature brands in the marketplace. So, it is necessary to adopt a specific perspective for testing flanker brands, which in this research, is from the view of an established and mature luxury fashion brand, defending its market share.
4. The flanker brand used by the luxury fashion brand is one that is newly developed and marketed as a new brand.

As discussed in Chapter 2, flanker brands can be developed in several ways, like the conversion of an existing brand, derived from a brand extension, or through specific development as a flanker brand. While the literature seems to suggest that the provenance of a flanker brand is not crucial to its use and deployment, this factor may potentially influence consumer responses and thus to alleviate this potential issue, this research assumes that the flanker brand is one that is newly developed specifically to function as a flanker brand.

5. The flanker brands being tested (DFB/LFB) are distinguished using only two manipulations – brand name (e.g. Avant by Prada [DFB] and Avant [LFB]); and physical characteristics.

In branding, there are many ways to position and distinguish brands in the marketplace. There are a multitude of brand elements that can influence consumer responses to the brand. Therefore, it is necessary to limit the number of manipulations used to distinguish the flanker brands from the flagship brands. So, the first manipulation used in this research is the difference in brand name, where the DFB uses nested brand naming (Bhat et al., 1998), and the LFB uses a new brand name (Bhat et al., 1998). As for the manipulation of physical characteristics, the differences between the flagship brand and flanker brand for both DFB and LFB draw upon Teah's (2013) theory on brand mimicry, imitating the signal properties of the flagship brand. This will be discussed in greater detail in Chapter 4.

Theoretical Framework

Schema Theory underpins the present research; and is substantiated by several supporting theories – Attitude Theory, Functional Theory of Attitude, Categorisation Process, Anchoring Theory, Signalling Theory Cognitive Consistency, and Brand Mimicry. The following sections will discuss these theories and their relevance to the present research, and will develop the hypotheses used to address the identified research objectives.

Overarching Theory

Schema Theory

Broadly speaking, a schema is an internal, cognitive structural network of associations (associative network) that help individuals organise and guide their expectations and perceptions of the world around them (Bem, 1981; Sujan and Bettman, 1989). Schemas comprise of what a person knows about objects, events, and situations; and encompasses their past reactions and experience with this (Aggarwal and McGill, 2007; Armbruster, 1986); and, by extension, can also be considered in a person-object and person-brand arrangement (Stayman et al., 1992; Sujan, 1985; Sujan and Bettman, 1989).

Individuals, through their experience with various brands and products, develop a schema or set of expectations about the typical attributes of a product, importance of these attributes, and how much variability there is across brands on these attributes (Sujan and Bettman, 1989). With this knowledge in hand, individuals can then use their schemas as reference points to evaluate new brands and product that they may encounter (Meyers-Levy and Tybout, 1989; Sujan and Bettman, 1989). Schemas make it easier for individuals to search for and integrate received information in a highly selective manner to help the individual impose structure and meaning to the incoming stimuli – for example, when encountering a new brand and product (Bem, 1981; Meyers-Levy and Tybout, 1989). Research using schema theory shows that the level of perceived congruity between the new information that the individuals is faced with, and their pre-existing schema affects the way they process and evaluate them (schema congruity) (Aggarwal and McGill, 2007; Loken and Ward, 1990; Mandler, 1982; Meyers-Levy and Tybout, 1989; Sujan and Bettman, 1989).

Stayman et al. (1992) explain that schema congruity can be examined in three distinct points – congruity, moderate incongruity, and extreme incongruity. Congruity is

perceived when the new information received is well-matched with the schema that the individual possesses, and is posited to lead to a more favourable response from the individuals (Meyers-Levy and Tybout, 1989; Sheinin, 1998). When faced with new information that is incongruent with their preconceived schemas, individuals cope by employing one of two basic processes: assimilation or accommodation (Mandler, 1982; Stayman et al., 1992; Sujan and Bettman, 1989). If the new information presented is moderately incongruent to an individual's schema, the individual is likely to be able to resolve this incongruity without a significant change in their existing schema about the product, and assimilation occurs (Mandler, 1982; Meyers-Levy and Tybout, 1989; Stayman et al., 1992). If the new information presented, however, is extremely incongruent to the individual's schema, accommodation is likely to occur. Accommodation occurs when a new schema is created or when the present schema is heavily modified to interpret the new information (Rumelhart and Norman, 1978; Sujan and Bettman, 1989). This is generally occurs when the inconsistencies between an individual's schema and the new information received is too large, and cannot be easily assimilated (O'Sullivan and Durso, 1984; Weber and Crocker, 1983).

Supporting Theory

Attitude Theory

Attitudes are an overall evaluation of and judgement of a psychological object (Ajzen, 2001; Fishbein and Ajzen, 1975). Attitudes comprise of both affective (feelings of liking or disliking) and cognitive (beliefs held about object) components, and have a significant influence on an individual's behaviour (Ajzen, 1991, 2002; Katz, 1960; Najmi et al., 2012). Incorporating this into the present research context, attitudes are examined with reference to a brand, and can be defined as a “relatively enduring, unidimensional summary evaluation of the brand that presumably energises behaviour” (Spears and Singh, 2004).

Functional Theory of Attitude

The functional theory of attitude explains that attitudes can serve several purposes (functions) for individuals (Katz, 1960; Wilcox et al., 2009). Research proposes that attitudes serve some basic functions:

1. Utilitarian Functions

- a. Utilitarian Function:** This function of attitude observes the fact that people are naturally driven to maximise the rewards and minimise the punishments

obtained from their environment and the objects, people, and symbols that their attitudes are associated with (Ajzen, 2001; Katz, 1960; Shavitt, 1989a, 1990). This helps to guide a person's behaviours toward achieving their goals and avoiding potential pitfalls (Shavitt, 1989a, 1990). For example, a person may be motivated to purchase a particular luxury brand product because of the emotional benefits received when owning the luxury product (benefit), and thus may boost the person's self-esteem (avoidance of punishment).

- b. Knowledge Function:** The knowledge function of attitude explains that individuals are driven to seek knowledge to provide meaning and organisation to the way they perceive the world around them (Katz, 1960; Shavitt, 1989a, 1990). Linking back to schema theory and anchoring theory, the knowledge that the individual obtains helps them build their schema on various subject matter, which in turn function as anchor points for judgement and evaluation of new information received. For example, the knowledge that a person possesses about luxury brands serves as a reference point from which they then used to form attitudes and subsequent behavioural intentions toward new luxury brands that he/she may encounter. All attitudes are likely to serve a knowledge function to some extent (Shavitt, 1990).

2. Social Identity Functions

- a. Social-Adjustive Function:** The social-adjustive function of attitude is adopted by individuals who wish to maintain their relationships or gain social approval with their peers (Shavitt et al., 1992; Wilcox et al., 2009). To this end, a person may hold the same positive attitudes toward objects, issues and people, as the reference group; or may consume brands and products that would gain favour with their peers (Bian and Forsythe, 2012; Debono, 1987; Schade et al., 2016).
- b. Value-Expressive Function:** The value-expressive function of attitude is adopted by individuals who derive satisfaction from expressing their core values and beliefs through their attitudes (Katz, 1960; Wilcox et al., 2009). Therefore, a person may hold certain beliefs and opinions, use certain brands and products, as a means of self-expression (Bian and Forsythe, 2012; Schade et al., 2016).

3. *Self-Esteem Maintenance Function*

- a. **Ego-Defensive Function:** The ego-defensive function of attitude describes how an individual protects himself/herself from accepting harsh truths or counter-attitudinal information about himself/herself that the individual determines as undesirable or threatening to the self (Katz, 1960; Knight Lapinski and Boster, 2001; Shavitt, 1989a). This helps the individual to preserve their self-concept, and self-esteem (Knight Lapinski and Boster, 2001). For example, a person who is fiercely loyal to a particular luxury brand may discount information that damages the reputation of that brand, so as to protect his/her attitudes toward the luxury brand, and preserve the notion that their loyalty toward the brand is not misplaced.

Categorisation Process

Consumers evaluate products based on two basic processes (Aaker and Keller, 1990; Blackwell et al., 2006; Lee and Ganesh, 1999):

1. **Categorisation process:** evaluation of a product depends on the attitudes formed over time using categorical cues like brand name and country of manufacture; and
2. **Piecemeal process:** “Evaluation is derived from consideration of the alternative’s advantages and disadvantages along important product dimensions”.

The categorisation process was developed as alternative to the piecemeal process (Kalamas et al., 2006), and explains how consumers organise the information within their schema so that the process of evaluating new information is less labour-intensive (Armbruster, 1986; Bem, 1981; Goodstein, 1993). When the consumer is confronted with a stimulus, he/she will evaluate the stimulus based on his/her category schema, employing categorical cues such as brand name (Kalamas et al., 2006; Lee and Ganesh, 1999; Liu et al., 2016), product features and design cues (Aggarwal and McGill, 2007; Liu et al., 2016; Meyers-Levy and Tybout, 1989; Sujjan and Bettman, 1989); and organising the incoming information to aid in their decision making (Kalamas et al., 2006). As Mandler (1982) explains, this tends to occur automatically and without awareness on the part of the consumer.

Anchoring Theory

The notion of anchoring relates to the way an individual relies on a piece of information as an initial reference point (anchor) from which their judgements and

evaluations are made (Malhotra et al., 2015; Tversky and Kahneman, 1974). Through a process of “anchoring-and-adjustment”, the individual, when faced with a new stimulus, refers to this anchor point to make mental adjustments in their evaluation of the stimulus so that the final judgement is brought closer to the anchor point (Malhotra et al., 2015; Tversky and Kahneman, 1974). Research has shown that this process of anchoring is particularly robust with consumers (e.g. Epley and Gilovich, 2006; Wansink et al., 1998; Yadav, 1994), and individuals tend to place significant emphasis on their anchor point, thus making insufficient adjustments in their evaluations of the stimuli and subsequent stimuli they are exposed to.

In consumer research, this anchoring effect can be used to illustrate how consumers form initial judgements and evaluations about various brands, and use these as a reference-point for comparisons to other brands and even extensions (Van Auken and Adams, 2005; Esch et al., 2009; Kalamas et al., 2006). Therefore, the schema that consumers possess about various brands serve as anchors for consumers, from which the evaluation of future brands and products is referenced. This is an important consideration for brand managers: consumer perceptions of brands can be strongly ingrained in their memory; and based on the process of anchoring and adjustment, consumers are likely to use these perceptions as anchors for judging and evaluating new brands that they encounter (Najmi et al., 2012; Riley et al., 2004). This, coupled with the categorisation process, helps explain why some firms choose to leverage their existing brand names in their brand extensions (e.g. Armani and Armani Exchange; Polo Ralph Lauren and Lauren Ralph Lauren) (Bhat et al., 1998; Hadjicharalambous, 2006; Phau and Cheong, 2009b)

Signalling Theory

Signalling theory is useful in helping to explain how brands and consumers interact when there is asymmetry in information possessed by the brand and the consumer (Connelly et al., 2011; Erdem and Swait, 1998). Signalling has been used in research to explain consumer-based brand evaluations and consumer brand choice (Erdem and Swait, 1998, 2004). As Erdem and Swait (1998) explain: firms often have greater clarity on the quality, and performance of their brands than consumers, who cannot easily make evaluations of the brands and products being presented to them. This is where signalling is used to convey information about the brand’s characteristics and attributes. This can be achieved through advertising and the use of the brand name to

identify the product, convey the key selling points about the brand's product, and differentiate it from the competitors (Erdem et al., 2006; Erdem and Swait, 1998; Han et al., 2010). Leaning on this theory, brands serve as signals to consumers, informing them, among other things, about the firm's symbolic and functional attributes, as well as the products' features and key selling points (Erdem et al., 2006; Han et al., 2010). A clear, consistent and credible brand signal creates value for consumers by decreasing the information cost and risks perceived by consumers, thus increasing the likelihood that consumers will respond positively to the brand (Connelly et al., 2011; Erdem and Swait, 1998; Park and Srinivasan, 1994).

Cognitive Consistency

The concept of cognitive consistency posits that individuals are naturally inclined to establish cognitive and affective consistency in their attitudes, beliefs and behaviours (Palazon and Delgado-Ballester, 2013; Stumpf and Baum, 2016). This concept of cognitive consistency builds on Heider's (1946) balance theory, Osgood and Tannenbaum's (1955) congruity theory, and Festinger's (1957) cognitive dissonance theory; and has links to the categorisation process (Stumpf and Baum, 2016). In the context of branding, the concept of cognitive consistency has links to the notion of perceived fit between brand extensions and the parent brand (e.g. Grime et al., 2009; Kalamas et al., 2006; Lau and Phau, 2007), and will be discussed in further detail with the relevant hypotheses in the subsequent sections.

Brand Mimicry

As discussed in Chapter 2, brand mimicry helps explain how competitor brands in the marketplace copy and imitate other brands in the marketplace (Teah and Phau, 2010). Further, as the literature on brand mimicry explains, attributes such as the product design and physical appearance also serve as signals to the consumer about the brand (Teah, 2013; Teah and Phau, 2010). In essence, brand mimicry is "the act or art of copying or close imitation of a brand" (Teah and Phau, 2010), and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). This is so that points of parity can be made with the model (flagship) brand, so that consumers are more likely to transfer positive associations of the model (flagship) brand over to the mimic brand, and thus evaluate it favourably (Teah, 2013; Teah and Phau, 2011).

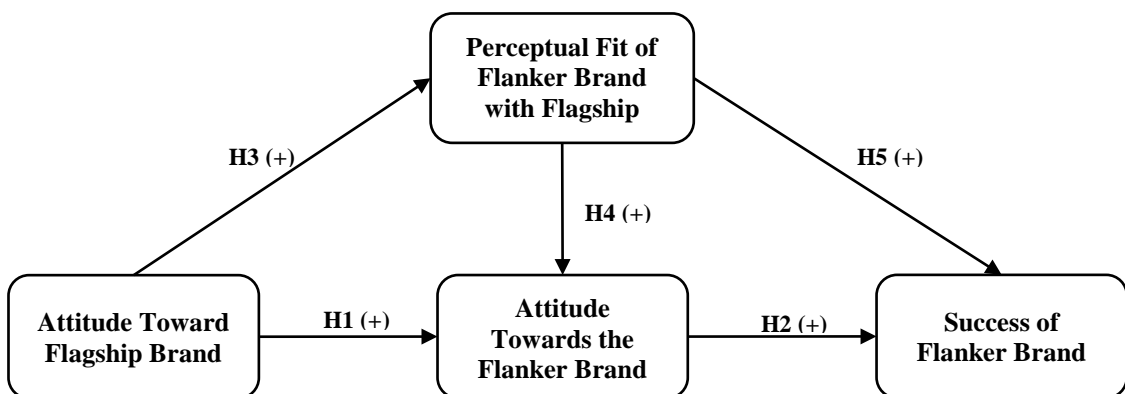
Research Model – Study 1 & 2

As discussed, *Study 1* and *Study 2* seek to evaluate the proposed research model [RO3], and evaluate the influence of social identity functions on consumer attitudes and choice of flanker brands [RO4].

As there is a lack of empirical research on flanker brands, there is no theoretical foundation from which to develop a research model for testing, and thus this research adapts the research model employed by Kalamas et al. (2006) to the flanker brand context. Further, to develop a research model from the ground up, based on a proposed concept of flanker brands, would mean that there are too many variables to account for. Therefore, this research has attempted to reduce this potential issue by adapting an existing research model. It is noted that Kalamas et al.'s (2006) research model is applied in the brand extension context. However, given that flanker brands are a tactical outcome of the flanking strategy, the crucial difference between brand extensions and flanker brands is in the strategic intent, as discussed in Chapter 2. Therefore, while flanker brands may appear to the consumer, to behave like brand extensions, their purpose is strategically different.

Therefore, Kalamas et al.'s (2006) research model, is applicable, as the present research is examining flanker brands from a consumer perspective, whom ought to be “blind” to the strategic intent behind the brand they are presented with. Figure 3.3 illustrates the research model to be applied in *Study 1* and *Study 2*.

Figure 3.3: Research Model



The subsequent sections will present the hypotheses development for the general hypotheses to be used in *Study 1* and *Study 2*. Chapters 5 and 6 will then contextualise the hypotheses to the relevant studies.

The theoretical underpinnings for the hypotheses employed in this research are summarised in Table 3.1.

Table 3.1: Summary of Theories Underpinning Hypothesised Relationships

<i>Study 1 & Study 2</i>	
Hypothesis	Theory
H1a-b	Attitude Theory Cognitive Consistency
H2a-b	Attitude Theory Cognitive Consistency
H3a-b	Schema Theory Anchoring Theory Signalling Theory Cognitive Consistency
H4	Schema Theory Anchoring Theory Signalling Theory Cognitive Consistency
H5a-b	Schema Theory Anchoring Theory Signalling Theory Cognitive Consistency
H6a-b	Functional Theory of Attitude
H7a-b	Functional Theory of Attitude
H8a-b	Functional Theory of Attitude
H9a-b	Functional Theory of Attitude

Hypotheses Development – Study 1 & 2

H1: Attitude Toward the Flagship Brand & Attitude Toward the Flanker Brand

Aaker and Keller (1990) explain, the success of a brand extension is often contingent on: (1) The consumer holding positive beliefs and attitudes toward the parent brand; (2) These positive beliefs and attitudes helping to facilitate the formation of positive beliefs and attitudes toward the extension brand; and (3) Negative associations of the parent brand not being transferred to the extension brand. Drawing on the brand extension literature, it is argued that brand extensions often share similar features and benefits to the parent brand (Bhat and Reddy, 2001). Through the categorisation process, consumers are likely to compare their knowledge and beliefs of the parent brand, and match it with the extension brand (Kalamas et al., 2006; Sheinin and Schmitt, 1994). This means that the brand extension has to exhibit signals that would trigger the relevant parent brand associations (anchor points) so that the consumer is more likely to categorise and evaluate the brand extension using the positive associations he/she might have of the parent brand (Erdem et al., 2006; Erdem and Swait, 1998). These signals help to reduce the potential for dilution effects, which might result in consumers not accepting the brand extension (Kim et al., 2001; Loken and John, 1993).

Transferring this to the present research context, a flanker brand is likely to appear as a mimic of the model brand, in this case, the flagship brand of the firm. It is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand, but is positioned against competing mimic brands. For example, the Apple iPhone 5c, as discussed in Chapter 2, could be considered a flanker brand to Apple's flagship iPhone. The aesthetics of the iPhone 5c carry an unmistakably iPhone look and feel, but it is positioned at a lower price point to do combat with competing, mimic brands like Xiaomi. In this sense, it is expected that, similar to the findings from brand extension research, a consumer's attitudes toward the flagship brand, would have a positive influence on their attitude toward the flanker brand.

Therefore, the following hypotheses are proposed:

H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

H2: Attitude Toward the Flanker Brand & Success of the Flanker Brand

As discussed, consumers' attitudes are known to motivate consumer behaviours (Ajzen, 2001, 2002; Kalamas et al., 2006; Spears and Singh, 2004). Therefore, in the present research context, it appears logical to suggest that a consumer who has a positive attitude toward the flanker brand, is more likely to positively evaluate the flanker brand and be motivated to purchase the flanker brand. as a significant and positive influence on a consumer's desire to purchase the extension.

Therefore, the following hypothesis is proposed:

H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand

H3: Attitude Toward the Flagship Brand & Perceptual fit of the Flanker Brand with Flagship Brand

Building on the aforementioned concept of cognitive consistency, the notion of perceived fit in the context of branding is defined as the "extent to which consumers accept the new product a logical and expect[ed] from the [parent] brand" (Kalamas et al., 2006; Tauber, 1988). If a consumer perceives a good fit between a brand and its extension, then they perceive a meaningful association between the brand and the extension, and are more likely to transfer favourable brand perceptions to the extension brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). There are number of bases from which fit may be perceived: (1) Complementarity - the extent to which the extension and the parent product share similar usage, (2) Substitutability - the extent to which one product can replace the other in satisfying the same need, and (3) Transferability - the degree to which manufacturing skill required for the extension overlaps with existing requirements (Aaker and Keller, 1990; Park et al., 1991).

Based on this understanding, it is expected that consumers' attitudes toward the flagship brand will have varying effects on the DFB and LFB, due to the different characteristics of each class of flanker brand:

***Distinct Flanker Brand (DFB):** A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and*

***Latent Flanker Brand (LFB):** A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.*

Since a DFB has a clear link drawn to the flagship brand to leverage any positive associations consumers have of the flagship brand, it is more likely that consumers' attitudes toward the flagship brand will have a positive influence on the perceptual fit of the flanker brand (DFB) with the flagship brand.

Hence the following hypothesis is proposed:

***H3a:** For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand*

Conversely, a LFB has a deliberate dissociation between the flanker brand and flagship brand. Therefore, it is expected that consumers' attitudes toward the flagship brand have no significant influence on the perceptual fit between the flanker brand and flagship brand.

Therefore, the following hypothesis is proposed:

***H3b:** For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand*

H4: Perceptual Fit of the Flanker Brand with Flagship Brand & Attitude Toward the Flanker Brand

With reference to the previous discussion on perceptual fit in branding, it is expected that consumers' perceptual fit of the flanker brand with flagship brand is likely to have a positive influence on their attitudes toward the flanker brand. As explained, in the context of brand extensions, if consumers perceive a meaningful association between the parent brand they are more likely to carry favourable brand perceptions over to the extension brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). This is further supported by other branding research, for example, Thompson and

Strutton (2012) have found that consumers' perceptions of fit between a parent brand and the co-branded extension have a positive influence on their attitudes toward the co-branded extension.

Therefore, by extension, it is expected that, in the context of flanker brands, a similar result should occur. Similar to H3, because the DFB has clear links drawn to the flagship brand, it is expected that consumers are more likely to perceive a fit between the DFB and the flagship brand, and thus, this should have a clear positive influence on their attitudes toward the DFB. Conversely, because a LFB has a deliberate dissociation between the flanker brand and flagship brand, it is expected that consumers are less likely to perceive a fit between the LFB and the flagship brand, and thus are less likely to be able to transfer associations across to the LFB. Therefore, there should be no significant influence of consumers' perceptual fit of the LFB with the flagship brand on their attitudes toward the LFB.

Therefore, the following two hypotheses are proposed:

H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand; and

H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand

H5: Perceptual Fit of the Flanker Brand with Flagship Brand and Success of the Flanker Brand

Building on the preceding discussion, hypothesis H2 proposes that attitude toward the flanker brand has a positive influence on the success of the flanker brand. This is due to the fact that attitudes are strong motivator of consumer behaviour (Ajzen, 2001, 2002; Kalamas et al., 2006). Further, the preceding discussion on perceptual fit establishes the notion that consumers who perceive a meaningful association between the flagship brand and the flanker brand are likely to carry over their favourable associations and perceptions onto the flanker brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016).

Therefore, for the DFB, again because of the clear links drawn to the flagship brand, it is anticipated that consumers' perceptual fit of the DFB with the flagship brand

should have a positive influence on the success of the flanker brand. On the other hand, because a LFB has a deliberate dissociation with the flagship brand, it is less likely that consumers will perceive a fit between the LFB and the flagship brand, thus there should be no significant relationship between the perceptual fit of the LFB with the flagship brand and the success of the LFB.

Therefore, the following two hypotheses are proposed:

H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand; and

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand

Hypotheses Development – The Role of Social Identity Functions of Attitude

H6 & H7: Influence of Social Identity Functions of Attitude on Attitude Toward the Flanker Brand & Success of the Flanker Brand

As discussed earlier, attitudes can serve various functions for consumers – utilitarian, social identity, and self-esteem functions. These functions of attitude can serve as predictors of consumer attitudes and behaviours (Bian and Forsythe, 2012; Fishbein and Ajzen, 1975; Wilcox et al., 2009). Therefore, this research seeks to explore this in the context of luxury flanker brands to ascertain if the different classifications of flanker brands have greater appeal to specific functions of attitude.

The social identity functions of attitude are the focus for this research. It is through these functions of attitude that individuals express core values, establish their identity, and/or gain social approval among their peers (Schade et al., 2016; Shavitt et al., 1992). Prior research has shown that consumers' attitudes toward luxury brands may serve either one of these functions or both (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). In contrast to non-luxury brands, luxury brands are generally high in symbolic value and generally appeal to status driven consumers where price is not the first concern, and the functional value is understood as a given (Nueno and Quelch, 1998; Riley et al., 2004). Therefore, it is postulated that the social identity functions of attitude bear greater relevance in the present research, and thus are the focus here.

The prior discussion on flanker brands in Chapter 2 depicts flanker brands as having two classifications – DFB (where a clear link to the flagship brand is drawn) and LFB (where there is no clear link to the flagship brand). Matching this with research on how consumers may use brands to either express their core values or to gain social approval (e.g. Schade et al., 2016; Wilcox et al., 2009), it is anticipated that the two classifications of flanker brands can be used to appeal to different segments of consumers, in terms of the social identity function that the consumer tends toward.

In the present research context, the DFB manipulation employs a nested brand naming approach (e.g. Avant by Prada), and thus is likely to give a clear signal to consumers about the provenance of the DFB, and trigger the luxury and status related associations they have of the flagship brand. Prior research has shown that consumers who are more conscious of their social image are generally motivated to consume luxury brands to convey an upscale image and social status (Bian and Forsythe, 2012; Shavitt et al., 1992; Wilcox et al., 2009). Therefore, the DFB, is likely to have a greater appeal to consumers whose attitudes about luxury brand serve a more social-adjustive function.

Thus, the following hypotheses are proposed:

H6a: Consumers' attitude toward a DFB is greater when their attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

H7a: The success of a DFB is greater when consumers' attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

For the LFB, there is no clear link drawn to the flagship brand. Therefore, there are no clear signals of the flagship brand from which the luxury and status related associations may be triggered. Research has shown that consumers whose attitudes toward luxury brands serve a more value-expressive function tend to seek luxury brands that possess attributes and features that reflect their core values and beliefs (Bian and Forsythe, 2012; Wilcox et al., 2009). It is postulated that consumers who hold positive attitudes toward the LFB, and who may be motivated to purchase it are likely to be buying the LFB as result of their attitude toward the LFB serving a value-expressive function.

Thus, the following hypotheses are proposed:

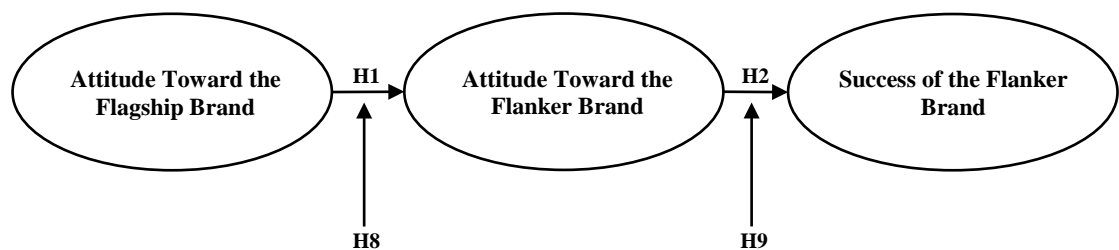
H6b: Consumers' attitude toward a LFB is greater when their attitude toward luxury brands serve a value-expressive function more than a social-adjustive function

H7b: The success of a LFB is greater when consumers' attitude toward luxury brands serve a value-expressive function more than a social-adjustive function

Moderating Effects of Social Identity Functions of Attitude

Continuing with the role that social identity functions of attitude may play on consumer evaluations of the two classifications of flanker brands, it is expected that the social identity functions of attitude carry influence on certain relationships proposed in the research model (Figure 3.3). The relationships examined are illustrated in Figure 3.4 below.

Figure 3.4: Social Identity Functions of Attitude – Moderation Relationships



H8: Attitude Toward the Flagship Brand & Attitude Toward the Flanker Brand (Att_FlagshipBrand → Att_FlankerBrand)

As discussed, the DFB is likely to appeal to consumers whose attitudes toward luxury brands serve a more social-adjustive function. Therefore, it is also expected that, for the DFB, this social-adjustive function of attitude will enhance the relationships between attitude toward the flagship brand and attitude toward the flanker brand; while the value-expressive function of attitude will have no moderating effect.

Therefore, the following hypothesis is proposed:

H8a: For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function

The LFB, however, is likely to appeal to consumers whose attitudes toward luxury brands serve a more value-expressive function. Therefore, it is also expected that for

the LFB, this value-expressive function of attitude will enhance the relationships between attitude toward the flagship brand and attitude toward the flanker brand; while the social-adjustive function will have no moderating effect.

Therefore, the following hypothesis is proposed:

H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function

**H9: Attitude Toward the Flagship Brand & Success of the Flanker Brand
(Att_FlagshipBrand → SuccessFlankerBrand)**

It is expected that the social identity functions of attitude will have a similar moderating effect as those proposed in H8, therefore the following hypotheses are proposed:

H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the value-expressive function
(Att_FlagshipBrand → SuccessFlankerBrand)

H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the social-adjustive function
(Att_FlankerBrand → SuccessFlankerBrand)

Hypotheses Development – Study 3 & 4

As discussed, *Study 3* and *Study 4* focus on the real-world applications of flanker brands, and seek to examine how consumer attitudes toward flanker brands, and the success of flanker brands, are influenced by mimic brands [**RO5 – Gap 4**]. This research addresses **RO5** through the following sub-objectives:

- RO5-1.* Comparing consumer attitudes toward flanker brands against mimic brands
- RO5-2.* Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand
- RO5-3.* Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success
- RO5-4.* Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

The theoretical underpinnings for the hypotheses employed in this research are summarised in Table 3.2.

Table 3.2: Summary of Theories Underpinning Hypothesised Relationships

<i>Study 3 & Study 4</i>	
Hypothesis	Theory
H1a-b-c	Attitude Theory
H2a-b-c	Brand Mimicry
H3a-b	Attitude Theory
H4	Brand Mimicry
H5a-b	Attitude Theory Brand Mimicry
H6a-b	Attitude Theory Brand Mimicry

H1 & H2: Perceptual Differences of Distinct & Latent Flanker Brands and Mimic Brands

The first two sub-objectives to be addressed are:

- RO5-1.* Comparing consumer attitudes toward flanker brands against mimic brands
- RO5-2.* Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand

In this research, the defining characteristic of a DFB is that there is a clear link drawn between the flagship brand and the flanker brand (e.g. Avant by Prada). This serves as a clear signal and anchor point from which consumers can use to categorise the flanker brand, and make evaluations about the flanker brand based on their associations and beliefs of the flagship brand; as is discussed in brand extension research (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007).

A LFB however, has no obvious link to the flagship brand (e.g. Avant), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation. This means that there is a lower chance of perceiving the flanker brand as related to the flagship brand. Thus, when considering the LFB in the market place, it can and should appear very much like a mimic brand.

A mimic brand (e.g. Zara), is a brand that is a copy or close imitation of a model (flagship) brand (Teah and Phau, 2010); and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). Mimic brands generally copy packaging, design, and brand concept to create points of parity with the model (flagship) brand (Teah and Phau, 2010). As discussed earlier in the research scope, in the context of this research, the focal point for assessing mimic brands and their effect on flanker brands, is based on the physical characteristics. This was identified as the most obvious signal to consumers, which could influence them to consider the mimic brand as an alternative to the (model) flagship brand (Teah, 2013).

The focus for *Study 3* and *Study 4* is to ascertain the effectiveness of flanker brands as a brand tactic to compete against mimic brands [**RO5**]. To this end, one of the first things that needs to be established, is if there is a significant difference in consumer evaluations of the two classes of flanker brands, and how evaluations of the flanker brands compare against a mimic brand competitor.

Based on the characteristics of the DFB and LFB, it is proposed that:

H1a: There is a significant difference in consumer's attitude toward the brand when comparing the DFB and LFB

Given that the DFB leverages the positive associations consumers have of the flagship brand, while mimic brands merely copy the flagship brand, it is proposed that:

H1b: There is a significant difference in consumer's attitude toward the brand when comparing the mimic brand and the DFB

As discussed, a LFB should appear to the consumer like another mimic brand, and thus there should be no significant differences in perceptions of the LFB when compared to the mimic brand. Therefore, the following hypothesis is proposed:

H1c: There is no significant difference in consumer's attitude toward the brand when comparing the mimic brand and the LFB

Next, as mimic brands often copy the physical characteristics of the model (flagship) brand (Teah, 2013), the physical characteristics play an important role in influencing consumer evaluations of the brands they encounter. To examine this, the first thing that needs to be determined is if consumers perceive a significant difference in the physical similarities between the flanker brand and the flagship brand. Given that the main manipulation in this research for DFBs & LFBs is the brand name, it is expected that there should be no difference between the DFB and LFB in terms of consumer perceptions of physical similarities between the flanker brand and the flagship brand. Therefore, the following hypothesis is proposed:

H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB

Following this, this research endeavours to ascertain if the flanker brand is perceived to be more similar to the flagship brand than the mimic brand. For the DFB, the presence of the flagship brand name should trigger associations with the flagship brand, and thus it is more likely that consumers will perceive differences in physical similarities with the flagship brand when comparing the DFB and the mimic brand. Therefore, the following hypothesis is proposed:

H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB.

As before, given that an LFB can be viewed as an “mimic” developed by the flagship brand's firm, it is expected that there should be no significant differences in

perceptions of physical similarities with the flagship brand when comparing the LFB and mimic brand. The lack of the flagship brand name, should mean that consumers would perceive the LFB as “another mimic brand”, with no association with the flagship brand, and thus evaluate the LFB without any reference to the flagship brand.

Therefore, the following hypothesis is proposed:

H2c: There is no significant difference in consumer’s perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the LFB.

Moderating Effects of Mimic Brands on Flanker Brands

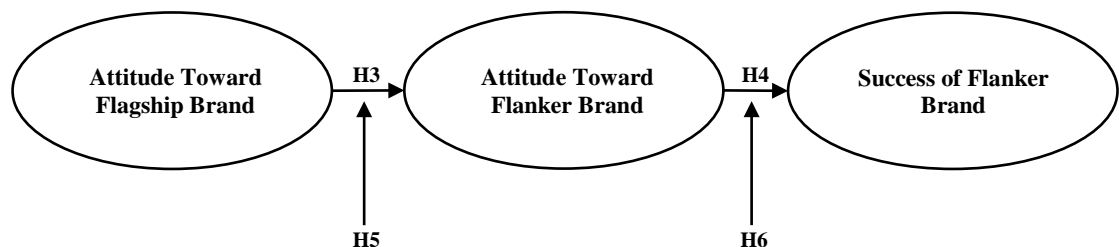
The second two sub-objectives to be addressed through the moderation analyses are:

RO5-3. Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success

RO5-4. Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

Building on hypotheses H1 and H2, it is proposed that for flanker brands to be effective in competing against mimic brands, evaluations of, and the success of flanker brands should not be influenced by mimic brands. Drawing on one aspect of the aforementioned research model (Figure 3.3) consumer attitudes toward the mimic brand; and perceptions of physical similarities between the mimic brand and flagship brand will be examined to ascertain if mimic brands have any influence on certain relationships. The relationships examined are illustrated in Figure 3.5 below.

Figure 3.5: Relationships Examined in Moderation Analysis for Studies 3 & 4



As discussed, if the flanker brand is to be used as an effective measure against mimic brands, then consumer attitudes toward the mimic brand and perceptions of physical

similarities between the mimic brand and flagship brand should not deter consumers' attitudes toward the flanker brand and the success of the flanker brand.

H3: Attitude Toward the Flagship Brand & Attitude Toward the Flanker Brand

Building on the previous discussion on attitude toward the brand, Aaker and Keller (1990) explain, the success of a brand extension is often contingent on: (1) The consumer holding positive beliefs and attitudes toward the parent brand; (2) These positive beliefs and attitudes helping to facilitate the formation of positive beliefs and attitudes toward the extension brand; and (3) Negative associations of the parent brand not being transferred to the extension brand. Drawing on the brand extension literature, it is argued that brand extensions often share similar features and benefits to the parent brand (Bhat and Reddy, 2001). Through the categorisation process, consumers are likely to compare their knowledge and beliefs of the parent brand, and match it with the extension brand (Kalamas et al., 2006; Sheinin and Schmitt, 1994). This means that the brand extension has to exhibit signals that would trigger the relevant parent brand associations (anchor points) so that the consumer is more likely to categorise and evaluate the brand extension using the positive associations he/she might have of the parent brand (Erdem et al., 2006; Erdem and Swait, 1998). These signals help to reduce the potential for dilution effects, which might result in consumers not accepting the brand extension (Kim et al., 2001; Loken and John, 1993).

Applying this to the present study, a flanker brand is likely to appear as a mimic of the model brand, in this case, the flagship brand of the firm. It is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand, but is positioned against competing mimic brands. In this sense, it is expected that, similar to the findings from brand extension research, a consumer's attitudes toward the flagship brand, would have a positive influence on their attitude toward the flanker brand.

Therefore, the following hypotheses are proposed:

H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

H4: Attitude Toward the Flanker Brand & Success of the Flanker Brand

As discussed, consumers' attitudes are known to motivate consumer behaviours (Ajzen, 2001, 2002; Kalamas et al., 2006; Spears and Singh, 2004). Therefore, in the present context, it appears logical to suggest that a consumer who has a positive attitude toward the flanker brand, is more likely to positively evaluate the flanker brand and be motivated to purchase the flanker brand. as a significant and positive influence on a consumer's desire to purchase the extension. Therefore, the following hypothesis is proposed:

H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand

H5 & H6: Moderating Effects of Attitude Toward the Mimic Brand & Perceptions of Physical Similarities of the Mimic Brand with Flagship Brand

As discussed, if the flanker brand is to be used as an effective measure against mimic brands, then consumer attitudes toward the mimic brand and perceptions of physical similarities between the mimic brand and flagship brand should not deter consumers' attitudes toward the flanker brand and the success of the flanker brand.

Therefore, the following moderation hypotheses are proposed:

H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude

toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

Concluding Comments

As evidenced in preceding chapters, there are a number of research gaps identified, and a number of research objectives proposed. This chapter has set the scope for the present research, discussed the theoretical foundations, and developed the relevant hypotheses for *Study 1* to *Study 4*. A consolidation of the hypotheses examined in this research is presented in Table 3.3. Following this, Chapter 4 will discuss the research methodology employed in this research.

Table 3.3: Consolidation of Hypotheses

Hypotheses – Study 1 & 2
Research Model Hypotheses
H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand
H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand
H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand
H3b: For LFB, attitude toward the flagship brand has a no significant influence on perceptual fit of the flanker brand with flagship brand
H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand
H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand
H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand
H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand
Moderating Role of Social Identity Functions
H6a: Consumers' attitude toward a Distinct Flanker Brand is greater when their attitude toward luxury brands serve a social-adjustive function more than a value-expressive function
H6b: Consumers' attitude toward a Latent Flanker Brand is greater when their attitude toward luxury brands serve a value-expressive function more than a social-adjustive function
H7a: The Success of a Distinct Flanker Brand is greater when consumers' attitude toward luxury brands serve a social-adjustive function more than a value-expressive function
H7b: The Success of a Latent Flanker Brand is greater when consumers' attitude toward luxury brands serve a value-expressive function more than a social-adjustive function
H8a: For DFB, consumers' whose attitudes serve a social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function
H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function

H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the value-expressive function

H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the social-adjustive function

Hypotheses – Study 3 & 4

Perceptual Differences of DFB, LFB and Mimic Brands

H1a: There is a significant difference in consumer's attitude toward the brand when comparing the DFB and LFB

H1b: There is a significant difference in consumer's attitude toward the brand when comparing the mimic brand and the DFB

H1c: There is no significant difference in consumer's attitude toward the brand when comparing the mimic brand and the LFB

H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB

H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB

H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the LFB

H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand

Moderating Role of Physical Similarities of the Mimic Brand with Flagship Brand

H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand

H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand

H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand

H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand

Chapter 4

Methodology

Introduction

In Chapter Three, the research model and relevant hypotheses for the research were introduced. This chapter discusses the research methodology employed in this research. This research comprises four studies that, together, form the foundation for understanding the application of flanker brands.

The chapter begins with outlining the overall research design, highlighting the four studies employed; next the selection of the brands and corresponding product categories for testing is discussed, followed by the stimulus design and pre-testing for the study. Following this, the scale measures employed in the survey instrument will be detailed. Finally, the data collection procedure is discussed, along with the intended analysis and statistical techniques for the research.

Research Context

Fashion products are highly representative of the luxury branding industry, and while some may not be as in tune as others with luxury fashion, everyone relates to fashion to some degree (Hemphill and Suk, 2009). Many of the top luxury goods that consumer purchase are related to fashion, and includes clothing, bags, shoes, watches and jewellery (*Counterfeiting Luxury: Exposing the Myths*, 2006; Truong et al., 2009; Wall and Large, 2010). In this research, the focus was on bags and shoes, as they are some of the commonly purchased luxury goods (D'Arpizio et al., 2015a; *Global Powers of Luxury Goods 2014: In the Hands of the Consumer*, 2014).

Luxury bags were chosen because luxury bags are a staple product for many luxury brands, and are among the most recognisable, and relatable, products of luxury brands given that they contribute significantly to a luxury brand's image (Solca, 2015). Further, luxury bags are seeing consistent growth (D'Arpizio et al., 2015a); and growth in new markets, with the men's luxury bag market projected to be worth \$10 billion by 2020 ("Men's Handbag Revenue to Increase to \$10B by 2020: Report", 2015). Thus, the prevalence of luxury bags in the marketplace, and the consistent growth of luxury bags makes it an ideal market for examining the potential for flanker brands.

Luxury footwear was chosen as the second product category to explore, as it is a fast-growing product category (Figure 4.1 and Figure 4.2).

Figure 4.1: Luxury Shoes Compared Against Other Product Categories

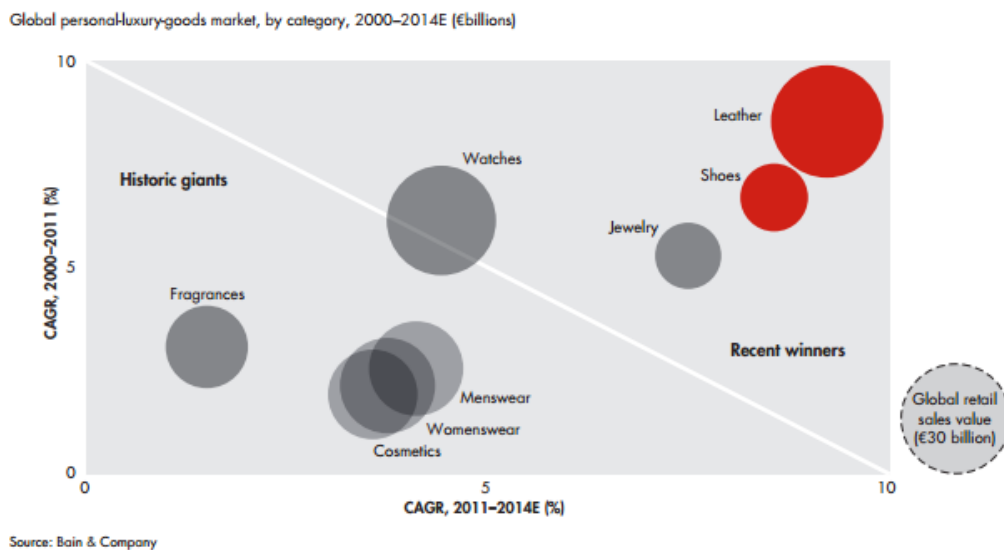


Image Source: (D'Arpizio et al., 2014)

Figure 4.2: Strong Growth for Luxury Footwear

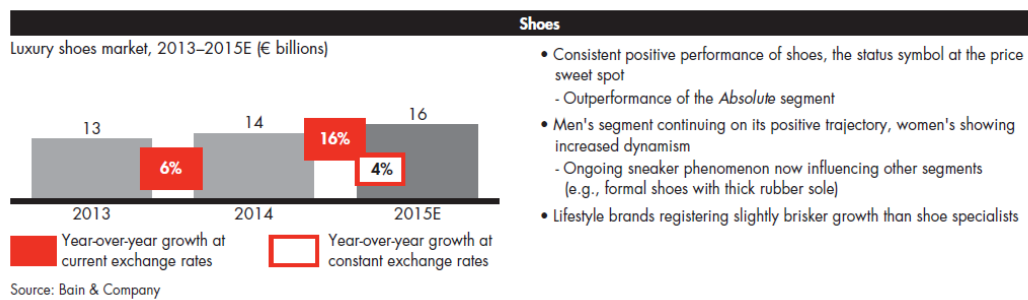


Image Source: (D'Arpizio et al., 2015a)

Given the consistent growth of the luxury footwear market, it is expected that more brands (e.g. mimic brands) will enter and compete in this market. Thus, this could be a market in which flanker brands may be used, to effectively engage incoming competitors.

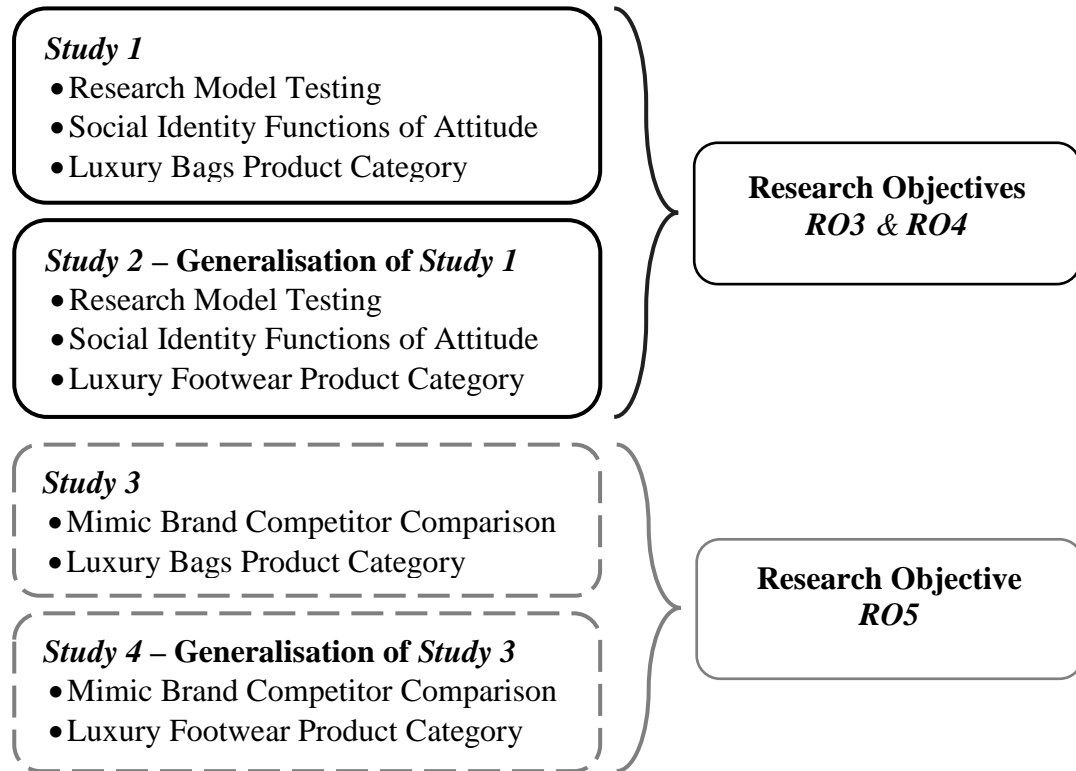
Overall Research Design

Given the exploratory nature of this research, this research employed an experimental approach – "a plan for assigning experimental units to treatment levels and the statistical analysis associated with the plan" (Kirk, 1995) to establish a causal connection between the independent and dependent variables (Kirk, 2012). The advantage of this approach, is that it allows for the researcher to control for various elements and create experimental conditions that allow for the empirical testing of specific causal relationships (Kirk, 2012), something that might not be achievable, using non-experimental approaches (Reiss, 2011). Due to the paucity of research on flanking and flanker brands, it is difficult to identify what aspect of a flanker brand would be useful to marketers in engaging their target audience. There may be a myriad of factors that influence consumer choice in flanker brands. Therefore, the experimental approach allows for the delineation of the research scope through controlling for specific factors such as product design, and brand name. This way, it was possible to determine if the specific elements being examined in the research did indeed influence the success of the two types of flanker brands proposed. Something that would have been difficult to achieve due to the many other confounding variables that a more natural, ecological approach might have introduced (Reiss, 2011).

The present research is comprised of four studies that are aimed at ascertaining the effectiveness of flanker brands in different situations. All four studies were examined

in the context of luxury fashion brands. *Study 1* and *Study 2* apply the conceptual framework that was discussed in Chapter 3; while *Study 3* and *Study 4* apply one part of the conceptual framework, also discussed in Chapter 3.

Figure 4.3: Studies Employed in the Research



Outlined in Figure 4.3 above, this research examines flanker brands from two main perspectives.

First, *Study 1* empirically evaluates the research model, and develops an understanding of the social functions that consumer attitudes play in motivating consumption choices in relation to flanker brands. Based on the functional theory of attitudes (Katz, 1960; Smith et al., 1956); and applying the social function of attitudes (Shavitt, 1989a, 1989b), *Study 1* examines how social identity functions of attitude (value-expressive and social-adjustive functions) may influence consumer purchase intentions towards the two types of flanker brands (distinct/latent). *Study 1* was conducted in the context of luxury bags using Prada (flagship) and Avant (fictitious flanker) as the brands for the study.

Study 2 extends the findings of *Study 1*, and examines the research model, and social identity functions and their influence on choice of flanker brand in the context of

luxury footwear. Specifically, the brands used for the study were Bottega Veneta (flagship) and Touché (fictitious flanker).

Study 3 shifts the focus to real-world applications of flanker brands, and seeks to examine how consumer attitudes toward flanker brands, and the success of flanker brands, are influenced by mimic brands. *Study 3* follows the research context of *Study 1* (luxury bags), and employed brands like Prada (flagship), Avant (fictitious flanker), and Zara (mimic).

Finally, *Study 4* extends on *Study 3* and examines consumer attitudes toward flanker brands, and the success of flanker brands, are influenced by mimic brands; this time in the context of luxury footwear. Specifically, the brands used for the study were Bottega Veneta (flagship) and Touché (fictitious flanker), and Zara (mimic).

Sample Size, Sampling Method, and Data Collection

The main demographic that was targeted for this research was young adults. The brands and products being used in this research are of the luxury category, and thus are relatively expensive. This meant that it was necessary to control for the income and purchasing power of the respondents. Limiting the research demographic to young adults also allows for a slightly more homogenised sample, which aided the designing of the research stimulus to achieve a more targeted message. Further, luxury products tend to be aspirational in nature, and young adults fit the profile of consumers who are just starting out in their career, and who may be seeking these types of aspirational products (Atwal and Williams, 2009; Chu et al., 2013; Vigneron and Johnson, 2004).

Regarding the sample size, there have been many suggestions on the optimal sample size for SEM testing. Generally, the sample size recommended for SEM is for about 200 to 400 cases for models with 10-15 variables (Kline, 2005; Sideridis et al., 2014). Alternatively, if applying Jackson's (2003) "N:q" ratio (N=number of cases, q=number of model parameters), then the ratio should be approximately 10:1 (Kline, 2005). Based on Jackson's ratio, the approximate sample size this research should strive for is 910. However, there are recent papers that suggest that structural models with smaller sample sizes (e.g. between 80 to 450) will still perform relatively well (e.g. Sideridis, Simos, Papanicolaou, & Fletcher, 2014; Wolf, Harrington, Clark, & Miller, 2013). There are also suggestions of having at least 10 to 15 cases per variable (Nunnally, 1978; Stevens, 2002); following this rule the present research should strive

for at least 130 cases. Finally, a cross-reference with Daniel Soper’s (Soper, 2016) A-priori sample size calculator indicated that the minimum sample size for this research should be approximately 137 cases, with the recommended sample size being approximately 166 cases. This was based on an anticipated effect size of .30 (as approximated from Kalamas et al. (2006), a desired power of .80, and alpha level of .05 (Kline, 2005), and four latent variables with 13 observed variables as set out in the conceptual model in Chapter 3. Based on this understanding of sample sizes for SEM, the present research sought to target approximately 200 cases per study, making for a total of 600 cases.

The sampling frame for this research was Singapore. Singapore was chosen as it provided a snapshot of consumers in the Asia-Pacific region. Singapore is home to many luxury brand outlets (Comer, 2015; Ranasinghe, 2013), with many shoppers in Singapore actively seeking luxury products (Choudhury, 2016; Comer, 2015). This, coupled with the notion that Singaporean consumers tend to be highly fashion conscious (Heng, 2015), makes Singapore an ideal location to conduct the present research. The data was collected using Qualtrics, an online survey software with panel data facilities. This method was chosen as it provided a more cost-effective and efficient way to collect the data required for the research.

Data collection for *Study 1 to 4* occurred between January 2016 and June 2016. A total of 3,200 questionnaires were distributed across the online and offline channels. Of this, 440 questionnaires were rejected due to incomplete data or straight-lined responses. This left 2760 responses for analysis. A breakdown of the data collection and responses is summarised in Table 4.1.

Table 4.1: Responses Breakdown for *Study 1 to 4*

Data Collection	<i>Study 1</i>	<i>Study 2</i>	<i>Study 3</i>	<i>Study 4</i>
Total Number of Responses	980	820	600	800
Total Number of Usable Responses	871	711	466	712
Percentage of Usable Responses	88.9%	86.7%	77.7%	89.0%

Preparation of Brands and Product Categories

To ensure that respondents were as familiar as possible to the brands in the research stimulus, bags and shoes were chosen as the product categories for this research. From here, the brands to use in the research were determined.

The purpose of this pre-test was to identify two luxury fashion brands, and the corresponding product categories, that would suit the purpose of the research. The initial set of brands for pre-testing were chosen in consultation with academics familiar with the luxury fashion industry, and are representative of the more popular and well-known brands in the marketplace today. This resulted in a list of 10 names – five for bags and five for shoes. A focus group comprising six young adults (three male and three female), was then conducted in Singapore to determine the brands to use for each product category. Participants were asked to rank the brand names in order of preference and familiarity, and the top name used in the research – Prada for bags, and Bottega Veneta for shoes.

Following this was the process of identifying appropriate flanker brand names to be used in the research. The process for selecting the flanker brand names to be used in this research was adapted from Phau and Cheong's (Phau and Cheong, 2009a, 2009b) to test fictitious brand names, the same focus group participants were then asked to help with the process of generating flanker brand names for the research. Participants were asked to generate a list of fictitious names they felt were appropriate to use with the two brands and their respective product categories. This resulted in five potential flanker brand names for each brand – Prada and Bottega Veneta. Following this, these names were presented to a different focus group of six young adults (three male and three female), and through a process of word association and discussion, the most appropriate name for each flanker brand was determined. "Avant" was chosen as the name for the flanker brand to Prada, and "Touché" was chosen as the flanker brand name for Bottega Veneta.

Further, given that there are a multitude of brand elements that can influence consumer responses to the brand. It is necessary to limit the number of manipulations used to distinguish the flanker brands from the flagship brands. Therefore, the presentation of the distinct flanker brand name was also discussed with the focus group of six young adults and academics. Through this, it was determined that the first manipulation to be used in this research would be the difference in brand name, where the DFB uses

nested brand naming (Bhat et al., 1998), and the LFB uses a new brand name (Bhat et al., 1998). Bhat et al.'s (1998) brand naming strategies identifies a number of ways in which brands can be named. These include: a sub-brand, a nested brand, or a new brand. Based on the proposed concept of DFBs and LFBs, it was determined that LFBs should be named as a “new brand”, and so would simply be referred to as “Avant” for Prada, and “Touché” for Bottega Veneta. However, for the DFB, there was the option to use either sub-branding or nested branding, and so another focus group was convened to ascertain which brand naming strategy would be most suited to use for DFBs in this research. First, the fictitious brands were placed in a number of common branding combinations. These are presented in Table 4.2.

Table 4.2: Distinct Flanker Brand Names

Flagship Brand	Prada (bags)	Bottega Veneta (shoes)
Sub-Brand	Prada Avant	Bottega Veneta Touché
Nested Brand	Avant by Prada	Touché by Bottega Veneta

These brand names were then shown to the focus group participants who then discussed the brands and determined the most naming strategy for the DFBs. This resulted in the flanker brands being presented as nested brands, for example, “Avant by Prada” for the DFB.

As for the manipulation of physical characteristics, the differences between the flagship brand and flanker brand for both DFB and LFB draw upon Teah’s (2013) theory on brand mimicry, imitating the signal properties of the flagship brand. Mimic brands generally copy packaging, design, style, and concept to create points of parity with the model brand (Teah, 2013; Teah and Phau, 2010). Based on this understanding, a search was conducted to source for product images where the flagship brand products, the flanker brand products, and the corresponding mimic brand products bore similar physical characteristics in terms of design, style and concept. These were then presented to a focus group of six young adults from Singapore (three male and three female). This was to ensure that the products chosen did indeed bear similarities in terms of the physical characteristics – design, style and concept. Based on the feedback from the focus group, more colour variations were added to provide respondents with a clearer idea of the physical design and style of the products. Figure 4.4 presents the

images of the finalised products chosen. These were then incorporated into the stimulus design.

Figure 4.4 Product Images for Research on Flanker Brands



(“Braided Leather Loafer”, 2015, “Fiandra Slipper in Dark Navy Intrecciato Calf”, 2015, “Office City Bag”, 2015, “Prada Galleria Bag”, 2015, “Slip-On Nero Intrecciato Calf”, 2015, “Tote”, 2015)

Stimulus Design and Preparation

The stimulus was produced with brand and product images retrieved from the official company websites of the brands. Modifications were made to the stimulus to ensure that they looked professional and authentic as an advert, while ensuring that the key content being tested in the research was sufficiently prominent for respondents to notice. The stimulus employed in the research were pre-tested with a group of six young adults from Singapore, and participants were encouraged to provide feedback on what they felt should be changed to improve the stimulus. A sample of the stimuli used in the survey instrument is presented in Figure 4.5 and Figure 4.6 to illustrate the final layout of the stimuli.

Figure 4.5: Sample Stimulus in Survey Instrument – Avant by Prada Bag (DFB)



Figure 4.6: Sample Stimulus in Survey Instrument – Touché (LFB)



Survey Instrument

A self-administered questionnaire was employed as the survey instrument in each of the four studies. Established scales were employed where possible, with a few scale measures being adapted to suit this research. Care was taken to ensure that the scale measures were all reliable, with a Cronbach's alpha of above .80 (Nunnally, 1978).

Each questionnaire begins with a cover page that explains the purpose and scope of the study, and quotes the ethics approval number, provided by the university's Human Research Ethics Committee (approval number SOM2013002). This indicated to respondents that the research being undertaken has met the ethical standards set by the university, and approved for dissemination. No incentives were given for completing the questionnaires.

Following this was the questionnaire itself. Each questionnaire comprised of the following sections:

- A section on social identity functions of attitude (*Study 1* and *Study 2* only), which asked respondents about their general attitude towards luxury fashion brands, in terms of the social function that luxury fashion brands served them.
- A section that asked respondents to view the flagship brand stimulus, and answer questions about their attitude towards the flagship brand, based on the stimulus presented.
- A section that asked respondents to view the flanker brand stimulus, and answer questions about their attitude towards the flanker brand (DFB/LFB), based on the stimulus presented.
- A section that asked respondents questions about their evaluations of the flanker brand (DFB/LFB), in comparison to the flagship brand (Prada/Bottega Veneta).
- A section that asked respondents to view the mimic brand stimulus, and answer questions about their attitude towards the mimic brand (Zara) (*Study 3* and *Study 4* only).
- A section that asked respondents about their evaluations of the physical similarities between the mimic brand and the flagship brand (*Study 3* and *Study 4* only).

To reduce the potential for respondent bias, the sequence of presentation of the flanker brand/mimic brand stimuli; and attitude toward the flanker brand/mimic brand sections were alternated between questionnaires. It was determined that this should help to reduce the chances of priming respondents' reactions to the brands.

The final section asked respondents questions relating to demographic information like sex, age, marital status, income, occupation, and education. A sample of the questionnaires used in *Study 1* to *Study 4* are available in Appendix A to D.

Scale Measures

The relevant scales and corresponding reliabilities are outlined in Table 4.3.

Table 4.3: Summary of Scale Measures

Scale Measure	No. of Items	Cronbach Alpha (α)	Source	
Social Identity Functions Toward Luxury Fashion Brands (<i>Study 1</i> & <i>Study 2</i> only)				
Value-Expressive Function of Attitude	4	.890	Adapted from Wilcox et al. (2009)	
Social-Adjustive Function of Attitude	4	.880		
Attitude Towards the Flagship Brand				
Attitude Toward the Brand	5	.825	Adapted from Spears and Singh (2004)	
Attitude Towards the Flanker Brand				
Attitude Toward the Brand	5	.825	Adapted from Spears and Singh (2004)	
Evaluation of Flanker Brand in Comparison to Flagship Brand				
Perceived Fit of the Flanker Brand with Flagship Brand	4	.899	Adapted from Kalamas et al. (2006)	
Perceived Quality of Flanker Brand	1	.933	Adapted from Kalamas et al. (2006)	
Success of Flanker Brand	Purchase Intention	1	.901	Adapted from Kalamas et al. (2006)
	Success Attribute – Brand Name	1	n/a	Adapted from Kalamas et al. (2006)
Physical Similarities of Flanker Brand with Flagship Brand (<i>Study 3</i> & <i>Study 4</i> only)	4	.898	Adapted from Teah and Phau (2011), and Teah (2013)	
Attitude Towards the Mimic Brand (<i>Study 3</i> & <i>Study 4</i> only)				
Attitude Toward the Brand	5	.825	Adapted from Spears & Singh (2004)	
Evaluation of Mimic Brand in Comparison to Flagship Brand (<i>Study 3</i> & <i>Study 4</i> only)				
Physical Similarities of Mimic Brand with Flagship Brand	4	.898	Adapted from Teah and Phau (2011), and Teah (2013)	

Value-Expressive & Social-Adjustive Function of Attitudes

Study 1 and 2 evaluate the social functions that luxury fashion brands serve consumers. To assess this, the present research adapted Wilcox et al.'s (2009) scale measures. The original scale evaluated "luxury brands". The present research has adapted the scales to use "luxury fashion brands"; for example: "Luxury fashion brands reflect the kind of person I see myself to be". The items were measured along seven points, from "strongly disagree" to "strongly agree". The complete list of items is presented in Appendix E.

Attitude Towards the Brand – Flagship Brand, Luxury Brand and Mimic Brand

There are many measures of attitude towards the brand (e.g. Besharat, 2010; Bruner et al., 2005; Kim et al., 2012). For this research, the scale measure for attitude towards the brand was adapted from Kalamas et al. (2006), in a seven point likert scale. The rationale for this was that the basic research model as described in Chapter 3, was adapted from Kalamas et al. (2006), and so it was deemed appropriate to apply to this research. Further, given that the research involved consumers assessing their attitude towards the brands based on their observation of the stimulus, these items allowed for a more overall assessment of the brand, together with the products presented in the stimulus. Attitude towards the "flagship brand", "flanker brand" and "mimic brand" were each measured using this scale. The scale comprised of three items, and asked questions like "How would you rate the overall quality of Prada?" (extremely poor quality/extremely good quality), "To the best of your knowledge, please rate the products made by Prada, relative to competitors" (inferior products/superior products) and "How would you rate your overall liking of Prada?" (do not like at all/like very much). The complete list of items is presented in Appendix E.

Perceived Fit of the Flanker Brand with Flagship Brand

As with the previous scale, perceived fit of the flanker brand with flagship brand was operationalised with a scale measure adapted from Kalamas et al. (2006), in a seven point likert scale. The scale they employed originated from Aaker and Keller's (1990) study on consumer evaluations of brand extensions. The scale comprised of three items relating to the extension product being a "complement" (strongly disagree/strongly agree), a "substitute" (strongly disagree/strongly agree), and the "manufacturing transferability" (very difficult/very easy) – the perception that the manufacturer would be able to make the product (Aaker and Keller, 1990). Kalamas et al. (2006) added a

“global measure of fit” (extremely poorly related/extremely well related) to this, which forms the four-item scale of perceived fit that is being employed in the research. In the context of the present research, the aim was to identify if the respondent perceived any congruencies between the flanker brand and the flagship brand, as this is augmented between the DFB and LFB. Therefore, it was deemed appropriate to adapt Kalamas et al.’s (2006) scale for perceived fit to this research. The scale asked questions like: “Prada is considering introducing this brand (Avant by Prada) into the market. Please indicate how well this new brand relates to Prada’s existing product line” (global fit), and “Do you see Avant by Prada as a good substitute for Prada? (meaning that you can use one instead of the other)” (substitute). The complete list of items is presented in Appendix E.

Success of Flanker Brand

The success of the flanker brand was determined using a similar approach to Kalamas et al. (2006). In their paper, Kalamas et al. (2006) employed three main measures: “Overall Quality”, “Purchase Intention” and “Attributes-Attitudes”. The scale measures for overall quality and purchase intention were adapted from Aaker and Keller (1990), while the “Attributes-Attitudes” measure referred to respondents’ agreement/disagreement with statements on the quality of specific attributes of the products being tested in their study (Kalamas et al., 2006). The present research adopted the “Overall Quality” (extremely poor quality/extremely good quality) and “Purchase Intention” (very unlikely/very likely) scale measures from Kalamas et al. (2006) and, Aaker and Keller (1990). The items were measured on a seven point likert scale.

For the “Attributes-Attitudes” measure, the present research re-termed it “Success Attributes”, and this was operationalised with a single question asking respondents what they thought of the flanker brand name: “Avant by Prada would be a good brand name for this bag”. The rationale for measuring “Success Attributes” in this manner was that: (1) The measures employed by Kalamas et al. (2006) bear no relevance to the present research, and thus there was a need to contextualise the question; and (2) There is no established measure for “Success Attributes”. Brand name was chosen as the success attribute to evaluate, as brand naming is an important aspect of consumer brand perceptions (Bhat et al., 1998; Delassus and Descotes, 2012; Phau and Cheong, 2009b; Sood and Keller, 2012). The scale item was measured along seven points from

“strongly disagree” to “strongly agree”. The complete list of items is presented in Appendix E.

Analysis Methods and Statistical Techniques

The data collected for this research was analysed using SPSS 22 and AMOS 22.

To analyse the hypothesised relationships in *Study 1* and *2*, structural equation modelling (SEM), regression analysis and hierarchical moderated regressions were employed. SEM was employed to assess the relationships proposed in the research model (H1 to H5); regression analysis to assess the influence of social identity functions of attitude on attitude toward the flanker brand and success of the flanker brand (H6 & H7); and Anderson (1986) and Baron and Kenny’s (1986) approach to hierarchical moderated regression was used to analyse the moderating role of the social identity functions (H8 & H9).

To analyse the hypothesised relationships in *Study 3* and *4*, independent sample T-Tests, one-sample T-Tests, regression analysis, and hierarchical moderated regressions were employed. One-sample T-Tests were used to assess the perceptual differences of distinct and latent flanker brands, and mimic brands (H1 & H2). The moderating roles of attitude toward the mimic brand and physical similarities of the mimic brand with the flagship brand were assessed using Anderson (1986) and Baron and Kenny’s (1986) approach to hierarchical moderated regression (H3 to H6).

Structural Equation Modelling

Following the general recommendations for SEM (Holmes-Smith and Coote, 2002; Kline, 2005), the following steps were applied in the analyses:

1. Exploratory Factor Analysis and reliability check of each of the constructs;
2. Congeneric Confirmatory Factor Analysis for the individual constructs;
3. Measurement Model of the constructs used in the structural model; and
4. Structural Equation Model specification and model fit testing.

All congeneric, measurement and structural models were assessed to adhere as closely as possible to recommended model fit measures (e.g. Brown, 2003; Byrne, 2001; Holmes-Smith & Coote, 2002); the details of which are in Table 4.4.

Table 4.4: SEM Model Fit Measures

Fit Measure	Acceptable Level
Normed Chi-square (χ^2/df)	$1.0 < \chi^2/df < 3.0$ (Holmes-Smith and Coote, 2002)
Goodness-of-fit Index (GFI)	GFI > .90 (Byrne, 2001; Kline, 2005)
Adjusted-goodness-of-fit Index (AGFI)	AGFI > .90 (Byrne, 2001; Kline, 2005)
Comparative Fit Index (CFI)	> .90 (Byrne, 2001; Kline, 2005)
Tucker-Lewis Index (TLI)	> .90 (Byrne, 2001; Kline, 2005)
Normed Fit Index (NFI)	> .90 (Byrne, 2001; Kline, 2005)
Root Mean-Square Error of Approximation (RMSEA)	RMSEA < 0.08, PCLOSE > 0.05 (Brown, 2003; MacCallum et al., 1996)

The present research applied the maximum likelihood (ML) estimation method of analysis given that the final datasets were of smaller sample sizes, and the ML method is recommended for situations like this where there is less than optimal conditions for analysis (Kline, 2005; Sideridis et al., 2014).

Hierarchical Moderated Regression

The moderation analyses for this research were conducted using the PROCESS SPSS macro developed by Hayes (2012), and applied the approach proposed by Anderson (1986) and Baron and Kenny (1986):

1. Regress the dependent variable (Y) on the independent variable (X), to ensure that the relationship is significant.
2. Regress the dependent variable (Y) on the independent variable (X), and moderator variable (X) to obtain the R^2 – Model 1.
3. Centering of the independent variable (X) and the moderator variable (Z) by subtracting the mean score from all the values so that the mean score is zero.
4. Multiplying of the centred independent variable (X) and the centered moderator variable (Z) to create an interaction term (I).
5. Regress the dependent variable (Y) on the independent variable (X), the moderator variable (X), and the interaction term (I), to obtain the R^2 – Model 2.
6. Compare the change in R^2 ($R^2 \Delta$) between models 1 and 2 to ascertain if there is a significant moderation effect.
 - a. If the $R^2 \Delta$ is not significant, then the moderator variable (Z) does not moderate the relationship.
 - b. If the $R^2 \Delta$ is significant, then the moderator variable (Z) moderates the relationship.

7. If the $R^2 \Delta$ is significant, conduct a simple slopes analysis to ascertain the effect of the moderator (Z) on the relationship between independent variable (X) and dependent variable (Y).

Ethical Considerations

To reiterate, ethical concerns were examined in detail prior to the design of the study and the collection of data. The questionnaires employed in the research were approved by HREC prior to conducting the data collection to ensure that any ethical transgressions would be avoided during data collection. The ethics number for this research is SOM2013002, and the approved ethics form resides in Appendix F.

The information sheet also requests the consent of the participants, and consent is assumed in the return of the completed questionnaire. Participants were assured of the anonymity and confidentiality of the information they provided. As real brands were used in the research, the respondents were informed that the study is not linked to any particular brand or industry and the data was to be used only for academic purposes.

Concluding Comments

This chapter has sought to provide an overview and justification of the research method and measures used to test the proposed hypotheses in Chapter 3. The specific details on the analyses results of the hypotheses described in Chapter 3 will be discussed in the following chapters, each pertaining to the relevant studies.

Chapter 5

Study 1:

Influence of Social Identity Functions of Attitude on Consumer Preferences of Flanker Brands

Chapter Introduction

This chapter seeks to address research objectives [**RO3** & **RO4** – *Gap 3*] and hypotheses set out in Chapter 3.

This chapter is written to follow the structure of a stand-alone journal article. For the purposes of this thesis, this chapter presents a clear record of the analyses conducted in *Study 1*, and presents the findings relevant to this study. A ‘cut-down’ version adhering to the journal specifications has been submitted to the *European Journal of Marketing* for review.

The rest this chapter will be structured as follows: First, an abstract of the study is presented. Following this, is an introduction to the study at hand. This is followed by a summary review of the relevant literature, and hypotheses development. Next, the research methodology, specific to *Study 1*, is presented. This is followed by, the results of the analyses and hypotheses testing. Finally, a discussion of the results from *Study 1* is presented.

Conceptualising Flanker Brands – An Empirical Investigation

Abstract

Purpose – This study develops a concept of flanker brands, and examines a framework for the empirical evaluation of flanker brands. It also ascertains how social identity functions of attitude influence consumers' choice of flanker brand classification (Distinct/Latent).

Design/methodology/approach – The data was collected from respondents residing in Singapore, using an online data panel. Data analysis was conducted using structural equation modelling, and hierarchical moderated regression.

Findings – The findings show that the proposed research model is applicable for the evaluation of flanker brands. The results also revealed a better understanding of how consumers' social identity functions of attitude affect their preferences for the distinct and latent classifications of flanker brands. This opens doors for further investigation for flanker brands in the luxury context.

Practical implications – The findings from this study, help give clarity on the concept of flanking in business, and flanker brands. This provides a clear foundation from which future research can be conducted to better understand the business implications of this brand strategy.

Originality/ value – Given the lack of empirical research on flanker brands, this study is the first of its kind to develop a clear and consolidated concept of flanker brands, and presents a first step towards a better understanding of the use of flanker brands as part of a firms' repertoire of brand management strategies.

Introduction

In developing competitive strategies for the marketplace, businesses have come to realise that there is much to learn from the military stratagem of old (e.g. Gorla, 2012; Kotler & Singh, 1981; Lynn, 1993). *Flanking* is one such military strategy that has found its way into the marketer's repertoire of tactics. However, considering that most marketing research borrow ideas from military doctrine, there are significant liberties taken with the terminology and interpretation of military stratagem. This results in inaccuracies in the interpretation and understanding of the literature, and presents problems for managers and academics alike in developing a consensus on how flanking as a military strategy, can be adapted to the business context.

The flanking strategy, in the context of business, is often executed in the form of a flanker brand. A flanker brand is thought to be considered as "a new brand launched in the market by a [business] with an established brand in the same product category" (Kim and Lowrey, 2010; Tauber, 1981); the purpose of which is to combat competitors without having the flagship or parent brand compete (Giddens, 2010; Kim and Lowrey, 2010). In this sense, flanker brands have also been referred to as "fighter" or "fighting" brands (Aaker, 2004; Giddens, 2010; Kim and Lowrey, 2010).

Some examples of flanker brands include the Buick Encore and Opel Mokka, which General Motors launched as flankers to the flagship brands Chevrolet and Cadillac (Higgins and Zha, 2013). In the luxury fragrance market, many brands turn to flankers to bolster their fragrance lines (Sheen, 2014). YSL for example launched their new "L'Homme Ultime by YSL" fragrance as a flanker to its existing scent brands to bolster its line-up (Johnson, 2016). In the telecommunications industry, big mobile carriers in Canada like Rogers, Bell and Telus now have multiple flanker brands like Fido, and Koodo (Bader, 2016). In the cable television market, cable companies are offering up flanker brands to established channels – e.g. Science as a flanker to Discover Channel (Lafayette, 2013). In the airline industry, Jetstar is touted as a low-cost flanker brand to Qantas (Homsombat et al., 2014). Clearly, the applications of flanking and flanker brands are potentially limitless, which makes it a uniquely useful tool to add to the brand manager's repertoire of strategies.

However, the challenge is that despite flanker brands being prominent in multiple industries, there is a lack of clarity on the concept of flanker brands, which makes it

challenging for research to be conducted; and for brand managers to effectively employ flanker brands in their firm's strategy.

This study, therefore, seeks to develop a concept of flanker brands, to better understand their business applications, develop a research framework for the empirical testing of the concept of flanker brands, and evaluate consumer perceptions and attitudes toward flanker brands, using social identity functions of attitude.

This paper begins with the development of a concept of flanker brands, to be used in this study. Following this, the relevant literature is discussed, along with the development of the hypotheses. Then, the sample and survey instrument employed in this study is explained. This is followed by the analyses and results. Finally, this paper closes with a discussion on the results and the contributions of this study.

A Concept of Flanker Brands

Manoeuvre Theory and the Concept of Flanking

In military terms, the concept of flanking is derived from manoeuvre warfare theory (Field, 2012; Lind, 1985; "Military Strategy and Tactics", 2016; Webb, 2016). A flank is the right or left limit of the combat unit relative to the direction of its movement, and is often a weak point, as the unit cannot apply much direct fire to the flanks (*Offense and Defense*, 2012). It is because of this, that flanking as a military strategy and tactic is commonly employed in battle (Dempsey, 1994; Elliott - Bateman, 1990; Field, 2012; Fry and Kiszely, 1998; Glantz, 1988). Commanders employ flanking tactics to engage these weak points and defeat the enemy. Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy's defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German et al., 1991; Lind, 1985; *Offense and Defense*, 2012).

Flanking, as a strategy, is underpinned by manoeuvre theory. Manoeuvre theory has its roots in the military, and was born out of the need to understand and explain the anomalous strategies and tactics used in warfare, that helped armies gain decisive victories over their enemies (Pech and Slade, 2003). In essence, the concept of manoeuvre warfare relates to "the organised movement of forces to a new line and region for the purpose of taking an advantageous position relative to the (opponent) in order to deliver a decisive strike" (Lind, 1985; Sverdlov, 1983).

One famous example of manoeuvre warfare is the German Blitzkrieg of the Second World War, where the Germans employed highly mobile forces to deliver crushing blows to opposing forces, taking their opponents by surprise (Pech and Slade, 2003; Trueman, 2016). Thus, unlike traditional attrition-based warfare, manoeuvre theory and by extension, manoeuvre warfare, emphasises mobility and intellect. An army on a battlefield is deployed to be strongest where it expects to attack or to be attacked. Therefore, fighting the opponent in a direct manner (war of attrition) may result in heavy losses for both sides (Leonhard, 1991).

Manoeuvre warfare however, is characterised by speed, deception and the element of surprise to deliver striking blows to the opponent with minimal effort (Kolar and Toporišič, 2007; Pech and Durden, 2003). This speed, and sustained momentum of the attacks are aimed at forcing the opponent to move at a different pace, throwing the opponents off balance and into disarray (Pech and Durden, 2003). As Clemons and Santamaria (2002) put it, the aim of manoeuvre warfare is “not to destroy the adversary’s forces, but to render them unable to fight in an effective, coordinated [manner]”.

Flanking in Business

Flanking is an often discussed and promoted strategy in business (e.g. Clemons and Santamaria, 2002; Janz, 1987; Ries, 2008; Ries and Trout, 1993; Ritson, 2009a, 2009b, 2010); and there are presently two broad interpretations of the flanking strategy (Crittenden, 2010). First, a *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area, diverting the competitor’s attention away from the main market focus, whilst avoiding direct confrontation with the competitor (Capon et al., 2001; Crittenden, 2010; German et al., 1991; Ries and Trout, 1993). An example of this, is of how in Absolut vodka priced their products at 50% more than their main competitor Smirnoff, and out-flanked Smirnoff to occupy the premium vodka segment of the market (Burns, 2013).

A *flanking position* on the other hand, is a defense position that a firm employs by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Capon et al., 2001; Crittenden, 2010; Finnie, 1992). In this sense, a firm employing a *flanking position*, is one that is applying the principles of Manoeuvre Theory from a defensive perspective. For example, one could argue that

when Apple launched the iPhone 5C, Apple was taking up a *flanking position*, and the iPhone 5C was launched as part of a defensive flanking strategy (Johansson and Carlson, 2014; Nguyen, 2013). The iPhone is generally positioned as a premium product, leaving much room for lower-priced competitors to compete for a share of the customers' wallet. Emerging markets such as China and India are dominated by brands which offer a similar value proposition as the iPhone, but at a much lower price (Johansson and Carlson, 2014; Ribeiro, 2015). Thus the iPhone 5C could be considered as a means of defending its market share against these lower-priced competitors (Mohammed, 2013).

Overall, flanking should be considered as both an offensive and defensive strategy, as there are elements of both when a flanking manoeuvre is employed in business. A firm may launch a number of flanker brands which can serve to both attack a competitor's market share, while at the same time defend the flagship brand's market position (Capon et al., 2001; German et al., 1991). As evident in the examples of *flanking attacks* and *flanking positions*, in both instances the flanking strategy is used in an offensive manoeuvre for defensive purposes. The challenge however, is that marketing literature often bandies the term flanker brand, with a distinct lack of clarity of what a flanker brand is (Phau and Lim, 2013). There remain gaps in the present understanding of flanker brands: What are the characteristics of flanker brands? What defines a flanker brand?

Flanker Brands

The idea of flanker brands is not new in business, with first mention of flanker brands in marketing literature dating as far back as 1981 in Tauber's (1981) paper on brand franchise extensions. Further, there is mention of flanker brands in much of the literature surrounding brand strategy (e.g. Aaker, 2004; Carroll, 2005; Crittenden, 2010; Giddens, 2010; Hyatt, 1980; Keller, 2008; Kim and Lowrey, 2010; Quelch and Jocz, 2009; Raasch, 2008; Rao et al., 2000; Riezebos, 2003; Ritson, 2009a, 2009b; Tauber, 1981; Varadarajan et al., 2006) yet to the author's knowledge almost none of the literature make a clear attempt to conceptualise flanker brands (Phau and Lim, 2013).

Compounding the confusion, there is also the prevalence of "fighter brands" also known as "fighting brands", which "unlike flanker brands ... that are designed with a

set of target consumers in mind, ... are specifically created to combat a competitor that is threatening to steal market share away from a company's main brand" (Ritson, 2009b). These are generally characterised as a lower-priced and often lower-quality offering from the flagship brand, specifically designed to compete against low-priced competitors, for the purpose of protecting the flagship brand's premium priced offerings (Johnson and Myatt, 2003; Raasch, 2008; Ritson, 2009a). However, a review of the literature reveals that there are characteristic similarities and overlap between "fighter brands" and flanker brands that make it difficult to discern what the differences are in terms of strategic implications, which makes it difficult for brand managers to ascertain the appropriate strategy, adding to further confusion on the concept (Phau and Lim, 2013). A clear concept of flanker brands is key to further developments in research and understanding of the flanking strategy and flanker brands (Phau and Lim, 2013).

A review of the past and present literature on flanking and flanker brands show that most flanker brands are launched as new brands in the marketplace (e.g. Clow & Baack, 2005; Hyatt, 2008; Keller, 2013; Tauber, 1981). Flanker brands are also often positioned in a similar product category and market as the flagship brand, though the price and quality position is usually lower than the flanker brand and closer to competitor brands (Quelch and Harding, 1996). Firms launching a flanker brand need to apply the flanking strategy – leveraging deception and surprise to ensure that the firm has the upper hand as competitors scramble to deal with the new threat (Bellamy, 1990; Pech and Durden, 2003; Pech and Slade, 2005). Flanker brands are also commonly positioned to attack competitor brands' market position, while protecting the flagship brand; and allowing the flagship brand to retain its desired positioning (Keller, 2013; Lafayette, 2013).

Building on manoeuvre theory, and the concept of flanking; and in review of the various concepts of flanker brands over the years, the following conceptual definition of flanker brands is proposed (Lim, 2015):

*Flanker brands are **new brands** that are **swiftly positioned** in a **similar category and market** as the flagship brand, through **stealth and deception**, for the purpose of **attacking and/or defending against competitors**; **without risking** the flagship brand's established market position by competing head-on*

Further, given that flanker brands may or may not leverage the flagship brand's market image and brand equity using the flagship brand's name (e.g. Berman, 2015; De Menezes, 2014; Raasch, 2008) , is also proposed that flanker brands can be separated into two classifications:

Distinct Flanker Brand (DFB): A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and

Latent Flanker Brand (LFB): A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.

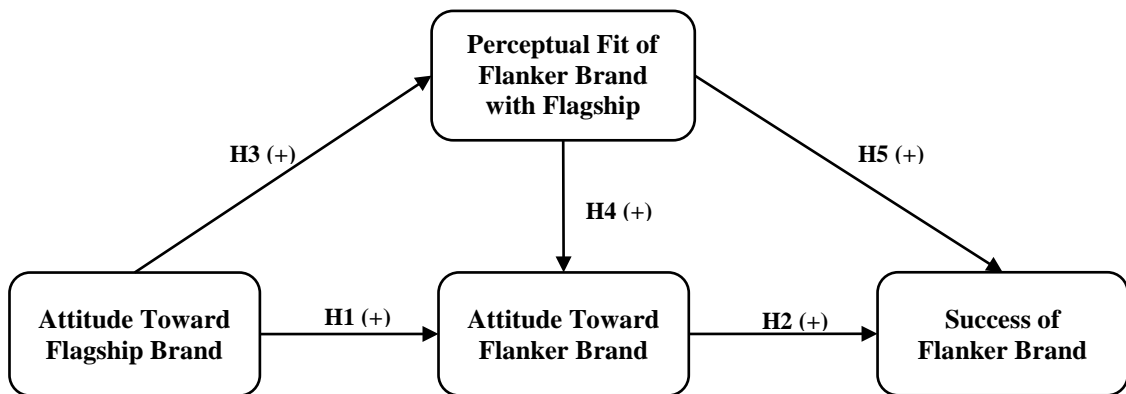
This concept of flanker brands and the corresponding classifications serve as the foundation from which this study will be conducted.

Relevant Literature and Hypothesis Development

This study focuses on determining how social identity functions of attitude (value-expressive and social-adjustive) influence consumers' choice of flanker brand (DFB/LFB) in terms of attitude toward the flanker brand and the flanker brand success. The present study examines this in the context of luxury bags.

As there is a lack of empirical research on flanker brands, there is no theoretical foundation from which to develop a research model for testing, and thus this research adapts the research model employed by Kalamas et al. (2006) to the flanker brand context. Figure 5.1 illustrates the research model to be employed in this study.

Figure 5.1: Research Model



Following this, is a discussion on the relevant literature, and the development of the hypotheses examined in this study.

Attitudes are an overall evaluation of and judgement of a psychological object (Ajzen, 2001; Fishbein and Ajzen, 1975). Attitudes comprise of both affective (feelings of liking or disliking) and cognitive (beliefs held about object) components, and have a significant influence on an individual's behaviour (Ajzen, 1991, 2002; Katz, 1960; Najmi et al., 2012). Incorporating this into the present research context, attitudes are examined with reference to a brand, and can be defined as a “relatively enduring, unidimensional summary evaluation of the brand that presumably energises behaviour” (Spears and Singh, 2004).

Aaker and Keller (1990) explain, the success of a brand extension is often contingent on: (1) the consumer holding positive beliefs and attitudes toward the parent brand; (2) these positive beliefs and attitudes helping to facilitate the formation of positive beliefs and attitudes toward the extension brand; and (3) negative associations of the parent brand not being transferred to the extension brand. Drawing on the brand extension literature, it is argued that brand extensions often share similar features and benefits to the parent brand (Bhat and Reddy, 2001). Through the categorisation process, consumers are likely to compare their knowledge and beliefs of the parent brand, and match it with the extension brand (Kalamas et al., 2006; Sheinin and Schmitt, 1994). This means that the brand extension has to exhibit signals that would trigger the relevant parent brand associations (anchor points) so that the consumer is more likely to categorise and evaluate the brand extension using the positive associations he/she might have of the parent brand (Erdem et al., 2006; Erdem and Swait, 1998). These

signals help to reduce the potential for dilution effects, which might result in consumers not accepting the brand extension (Kim et al., 2001; Loken and John, 1993). Applying this to the present study, a flanker brand is likely to appear as a mimic of the model brand, in this case, the flagship brand of the firm. It is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand, but is positioned against competing mimic brands. For example, the Apple iPhone 5c, could be considered a flanker brand to Apple's flagship iPhone. The aesthetics of the iPhone 5c carry an unmistakably iPhone look and feel, but it is positioned at a lower price point to do combat with competing, mimic brands like Xiaomi. Based on this, it is postulated that, similar to the findings from brand extension research, a consumer's attitudes toward the flagship brand, would have a positive influence on their attitude toward the flanker brand.

Therefore, the following hypotheses are proposed:

H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

As discussed, consumers' attitudes are known to motivate consumer behaviours (Ajzen, 2001, 2002; Kalamas et al., 2006; Spears and Singh, 2004). Therefore, in the present context, it appears logical to suggest that a consumer who has a positive attitude toward the flanker brand, is more likely to positively evaluate the flanker brand and be motivated to purchase the flanker brand. as a significant and positive influence on a consumer's desire to purchase the extension.

Therefore, the following hypothesis is proposed:

H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand

The concept of cognitive consistency posits that individuals are naturally inclined to establish cognitive and affective consistency in their attitudes, beliefs and behaviours (Palazon and Delgado-Ballester, 2013; Stumpf and Baum, 2016). This concept of cognitive consistency builds on Heider's (1946) balance theory, Osgood and Tannenbaum's (1955) congruity theory, and Festinger's (1957) cognitive dissonance theory; and has links to the categorisation process (Stumpf and Baum, 2016). In the context of branding, the concept of cognitive consistency has links to the notion of perceived fit between brand extensions and the parent brand (e.g. Grime et al., 2009; Kalamas et al., 2006; Lau and Phau, 2007).

Building this premise, the notion of perceived fit in the context of branding is defined as the extent to which consumers accept the new product a logical and expect[ed] from the [parent] brand (Kalamas et al., 2006; Tauber, 1988). If a consumer perceives a good fit between a brand and its extension, then they perceive a meaningful association between the brand and the extension, and are more likely to transfer favourable brand perceptions to the extension brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). There are number of bases from which fit may be perceived: (1) Complementarity - the extent to which the extension and the parent product share similar usage, (2) Substitutability - the extent to which one product can replace the other in satisfying the same need, and (3) Transferability - the degree to which manufacturing skill required for the extension overlaps with existing requirements (Aaker and Keller, 1990; Park et al., 1991).

Based on this understanding, it is expected that consumers' attitudes toward the flagship brand will have varying effects on the DFB and LFB, due to the different characteristics of each class of flanker brand.

Since a DFB has a clear link drawn to the flagship brand to leverage any positive associations consumers have of the flagship brand, it is more likely that consumers' attitudes toward the flagship brand will have a positive influence on the perceptual fit of the flanker brand (DFB) with the flagship brand.

Hence the following hypothesis is proposed:

H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand

Conversely, a LFB has a deliberate dissociation between the flanker brand and flagship brand. Therefore, it is expected that consumers' attitudes toward the flagship brand have no significant influence on the perceptual fit between the flanker brand and flagship brand.

Therefore, the following hypothesis is proposed:

H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand

With reference to the previous discussion on perceptual fit in branding, it is expected that consumers' perceptual fit of the flanker brand with flagship brand is likely to have a positive influence on their attitudes toward the flanker brand. As explained, in the context of brand extensions, if consumers perceive a meaningful association between the parent brand they are more likely to carry favourable brand perceptions over to the extension brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). This is further supported by other branding research, for example, Thompson and Strutton (2012) have found that consumers' perceptions of fit between a parent brand and the co-branded extension have a positive influence on their attitudes toward the co-branded extension.

Therefore, by extension, it is expected that, in the context of flanker brands, a similar result should occur. Similar to H3, because the DFB has clear links drawn to the flagship brand, it is expected that consumers are more likely to perceive a fit between the DFB and the flagship brand, and thus, this should have a clear positive influence on their attitudes toward the DFB. Conversely, because a LFB has a deliberate dissociation between the flanker brand and flagship brand, it is expected that consumers are less likely to perceive a fit between the LFB and the flagship brand, and thus are less likely to be able to transfer associations across to the LFB. Therefore, there should be no significant influence of consumers' perceptual fit of the LFB with the flagship brand on their attitudes toward the LFB.

Therefore, the following two hypotheses are proposed:

H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand; and

H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand

Building on the preceding discussion, hypothesis H2 proposed that attitude toward the flanker brand has a positive influence on the success of the flanker brand. This is due to the fact that attitudes are strong motivator of consumer behaviour (Ajzen, 2001, 2002; Kalamas et al., 2006). Further, the preceding discussion on perceptual fit establishes the notion that consumers who perceive a meaningful association between the flagship brand and the flanker brand are likely to carry over their favourable associations and perceptions onto the flanker brand.

Therefore, for the DFB, again because of the clear links drawn to the flagship brand, it is anticipated that consumers' perceptual fit of the DFB with the flagship brand should have a positive influence on the success of the flanker brand. On the other hand, because a LFB has a deliberate dissociation with the flagship brand, it is less likely that consumers will perceive a fit between the LFB and the flagship brand, thus there should be no significant relationship between the perceptual fit of the LFB with the flagship brand and the success of the LFB.

Therefore, the following two hypotheses are proposed:

H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand; and

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand

The Role of Social Identity Functions of Attitude

The functional theory of attitude explains that attitudes can serve several purposes (functions) for individuals (Katz, 1960; Wilcox et al., 2009). Research proposes that attitudes serve some basic functions – Utilitarian, Knowledge, Social Identity, and Self-Esteem Maintenance functions. These functions of attitude can serve as predictors of consumer attitudes and behaviours (Bian and Forsythe, 2012; Fishbein and Ajzen, 1975; Wilcox et al., 2009). Therefore, this research seeks to explore this in the context of luxury flanker brands to ascertain if the different classifications of flanker brands have greater appeal to specific functions of attitude.

The social identity functions of attitude are the focus for this research. It is through these functions of attitude that individuals express core values, establish their identity, and/or gain social approval among their peers (Schade et al., 2016; Shavitt et al., 1992). Prior research has shown that consumers' attitudes toward luxury brands may serve either one of these functions or both (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). In contrast to non-luxury brands, luxury brands are generally high in symbolic value and generally appeal to status driven consumers where price is not the first concern, and the functional value is understood as given (Nueno and Quelch, 1998; Riley et al., 2004). Therefore, it is postulated that the social identity functions of attitude bear greater relevance in the present research.

The social-adjustive function of attitude is adopted by individuals who wish to maintain their relationships or gain social approval with their peers (Shavitt et al., 1992; Wilcox et al., 2009). To this end, a person may hold the same positive attitudes toward objects, issues and people, as the reference group; or may consume brands and products that would gain favour with their peers (Bian and Forsythe, 2012; Debono, 1987; Schade et al., 2016).

The value-expressive function of attitude is adopted by individuals who derive satisfaction from expressing their core values and beliefs through their attitudes (Katz, 1960; Wilcox et al., 2009). Therefore, a person may hold certain beliefs and opinions, use certain brands and products, as a means of self-expression (Bian and Forsythe, 2012; Schade et al., 2016).

The prior discussion on flanker brands depicts flanker brands as having two classifications – DFB (where a clear link to the flagship brand is drawn) and LFB

(where there is no clear link to the flagship brand). Matching this with research on how consumers may use brands to either express their core values or to gain social approval (e.g. Schade et al., 2016; Wilcox et al., 2009), it is anticipated that the two classifications of flanker brands can be used to appeal to different segments of consumers, in terms of the social identity function that the consumer tends toward.

In the present research context, the DFB manipulation employs a nested brand naming approach (e.g. Avant by Prada), and thus is likely to give a clear signal to consumers about the provenance of the DFB, and trigger the luxury and status related associations they have of the flagship brand. Prior research has shown that consumers who are more conscious of their social image are generally motivated to consume luxury brands to convey an upscale image and social status (Bian and Forsythe, 2012; Shavitt et al., 1992; Wilcox et al., 2009). Therefore, the DFB, is likely to have a greater appeal to consumers whose attitudes about luxury brand serve a more social-adjustive function.

Thus, the following hypotheses are proposed:

H6a: Consumers' attitude toward a DFB is greater when their attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

H7a: The success of a DFB is greater when consumers' attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

For the LFB, there is no clear link drawn to the flagship brand. Therefore, there are no clear signals of the flagship brand from which the luxury and status related associations may be triggered. Research has shown that consumers whose attitudes toward luxury brands serve a more value-expressive function tend to seek luxury brands that possess attributes and features that reflect their core values and beliefs (Bian and Forsythe, 2012; Wilcox et al., 2009). Therefore, it is expected that consumers who hold positive attitudes toward the LFB, and who may be motivated to purchase it are likely to be buying the LFB as result of their attitude toward the LFB serving a value-expressive function.

Thus, the following hypotheses are proposed:

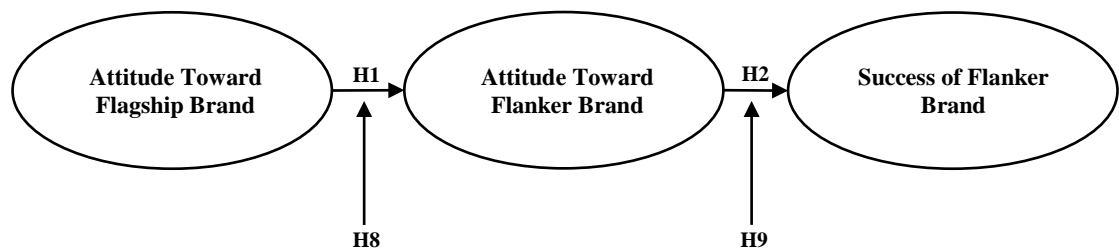
H6b: *Consumers' attitude toward a LFB is greater when their attitude toward luxury brands serve a value-expressive function more than a social-adjustive function*

H7b: *The success of a LFB is greater when consumers' attitude toward luxury brands serve a value-expressive function more than a social-adjustive function*

Moderating Effects of Social Identity Functions of Attitude

Continuing with the role that social identity functions of attitude may play on consumer evaluations of the two classifications of flanker brands, it is expected that the social identity functions of attitude carry influence on certain relationships proposed in the research model (Figure 5.1). The relationships examined are illustrated in Figure 5.2 below.

Figure 5.2: Social Identity Functions of Attitude – Moderation Relationships



As discussed, the DFB is likely to appeal to consumers whose attitudes toward luxury brands serve a more social-adjustive function. Therefore, it is also expected that, for the DFB, this social-adjustive function of attitude will enhance the relationships between attitude toward the flagship brand and attitude toward the flanker brand; while the value-expressive function of attitude will have no moderating effect.

Therefore, the following hypothesis is proposed:

H8a: *For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function*

The LFB, however, is likely to appeal to consumers whose attitudes toward luxury brands serve a more value-expressive function. Therefore, it is also expected that for the LFB, this value-expressive function of attitude will enhance the relationships between attitude toward the flagship brand and attitude toward the flanker brand; while the social-adjustive function will have no moderating effect.

Therefore, the following hypothesis is proposed:

H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function

It is expected that the social identity functions of attitude will have a similar moderating effect as those proposed in H8, for the relationship between attitude toward the flanker brand and success of the flanker brand. Therefore, the following hypotheses are proposed:

H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the value-expressive function
(Att_FlagshipBrand → SuccessFlankerBrand)

H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the social-adjustive function
(Att_FlankerBrand → SuccessFlankerBrand)

Research Methodology

Sample & Data Collection

The data for this study was collected in Singapore using Qualtrics, an online survey software with panel data facilities. This method was chosen as it provided a more cost-effective and efficient way to collect the data required for the research. Data collection occurred between January and February 2016. A total of 980 responses were collected, and after screening the responses, 871 responses were deemed usable (DFB – 437, LFB – 434) for use with the study.

Survey Instrument

A self-administered questionnaire was employed as the survey instrument for each of the four studies. This study examines the research objectives and hypotheses in the context of luxury bags, and uses the brands Prada (flagship brand), Avant by Prada (fictitious DFB), and Avant (fictitious LFB). The stimulus design and fictitious brand names were determined by adapting the process employed by Phau and Cheong (2009a, 2009b); through a series of focus groups with young adults and industry experts. A sample of the final stimulus employed in this study is presented in Figure 5.3.

Figure 5.3: Sample Stimulus in Survey Instrument – Avant by Prada Bag (DFB)



The questionnaire comprised of five sections:

- The first section employs eight questions adapted from Wilcox et al. (2009); and queried respondents about their general attitude toward luxury fashion brands, in terms of the social identity functions.
- The second section asked respondents to view the stimulus relating to the flagship brand product (Prada bag), and answer questions about their attitude toward the flagship brand. The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The third section asked respondents questions about their attitude toward the flanker brand, in relation to the stimulus for the flanker brand product (DFB/LFB). The five items were also adapted from Spears and Singh's (2004) paper.
- The fourth section asked respondents questions about their evaluations of the flanker brand (DFB/LFB), in relation to the flagship brand (Prada). The corresponding scale items relate to perceived fit of the flanker brand with flagship brand (four items) and success of the flanker brand (three items) which were adapted from Kalamas et al. (2006).
- The final section related to demographic information of the respondent. All scale measures employed in this study, excluding the demographic section, were measured along a seven-point scale. A sample of the survey instrument employed in the present study is available in Appendix A.

Analyses & Results

First, a descriptive analysis was performed using SPSS 22 on the pooled sample, as well as the individual sample for the DFB and LFB manipulations. Overall, the sample profile for this study was deemed appropriate as majority of the respondents, approximately 88.0% for the DFB sample and 93.5% for the LFB sample, matched the targeted young adult segment – 18-35 years of age (Petry, 2002; Thach and Olsen, 2006). It was observed that gender distribution was skewed towards females, with female respondents accounting for 59.3% of the DFB sample, and 63.8% of the LFB

sample. While not ideal, the present study employed luxury tote bags as the main stimulus, which is likely to appeal more to a female audience. Therefore, the distribution of gender in this study was considered acceptable.

A breakdown of the sample profile for this study is detailed in Table 5.1.

Table 5.1: Sample Profile

Sample Characteristic	Percentage		
	Pooled Sample (N=871)	DFB (N=437)	LFB (N=434)
Sex			
Male	37.3	39.8	34.8
Female	61.5	59.3	63.8
Age			
18 – 21 years	37.9	32.8	40.0
22 – 34 years	53.7	55.2	53.5
35 – 44 years	4.7	5.7	3.9
45 – 54 years	2.4	2.7	1.6
55 – 70 years	1.2	1.1	.9
Marital Status			
Single	56.9	53.3	60.6
In a relationship	29.0	29.5	28.6
Married	12.3	14.4	10.1
Divorced	.9	1.4	.5
Widow/Widower	.7	1.4	0
Education			
Certificate	17.9	17.4	18.4
Advanced Diploma or Diploma	10.7	10.3	11.1
Bachelor Degree	46.6	47.4	45.9
Graduate Diploma or Graduate Certificate	11.9	10.5	13.4
Postgraduate Degree	9.6	11.4	7.8
Other	2.9	2.5	3.2
Income (Annual)			
\$0-\$25,000	44.4	40.0	48.8
\$25,001-\$50,000	8.0	7.6	8.5
\$50,001-\$75,000	3.4	3.7	3.2
\$75,001-\$100,000	2.4	3.7	1.2
\$100,001-\$125,000	1.3	1.8	.7
\$125,001-\$150,000	.9	1.4	.5
\$150,001-\$175,000	.7	.5	.9
\$175,001-\$200,000	.5	.7	.2
\$200,001 and above	1.6	2.1	1.2
Prefer not to say	35.7	38	33.4

Note: Due to some instances of missing data, some statistics will not add up to 100%

Model Specification

The data was analysed using SPSS 22, and AMOS 22 for the Structural Equation Modelling (SEM) portions of the study.

DFB – Model Specification for Avant by Prada

DFB – Exploratory Factor Analysis

An Exploratory Factor Analysis (EFA) was conducted on all the constructs employed in the study, to ascertain the dimensionality of the relevant factors. Given that established scales were employed in this study, the Oblimin with Kaiser Normalisation rotation method was used in the EFA (Hair et al., 2010).

While conducting the EFA for the DFB, one item for each “Attitude Toward Flagship Brand” and “Attitude Toward Flanker Brand” was removed due to poor factor loading. This was a similar case for “Perceived Fit of Flanker Brand with Flagship Brand” where one item was removed due to poor factor loading.

The results of the EFA for the DFB, Avant by Prada, are detailed in Table 5.2.

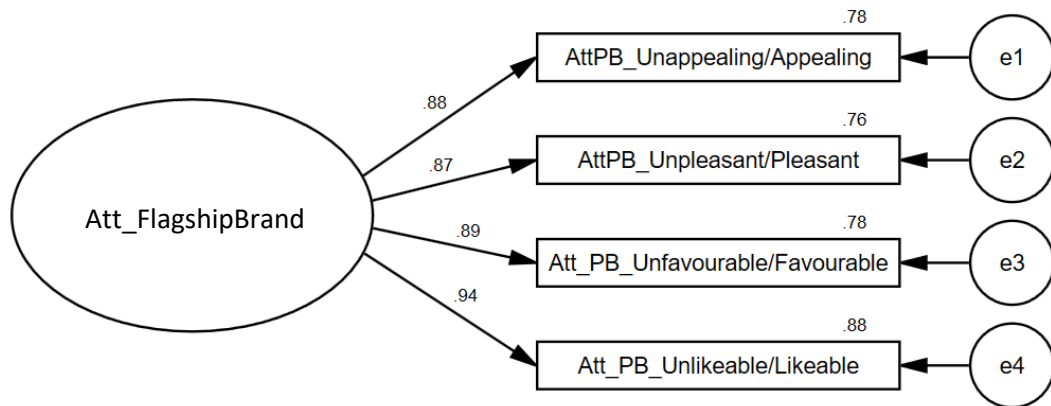
Table 5.2: EFA Results for DFB – Avant by Prada

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Value-Expressive Function of Attitude				
		3.129	78.222	.907
Luxury fashion brands reflect the kind of person I see myself to be	.852			
Luxury fashion brands help me communicate my self-identity	.913			
Luxury fashion brands help me express myself	.899			
Luxury fashion brands help me define myself	.873			
KMO MSA: .828, Bartlett's Test of Sphericity: .000				
Social-Adjustive Function of Attitude				
		2.619	65.465	.823
Luxury fashion brands are a symbol of social status	.706			
Luxury fashion brands help me fit into important social situations	.818			
I like to be seen wearing luxury fashion brands	.879			
I enjoy it when people know I am wearing a luxury brand	.823			
KMO MSA: .718, Bartlett's Test of Sphericity: .000				
Attitude Towards the Flagship Brand				
		3.404	85.091	.914
This Prada bag is unappealing/appealing	.917			
This Prada bag is unpleasant/pleasant	.912			
This Prada bag is unfavourable/favourable	.916			
This Prada bag is unlikeable/likeable	.943			
This Prada bag is good/bad	Removed			
KMO MSA: .861, Bartlett's Test of Sphericity: .000				
Attitude Towards the Flanker Brand (DFB)				
		3.540	88.506	.956
This Avant by Prada bag is unappealing/appealing	.924			
This Avant by Prada bag is unpleasant/pleasant	.953			
This Avant by Prada bag is unfavourable/favourable	.947			
This Avant by Prada bag is unlikeable/likeable	.939			
This Prada bag is good/bad	Removed			
KMO: .869, Bartlett's Test of Sphericity: .000				
Perceived Fit of Flanker Brand with Flagship Brand				
		2.149	71.621	.801
Prada is considering introducing this brand (Avant by Prada) into the market. Please indicate how well this new brand relates to Prada's existing product line	.849			
Do you see Avant by Prada as a good substitute for Prada?	.847			
Do you see Avant by Prada as a good complement to Prada?	.844			
Using their current technology, how easy/difficult would it be for Prada to manufacture the Avant by Prada bag?	Removed			
KMO MSA: .712, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand				
				.691
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Avant by Prada bag were made, how would you rate its quality?	.834			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant by Prada bag	.804			
Factor 3: Success Attribute (Brand Name) (Single Item Measure)				
Avant by Prada would be a good brand name for this bag	.735			
KMO MSA: .653, Bartlett's Test of Sphericity: .000				

DFB – Confirmatory Factor Analysis

Following the initial EFA, a congeneric Confirmatory Factor Analysis (CFA) was conducted for each of the constructs employed in the structural model to ensure that the factors extracted from the EFA are valid indicators of the underlying constructs. The results of the CFA for the DFB – Avant by Prada are detailed in the following paragraphs.

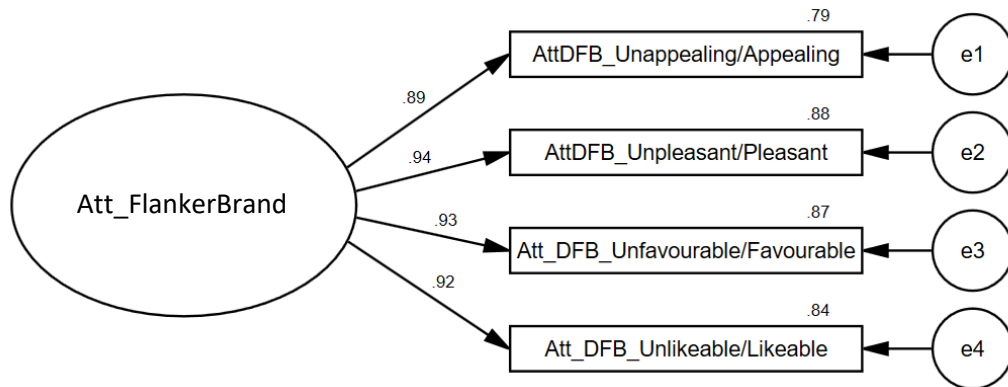
Figure 5.4: Attitude Towards the Flagship Brand (DFB) – One-factor congeneric model



Model fit: $\chi^2=6.961$, $df=1$, Normed $\chi^2=3.481$, $p=.031$, GFI=.992, AGFI=.961, CFI=0.997, TLI=.996, NFI=.996, RMSEA=.075, P-Close=.184

As seen in Figure 5.4, a review of the goodness-of-fit indices for the Attitude Toward Flagship Brand construct indicated an acceptable fit. Therefore, no further refinements were made to the model.

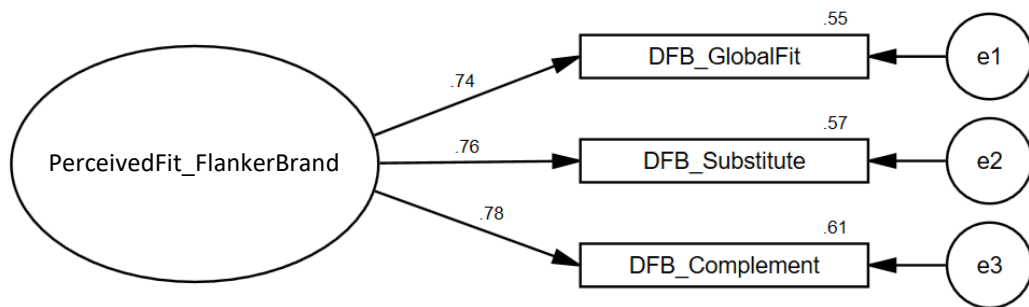
Figure 5.5: Attitude Towards the Flanker Brand (DFB) – One-factor congeneric model



Model fit: $\chi^2=12.329$, $df=2$, Normed $\chi^2=6.165$, $p=.002$, GFI=.985, AGFI=.927, CFI=0.995, TLI=.994, NFI=.994, RMSEA=.109, P-Close=.035

As seen in Figure 5.5, a review of the goodness-of-fit indices for the Attitude Toward Flanker Brand construct indicated a reasonably acceptable fit. While the Normed χ^2 , RMSEA and P-Close did not quite conform to the acceptable level of fit, the other fit indices, such as, AGFI, CFI and NFI indicated a good model fit. This is further supported by a cross-reference to the Standardised RMR value (.0084), which is another indicate of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made.

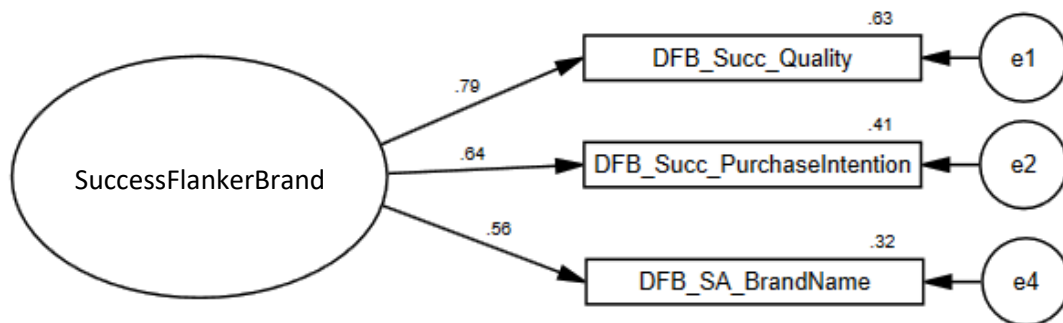
Figure 5.6: Perceived Fit of Flanker Brand with Flagship Brand (DFB) – One-factor congeneric model



Model fit: $\chi^2=1.691$, $df=1$, Normed $\chi^2=1.691$, $p=.193$, GFI=.997, AGFI=.985, CFI=.998, TLI=.996, NFI=.996, RMSEA=.040, P-Close=.408

As seen in Figure 5.6, the goodness-of-fit indices for Perceived Fit of the Flanker Brand with Flagship Brand were acceptable. Therefore, no further refinements were made to the model.

Figure 5.7: Success of Flanker Brand (DFB) – One-factor congeneric model



Model fit: $\chi^2=1.467$, $df=1$, Normed $\chi^2=1.467$, $p=.226$, GFI=.998, AGFI=.987, CFI=.998, TLI=.994, NFI=.994, RMSEA=.033, P-Close=.446

As seen in Figure 5.7, the goodness-of-fit indices for the Success of Flanker Brand construct were acceptable. Therefore, no further refinements were made to the model.

DFB – Reliability & Validity

Following the results of the CFA, the four constructs to be applied in the full structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand) were assessed for their composite reliability (CR) as well as their convergent and discriminant validity. The CR and average variance extracted (AVE) for the constructs were calculated using structural equation modelling with AMOS 22. The recommended threshold for CR is above .60 (Bagozzi and Yi, 1988; Tseng et al., 2006), or .70 as recommended by Hair et al. (2010). Of the four examined constructs, all CR exceeded the .70 criteria, ranging from .710 to .957, thus confirming the reliability of the constructs.

Convergent validity of the constructs was determined in two ways: First, the parameter estimates from the one-factor congeneric models used in the CFA were examined for their statistical significance, direction, and magnitude (Bian and Forsythe, 2012; Garver and Mentzer, 1999). This was followed by an examination of the AVE scores for each of the four constructs. (Fornell and Larcker, 1981). For the parameter estimates, it is recommended that the parameter estimates are significant, positive in direction, and have a magnitude of greater than .60 (Bian and Forsythe, 2012; Garver

and Mentzer, 1999). For the AVE scores, it is recommended that the AVE scores are equal or greater than .50 (Fornell and Larcker, 1981; Hair et al., 2010).

Examining the one-factor congeneric models of the four constructs to be used in the full structural model, the parameter estimates were all found to be statistically significant ($p < .001$), in the positive direction, and with most of the magnitudes loading between .644 to .940, meeting the $>.60$ criteria recommended by Steenkamp and van Trijp (1991). The only parameter estimate that did not meet this criterion was the Success Attribute (Brand Name) (.562). Despite the slightly lower parameter estimate scores, this item still met the other two criteria stated. Further an examination of the standard error (SE) of the parameter estimates revealed that the parameter estimates were greater than twice the standard errors of the items Success Attribute (Brand Name) (SE=.111), which provides partial support for convergent validity (Anderson and Gerbing, 1988). The parameter estimates and goodness-of-fit indices for DFB are summarised in Table 5.3.

Table 5.3: DFB Parameter Estimates and Goodness-of-Fit Indices for CFA

Construct/Items	Parameter Estimate	χ^2	df	Normed χ^2	RMSEA	P-Close	GFI	AGFI	CFI	TLI	NFI
Attitude Towards the Flagship Brand		6.961	1	3.481	.075	.035	.992	.961	.997	.996	.996
This Prada bag is unappealing/appealing	.885										
This Prada bag is unpleasant/pleasant	.871										
This Prada bag is unfavourable/favourable	.886										
This Prada bag is unlikeable/likeable	.938										
Attitude Towards the Flanker Brand (DFB)		12.329	2	6.165	.109	.035	.985	.927	.995	.994	.994
This Avant by Prada bag is unappealing/appealing	.891										
This Avant by Prada bag is unpleasant/pleasant	.940										
This Avant by Prada bag is unfavourable/favourable	.931										
This Avant by Prada bag is unlikeable/likeable	.919										
Perceived Fit of Flanker Brand with Flagship Brand (DFB)		1.691	1	1.691	.040	.408	.997	.985	.998	.996	.996
Prada is considering introducing this brand (Avant by Prada) into the market. Please indicate how well this new brand relates to Prada's existing product line	.739										
Do you see Avant by Prada as a good substitute for Prada?	.755										
Do you see Avant by Prada as a good complement to Prada?	.778										
Success of Flanker Brand (DFB)		1.467	1	1.467	.033	.446	.998	.987	.998	.994	.994
Factor 1: Perceived Quality											
Assuming this Avant by Prada bag were made, how would you rate its quality?	.791										
Factor 2: Purchase Intention											
Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant by Prada bag	.644										
Factor 3: Success Attribute (Brand Name)											
Avant by Prada would be a good brand name for this bag	.562										

Note: Parameter Estimate – Standardised Estimates

Examining the constructs, three of the AVE scores met the criteria with scores ranging from .572 to .848; adhering to the recommended criteria for AVE. Only the SuccessFlankerBrand construct produced an AVE score of .451. Despite this, convergent validity was still suggested given the good overall model fit of the one-factor congeneric model of this construct (see Figure 5.4 above) (Holmes-Smith and Coote, 2002; Steenkamp and van Trijp, 1991). The details of the AVE scores are listed in Table 5.4.

To establish discriminant validity, three tests were conducted: First, an examination of the AVE scores to ascertain if they exceed the squared correlations between any two constructs in the structural model (Fornell and Larcker, 1981); second, a review of the correlations between constructs in the model, where it is recommended that the correlations be less than .80 (Bagozzi and Heatherton, 1994); and finally, an examination of the confidence intervals of the correlations between constructs was conducted to ascertain if the confidence intervals were less than one (Bagozzi and Heatherton, 1994).

With the first test, the AVE scores ranged from .451 to .848, while the squared correlations ranged from .067 to .441. All four constructs adhered to this criterion, thus the first test is passed.

For the second test, it was observed that the correlations between the constructs ranged from .259 to .664, which were below the recommended .80 limit (Bagozzi and Heatherton, 1994; Holmes-Smith and Coote, 2002), which suggests discriminant validity.

Finally, the correlations between all four constructs were examined based on confidence intervals. At the 99% confidence interval, the highest correlation (PerceivedFit_FlankerBrand – SuccessFlankerBrand) ranged from .589 to .728. Given that the upper limit was .728 and below the recommended limit of 1 (Bagozzi and Heatherton, 1994), discriminant validity of the constructs was ascertained.

Circling back to the lower AVE score of SuccessFlankerBrand, this was deemed acceptable given that the criteria for the second and third tests were within the recommended criteria. Details on the AVE scores and squared correlations used to determine discriminant validity can be seen in Table 5.4.

Table 5.4: Constructs in the DFB Structural Model – Composite reliabilities, average variance extracted scores, and correlations

Construct	Items	M	SD	CR	AVE	Att_FlagshipBrand	Att_FlankerBrand	PerceivedFit_FlankerBrand	SuccessFlankerBrand
Attitude Toward Flagship Brand (Att_FlagshipBrand)	4	5.094	1.299	.942	.802	1			
Attitude Toward Flanker Brand (Att_FlankerBrand)	4	4.734	1.418	.957	.848	.653*** (.426)	1		
Perceived Fit of Flanker Brand with Flagship Brand (PerceivedFit_FlankerBrand)	3	4.554	1.100	.800	.572	.259*** (.067)	.476*** (.227)	1	
Success of Flanker Brand (SuccessFlankerBrand)	3	4.515	1.097	.710	.451	.387*** (.150)	.617*** (.381)	.664*** (.441)	1

Note: M=Mean, SD=Standard deviation, CR=Construct reliability, AVE = Average variance extracted, Squared correlations in parentheses

* $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

Full Measurement Model (DFB)

Prior to hypotheses testing with the structural model, a full measurement model was tested using the four constructs to be used in the structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand). This was done to ensure that there was no significant issues with model fit, and to ascertain if there were any further improvements to be made to the model (Holmes-Smith and Coote, 2002). The results of the measurement model indicated good model fit: $\chi^2=181.248$, $df=71$, Normed $\chi^2=2.553$, $p \leq .001$, GFI=.946, AGFI=.920, CFI=.978, TLI=.964, NFI=.964, RMSEA=.060, P-Close=.067, therefore, the model was deemed suitable for testing of the hypotheses with AMOS 22.

LFB – Model Specification for Avant

LFB – Exploratory Factor Analysis

Similar to the DFB analyses, an EFA was conducted on all the constructs to ascertain the dimensionality of the relevant factors. Given that established scales were employed in this study, the Oblimin with Kaiser Normalisation rotation method was used in the EFA (Hair et al., 2010). The results for the EFA for the LFB – Avant, are detailed in Table 5.5.

Table 5.5: EFA Results for LFB – Avant

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Value-Expressive Function of Attitude				
		3.221	80.531	.919
Luxury fashion brands reflect the kind of person I see myself to be	.876			
Luxury fashion brands help me communicate my self-identity	.916			
Luxury fashion brands help me express myself	.900			
Luxury fashion brands help me define myself	.897			
KMO MSA: .833, Bartlett's Test of Sphericity: .000				
Social-Adjustive Function of Attitude				
		2.583	64.572	.815
Luxury fashion brands are a symbol of social status	.632			
Luxury fashion brands help me fit into important social situations	.786			
I like to be seen wearing luxury fashion brands	.895			
I enjoy it when people know I am wearing a luxury brand	.874			
KMO MSA: .720, Bartlett's Test of Sphericity: .000				
Attitude Towards the Flagship Brand				
		3.417	85.430	.942
This Prada bag is unappealing/appealing	.907			
This Prada bag is unpleasant/pleasant	.918			
This Prada bag is unfavourable/favourable	.929			
This Prada bag is unlikeable/likeable	.942			
This Prada bag is good/bad	Removed			
KMO MSA: .860, Bartlett's Test of Sphericity: .000				
Attitude Towards the Flanker Brand (LFB)				
		3.419	85.484	.943
This Avant bag is unappealing/appealing	.915			
This Avant bag is unpleasant/pleasant	.926			
This Avant bag is unfavourable/favourable	.913			
This Avant bag is unlikeable/likeable	.944			
This Prada bag is good/bad	Removed			
KMO: .859, Bartlett's Test of Sphericity: .000				
Perceived Fit of Flanker Brand with Flagship Brand				
		2.070	69.012	.774
Prada is considering introducing this brand (Avant) into the market. Please indicate how well this new brand relates to Prada's existing product line	.805			
Do you see Avant as a good substitute for Prada?	.862			
Do you see Avant as a good complement to Prada?	.825			
Using their current technology, how easy/difficult would it be for Prada to manufacture the Avant bag?	Removed			
KMO MSA: .689, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand – 3 Factors				
				.640
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Avant bag were made, how would you rate its quality?	.849			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant bag	.820			
Factor 3: Success Attribute (Brand Name) (Single Item Measure)				
Avant would be a good brand name for this bag	.633			
KMO MSA: .599, Bartlett's Test of Sphericity: .000				

LFB – Confirmatory Factor Analysis

Following the initial EFA, a congeneric Confirmatory Factor Analysis (CFA) was conducted for each of the constructs employed in the structural model to ensure that the factors extracted from the EFA are valid indicators of the underlying constructs. The results of the CFA for LFB are summarised in Table 5.6.

Table 5.6: LFB Goodness-of-Fit Indices for CFA

Construct/Items	Parameter Estimate	χ^2	<i>df</i>	Normed χ^2	RMSEA	P-Close	GFI	AGFI	CFI	TLI	NFI
Attitude Toward Flagship Brand		10.365	2	5.182	.098	.065	.988	.939	.995	.994	.994
This Prada bag is unappealing/appealing	.861										
This Prada bag is unpleasant/pleasant	.879										
This Prada bag is unfavourable/favourable	.913										
This Prada bag is unlikeable/likeable	.936										
Attitude Toward Flanker Brand (LFB)		12.060	2	6.030	.108	.038	.987	.933	.994	.993	.993
This Avant by Prada bag is unappealing/appealing	.884										
This Avant bag is unpleasant/pleasant	.894										
This Avant bag is unfavourable/favourable	.878										
This Avant bag is unlikeable/likeable	.936										
Perceived Fit of Flanker Brand with Flagship Brand (LFB)		3.445	1	3.445	.075	.209	.995	.968	.993	.990	.990
Prada is considering introducing this brand (Avant) into the market. Please indicate how well this new brand relates to Prada's existing product line	.675										
Do you see Avant as a good substitute for Prada?	.792										
Do you see Avant as a good complement to Prada?	.741										
Success of Flanker Brand (LFB)		6.719	1	6.719	.115	.061	.990	.939	.974	.970	.970
Factor 1: Perceived Quality											
Assuming this Avant bag were made, how would you rate its quality?	.698										
Factor 2: Purchase Intention											
Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant bag	.815										
Factor 3: Success Attribute (Brand Name)											
Avant would be a good brand name for this bag	.378										

Note: Parameter Estimate – Standardised Estimates

As seen in Table 5.6, a review of the goodness-of-fit indices for the Attitude Toward the Flagship Brand construct indicated a reasonably acceptable fit. While the Normed χ^2 and RMSEA did not quite conform to the acceptable level of fit, the other fit indices, such as, GFI, AGFI, CFI, TLI and NFI indicated a good model fit. This is further supported by a cross-reference to the Standardised RMR value (.0106), which is another indicate of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made.

Similarly, a review of the goodness-of-fit indices for the Attitude Toward the Flanker Brand (LFB) construct indicated a reasonably acceptable fit. While the Normed χ^2 , RMSEA, and P-Close did not quite conform to the acceptable level of fit, the other fit indices, such as, GFI, AGFI, CFI, TLI and NFI indicated a good model fit. This is further supported by a cross-reference to the Standardised RMR value (.0106), which is another indicate of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made.

For the Perceived Fit of Flanker Brand with Flagship Brand (LFB) construct, only the Normed χ^2 did not meet the acceptable level of fit. The other fit indices indicated a good model fit. Therefore, no further refinements were made.

Finally, for the Success of Flanker Brand (LFB) construct, the Normed χ^2 and RMSEA did not quite conform to the acceptable level of fit, the other fit indices, such as, P-Close, GFI, AGFI, CFI, TLI and NFI indicated a good model fit. This is further supported by a cross-reference to the Standardised RMR value (.0319), which is another indicate of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made.

LFB – Reliability & Validity

Following the results of the CFA, the four constructs to be applied in the full structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand) were assessed for their composite reliability as well as their convergent and discriminant validity. The composite reliabilities (CR) and average variance extracted (AVE) for the constructs were calculated using structural equation modelling with AMOS 22. The recommended threshold for CR is above .60 (Bagozzi and Yi, 1988; Tseng et al., 2006), .70 as recommended by Hair et al. (2010). Of the

four examined constructs, all CR exceeded the .60 criteria, ranging from .681 to .944, thus confirming the reliability of the constructs.

Convergent validity of the constructs was determined in two ways: First, the parameter estimates from the one-factor congeneric models used in the CFA were examined for their statistical significance, direction, and magnitude (Bian and Forsythe, 2012; Garver and Mentzer, 1999). This was followed by an examination of the AVE scores for each of the four constructs. (Fornell and Larcker, 1981). For the parameter estimates, it is recommended that the parameter estimates are significant, positive in direction, and have a magnitude of greater than .60 (Bian and Forsythe, 2012; Garver and Mentzer, 1999). For the AVE scores, it is recommended that the AVE scores are equal or greater than .50 (Fornell and Larcker, 1981; Hair et al., 2010).

Examining the one-factor congeneric models of the four constructs to be used in the full structural model, the parameter estimates were all found to be statistically significant ($p < .001$), in the positive direction, and with most of the magnitudes loading between .675 to .936, meeting the $>.60$ criteria recommended by Steenkamp and van Trijp (1991). The only estimate that did not meet this criterion were from the SuccessFlankerBrand construct – Success Attribute (Brand Name) (.378). Despite the slightly lower parameter estimate scores, this item still met the other two criteria stated. Further, an examination of the standard error (SE) of the parameter estimate revealed that the parameter estimate was greater than twice the standard errors of the item. Success Attribute (Brand Name) (SE=.102); which provides partial support for convergent validity (Anderson and Gerbing, 1988). The parameter estimates and goodness-of-fit indices for LFB are summarised in Table 5.6 above.

Examining the constructs, three of the AVE scores met the criteria with scores ranging from .538 to .808; adhering to the recommended criteria for AVE (Fornell and Larcker, 1981; Hair et al., 2010). Only the SuccessFlankerBrand construct produced an AVE score of .430. Despite this, convergent validity was still suggested given the reasonably good overall model fit of the one-factor congeneric model of this construct (see Table 5.5 above) (Holmes-Smith and Coote, 2002; Steenkamp and van Trijp, 1991). The details of the AVE scores are listed in Table 5.7.

To establish discriminant validity, three tests were conducted: First, an examination of the AVE scores to ascertain if they exceed the squared correlations between any two

constructs in the structural model (Fornell and Larcker, 1981); second, a review of the correlations between constructs in the model, where it is recommended that the correlations be less than .80 (Bagozzi and Heatherton, 1994); and finally, an examination of the confidence intervals of the correlations between constructs was conducted to ascertain if the confidence intervals were less than one (Bagozzi and Heatherton, 1994).

With the first test, the AVE scores ranged from .430 to .808, while the squared correlations ranged from .018 to .393; fulfilling the criteria that the AVE scores should exceed the squared correlations between any two constructs.

For the second test, it was observed that the correlations between the constructs ranged from .134 to .627, which were below the recommended .80 limit (Bagozzi and Heatherton, 1994; Holmes-Smith and Coote, 2002), which suggests discriminant validity of the constructs.

Finally, the correlations between all four constructs were examined based on confidence intervals. At the 99% confidence interval, the highest correlation (PerceivedFit_FlankerBrand – SuccessFlankerBrand) ranged from .546 to .696. Given that the upper limit was .696 and below the recommended limit of 1 (Bagozzi and Heatherton, 1994), discriminant validity of the constructs was ascertained.

Circling back to the lower AVE score of SuccessFlankerBrand, this was deemed acceptable given that the criteria for the second and third tests were within the recommended criteria. Details on the AVE scores and squared correlations used to determine discriminant validity can be seen in Table 5.7.

Table 5.7: Constructs in the LFB Structural Model – Composite reliabilities, average variance extracted scores, and correlations

Construct	Items	M	SD	CR	AVE	Att_FlagshipBrand	Att_FlankerBrand	PerceivedFit_FlankerBrand	SuccessFlankerBrand
Attitude Toward Flagship Brand (Att_FlagshipBrand)	4	4.904	1.302	.943	.806	1			
Attitude Toward Flanker Brand (Att_FlankerBrand)	4	4.296	1.228	.944	.808	.503*** (.253)	1		
Perceived Fit of Flanker Brand with Flagship Brand (PerceivedFit_FlankerBrand)	3	4.112	1.154	.778	.538	.134** (.018)	.445*** (.198)	1	
Success of Flanker Brand (SuccessFlankerBrand)	3	4.147	1.032	.681	.430	.270*** (.075)	.539*** (.291)	.627*** (.393)	1

Note: M=Mean, SD=Standard deviation, CR=Construct reliability, AVE = Average variance extracted, Squared correlations in parentheses

* $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

Full Measurement Model (LFB)

Prior to hypotheses testing with the structural model, a full measurement model was tested using the four constructs to be used in the structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand). This was done to ensure that there was no significant issues with model fit, and to ascertain if there were any further improvements to be made to the model (Holmes-Smith and Coote, 2002). The results of the measurement model indicated good model fit: $\chi^2=174.790$, $df=71$, Normed $\chi^2=2.462$, $p \leq .001$, GFI=.946, AGFI=.921, CFI=.977, TLI=.961, NFI=.961, RMSEA=.058, P-Close=.0106, therefore, the model was deemed suitable for testing of the hypotheses with AMOS 22.

Full Measurement Model (DFB & LFB)

Prior to hypotheses testing with the structural model, a full measurement model was tested using the four constructs to be used in the structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand) across both DFB and LFB. This was done to ensure that there was no significant issues with model fit, and to ascertain if there were any further improvements to be made to the model (Holmes-Smith and Coote, 2002). The results of the measurement model indicated good model fit, as indicated in Table 5.8, and suggests that the models are ready for hypothesis testing.

Table 5.8: Full Measurement Model Fit Indices

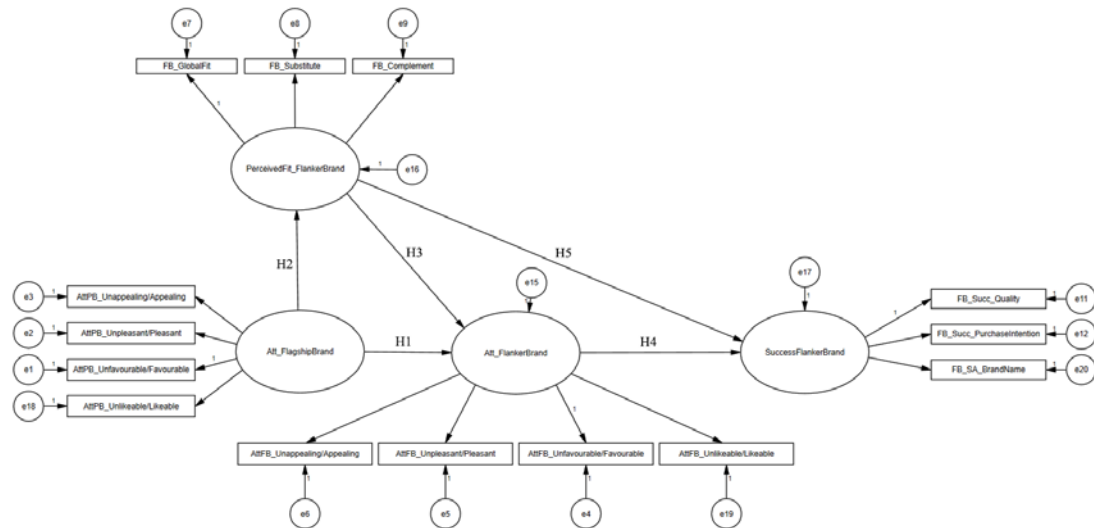
Measurement Model	χ^2	df	Normed χ^2	RMSEA	P-Close	GFI	AGFI	CFI	TLI	NFI
Distinct Flanker Brand (DFB)	181.248	71	2.553	.060	.067	.946	.920	.978	.964	.964
Latent Flanker Brand (LFB)	174.790	71	2.462	.058	.106	.946	.921	.977	.961	.961

Once a good model fit was established with the measurement models, the constructs were then tested in a full structural model. Figure 5.8 illustrates the structural model used in hypothesis testing for this study.

Hypothesis Testing

The structural model to be used for hypothesis testing is presented in Figure 5.8.

Figure 5.8: Structural Model Used in Hypothesis Testing

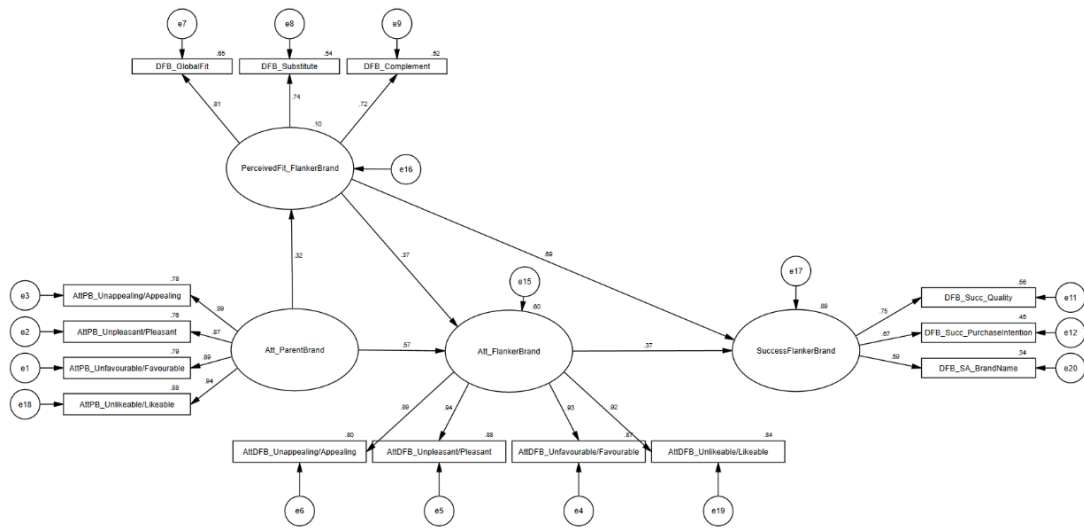


Hypothesis Testing – H1 to H5

Hypotheses H1 to H5 are aimed at addressing *RO3* – to develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand classifications. Also addressed, is *RO4* – to evaluate consumer perceptions and attitudes toward flanker brands, specifically in the context of luxury fashion brands. Through this hypothesis testing, the research framework developed for this study can be evaluated.

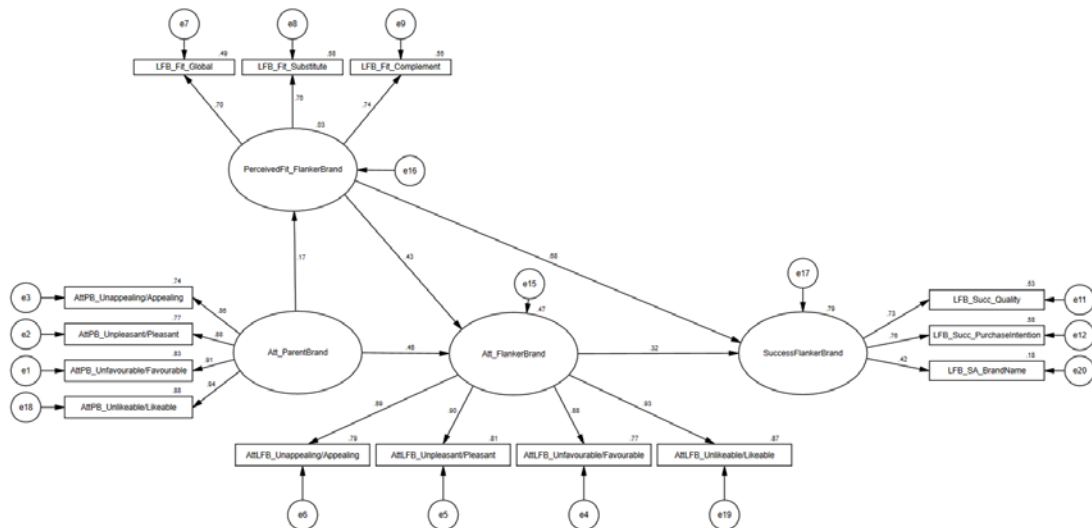
To test hypotheses H1 to H5, a structural model was analysed in AMOS 22, using the constructs discussed (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBrand). The model fit indices for the DFB structural model are presented in Figure 5.9; with the model fit indices for the LFB structural model presented in Figure 5.10.

Figure 5.9: Structural Model Results – Avant by Prada (DFB)



Model fit: $\chi^2=181.335$, $df=72$, Normed $\chi^2=2.519$, $p \leq .001$, GFI=.946, AGFI=.921, CFI=.978, TLI=.964, NFI=.964, RMSEA=.059, P-Close=.080

Figure 5.10: Structural Model Results – Avant (LFB)



Model fit: $\chi^2=181.170$, $df=72$, Normed $\chi^2=2.516$, $p \leq .001$, GFI=.944, AGFI=.918, CFI=.975, TLI=.960, NFI=.960, RMSEA=.059, P-Close=.077

Having established an acceptable goodness-of-fit for both structural models, the hypothesised relationships for the DFB and LFB were examined. The results of the hypotheses testing for the DFB and LFB are summarised in Table 5.9.

Table 5.9: H1-H5 – Standardised Path Coefficients

Hypotheses	Distinct Flanker Brand (DFB) (N= 437)	
H1a: Att_FlagshipBrand → Att_FlankerBrand	.567***	Supported
H2: Att_FlankerBrand → SuccessFlankerBrand	.365***	Supported
H3a: Att_FlagshipBrand → PerceivedFit_FlankerBrand	.316***	Supported
H4a: PerceivedFit_FlankerBrand → Att_FlankerBrand	.374***	Supported
H5a: PerceivedFit_FlankerBrand → SuccessFlankerBrand	.689***	Supported
Hypotheses	Latent Flanker Brand (LFB) (N= 434)	
H1b: Att_FlagshipBrand → Att_FlankerBrand (not significant)	.459***	Not Supported
H2: Att_FlankerBrand → SuccessFlankerBrand	.320***	Supported
H3b: Att_FlagshipBrand → PerceivedFit_FlankerBrand (not significant)	.175**	Not Supported
H4b: PerceivedFit_FlankerBrand → Att_FlankerBrand (not significant)	.432***	Not Supported
H5b: PerceivedFit_FlankerBrand → SuccessFlankerBrand (not significant)	.680***	Not Supported

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

Based on the results of the structural model, attitude toward the flagship brand has a positive and significant influence on attitude toward the DFB ($\beta = .567$, $p \leq .001$), therefore supporting *H1a*. Contrary to the hypothesised relationship however, with *H1b*, attitude toward the flagship brand also has a positive and significant influence on attitude toward the LFB ($\beta = .459$, $p \leq .001$).

H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand

The analysis results showed that attitude toward the flanker brand has a positive and significant influence success of the flanker brand for both DFB ($\beta=.365, p\leq.001$), and LFB ($\beta=.320, p\leq.001$), therefore *H4* is supported.

H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand

The analysis results showed that attitude toward the flagship brand has a positive and significant influence on perceptual fit of the DFB with the flagship brand ($\beta=.316, p\leq.001$), therefore supporting *H3a*. Contrary to the hypothesised relationship however, with *H3b*, attitude toward the flagship brand also has a positive and significant influence on perceptual fit of the LFB with flagship brand ($\beta=.175, p\leq.01$).

H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand; and

H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand

The analysis results showed that perceptual fit of the DFB with the flagship brand has a positive and significant influence on attitude toward the flanker brand ($\beta=.374, p\leq.001$), therefore supporting *H4a*. Contrary to the hypothesised relationship however, with *H4b*, perceptual fit of the LFB with flagship brand also has a positive and significant influence on attitude toward the flanker brand ($\beta=.432, p\leq.001$). Therefore, *H3b* is not supported.

H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand; and

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand

The analysis results showed that perceptual fit of the DFB with the flagship brand has a positive and significant influence on success of the flanker brand ($\beta=.689, p\leq.001$), therefore supporting *H5a*. Contrary to the hypothesised relationship however, with *H5b*, perceptual fit of the LFB with flagship brand also has a positive and significant influence on success of the flanker brand ($\beta=.680, p\leq.001$). Therefore, *H5b* is not supported.

The Role of Social Identity Functions of Attitude

As discussed, luxury brands are generally high in symbolic value and generally appeal to status driven consumers where price is not the first concern, and the functional value is understood as given (Wilcox et al., 2009). The social identity functions of attitude help explain how consumers may express their core values, establish their identity, and/or gain social approval among their peers through the consumption of luxury products (e.g. Schade et al., 2016; Wilcox et al., 2009). Prior research has shown that consumers' attitudes toward luxury brands may serve either one of these functions or both (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). Therefore, it is postulated that the social identity functions of attitude bear greater relevance in the present research.

All variables employed in the testing were mean-centred to reduce potential issues with multi-collinearity (Wilcox et al., 2009).

To test the role of Social Identity Functions of Attitude, the following hypotheses were assessed:

H6a: *Consumers' attitude toward a Distinct Flanker Brand is greater when their attitude toward luxury brands serve a social-adjustive function more than a value-expressive function*

H6b: *Consumers' attitude toward a Latent Flanker Brand is greater when their attitude toward luxury brands serve a value-expressive function more than a social-adjustive function*

Table 5.10: H6a & H6b – Multiple Regression Analysis

Construct	B [95% CI]	S.E.	t- value	β	sr^2	Adj. R^2	F
Distinct Flanker Brand (DFB)							
Value-Expressive →	.000	.057	.002	.000	.000		
Att_FlankerBrand	[-.113, .113]						
Social-Adjustive →	.231	.064	3.627	.229***	.029	.048	11.970***
Att_FlankerBrand	[.106, .357]						
Latent Flanker Brand (LFB)							
Value-Expressive →	.097	.052	1.876	.122	.008		
Att_FlankerBrand	[-.005, .199]						
Social-Adjustive →	-.028	.057	-4.84	-.032	.001	.006	2.336
Att_FlankerBrand	[-.139, .084]						

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 5.10, the results of the hypothesis testing reveal that for the DFB, consumers whose attitudes toward luxury brands serve a social-adjustive function are more likely to have a stronger positive attitude toward the DFB, than consumers whose attitudes serve a value-expressive function. Therefore, H6a is supported. Conversely,

for the LFB, neither the value-expressive nor social-adjustive functions of attitude had any influence on consumer attitudes toward the LFB. Therefore, H6b is not supported.

H7a: The Success of a Distinct Flanker Brand is greater when consumers' attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

H7b: The Success of a Latent Flanker brand is greater when consumers' attitude toward luxury brands serve a value-expressive function more than a social-adjustive function

Table 5.11: H7a & H7b – Multiple Regression Analysis

Construct	B [95% CI]	S.E.	t- value	β	sr^2	Adj. R ²	F
Distinct Flanker Brand (DFB)							
Value-Expressive → SuccessFlankerBrand	.070 [-.016, .156]	.044	1.606	.100	.005	.073	18.237***
Social-Adjustive → SuccessFlankerBrand	.107 [-.028, .243]	.069	1.562	.201**	.022		
Latent Flanker Brand (LFB)							
Value-Expressive → SuccessFlankerBrand	.061 [-.025, .146]	.044	1.390	.091	.004	.006	2.345
Social-Adjustive → SuccessFlankerBrand	.013 [-.081, .107]	.048	.278	.018	.000		

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 5.11, the results of the hypothesis testing reveal that the DFB is likely to be more successful when consumers' attitudes toward luxury brands serve a social-adjustive, than consumers whose attitudes serve a value-expressive function. Therefore, H7a is supported. Conversely, for the LFB, neither the value-expressive nor social-adjustive functions of attitude had any influence on the success of the LFB. Therefore, H7b is not supported.

Moderation Analyses – Social Identity Functions of Attitude

Having established these relationships, the role of social identity functions of attitude is further explored in specific relationships within the aforementioned structural model. The relationships relevant to the moderation analyses are illustrated in Figure 5.2 above.

The moderation analyses were conducted using the PROCESS SPSS macro developed by Hayes (2012), and applied the approach proposed by Anderson (1986) and Baron and Kenny (1986):

1. Regress the dependent variable (Y) on the independent variable (X), to ensure that the relationship is significant.
2. Regress the dependent variable (Y) on the independent variable (X), and moderator variable (Z) to obtain the R^2 – Model 1.
3. Centring of the independent variable (X) and the moderator variable (Z) by subtracting the mean score from all the values so that the mean score is zero.
4. Multiplying of the centred independent variable (X) and the centred moderator variable (Z) to create an interaction term (I).
5. Regress the dependent variable (Y) on the independent variable (X), the moderator variable (Z), and the interaction term (I), to obtain the R^2 – Model 2.
6. Compare the change in R^2 ($R^2 \Delta$) between models 1 and 2 to ascertain if there is a significant moderation effect.
 - a. If the $R^2 \Delta$ is not significant, then the moderator variable (Z) does not moderate the relationship.
 - b. If the $R^2 \Delta$ is significant, then the moderator variable (Z) moderates the relationship.
7. If the $R^2 \Delta$ is significant, conduct a simple slopes analysis to ascertain the effect of the moderator (Z) on the relationship between independent variable (X) and dependent variable (Y).

H8a: For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → Att_FlankerBrand)

Table 5.12: DFB Social Identity Functions on Att_FlagshipBrand → Att_FlankerBrand

Independent Variables	<i>R</i> ²	<i>F</i>	<i>df</i>	<i>R</i> ² Δ	<i>F</i> Δ	<i>df</i>
Moderator: Value-Expressive Function						
Att_FlagshipBrand + Value-Expressive Function + Interaction Term	.432	85.254***	3,433	.005	2.964	1,433
Moderator: Social-Adjustive Function						
Att_FlagshipBrand + Social-Adjustive Function + Interaction Term	.429	77.742***	3,433	.003	1.319	1,433

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 5.12, for the DFB, the results of the hypothesis testing for *H8a* reveal that contrary to the hypothesis, the social-adjustive function of attitude does not moderate the relationship between attitude toward the flagship brand and attitude toward the flanker brand. This is also true of the value-expressive function of attitude, the results of which fell in-line with the hypothesis. Given that the focus is on the social-adjustive function having a moderating effect on the relationship, *H8a* is not supported.

H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function (Att_FlagshipBrand → Att_FlankerBrand)

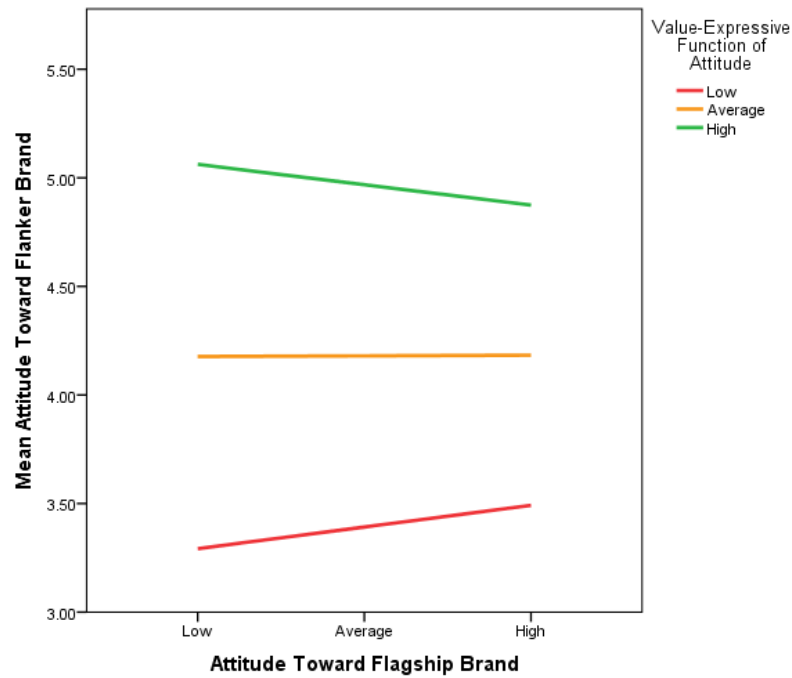
Table 5.13: LFB Social Identity Functions on Att_FlagshipBrand → Att_FlankerBrand

Independent Variables	R^2	F	df	$R^2 \Delta$	$F \Delta$	df
Moderator: Value-Expressive Function						
Att_FlagshipBrand + Value-Expressive Function + Interaction Term	.266	37.055***	3,430	.011	3.927*	1,430
Moderator: Social-Adjustive Function						
Att_FlagshipBrand + Social-Adjustive Function + Interaction Term	.264	34.199***	3,430	.009	3.1801	1,430

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 5.13, for the LFB, the results for the hypothesis testing for H8b reveal that the value-expressive function of attitude was found to moderate the relationship between attitude toward the flagship brand and attitude toward the flanker brand. A subsequent analysis of the moderation effect revealed that the value-expressive function of attitude dampens this relationship. This is illustrated in Figure 5.11.

Figure 5.11: LFB Value-Expressive Function on Att_FlagshipBrand → Att_FlankerBrand



As seen in Figure 5.11, for consumers whose attitudes serve a low value-expressive function, $b=.570$, $t(430)=9.384$, $p=.000$. For consumers whose attitudes serve an average value-expressive function, $b=.479$, $t(430)=8.457$, $p=.000$. For consumers whose attitudes serve a high value-expressive function, $b=.389$, $t(430)=4.679$, $p=.000$. Also, in line with the hypothesis, the social-adjustive function of attitude does not moderate the relationship between attitude toward the flagship brand and attitude toward the flanker brand. Given that the focus for this hypothesis is on the value-expressive function of attitude enhancing the relationship, $H8b$ is not supported.

H9a: For DFB, the *social-adjustive function* of attitude *enhances* the relationship between *attitude toward the flanker brand* and *success of the flanker brand*, while *no moderation* should occur with the *value-expressive function* (Att_FlankerBrand → SuccessFlankerBrand)

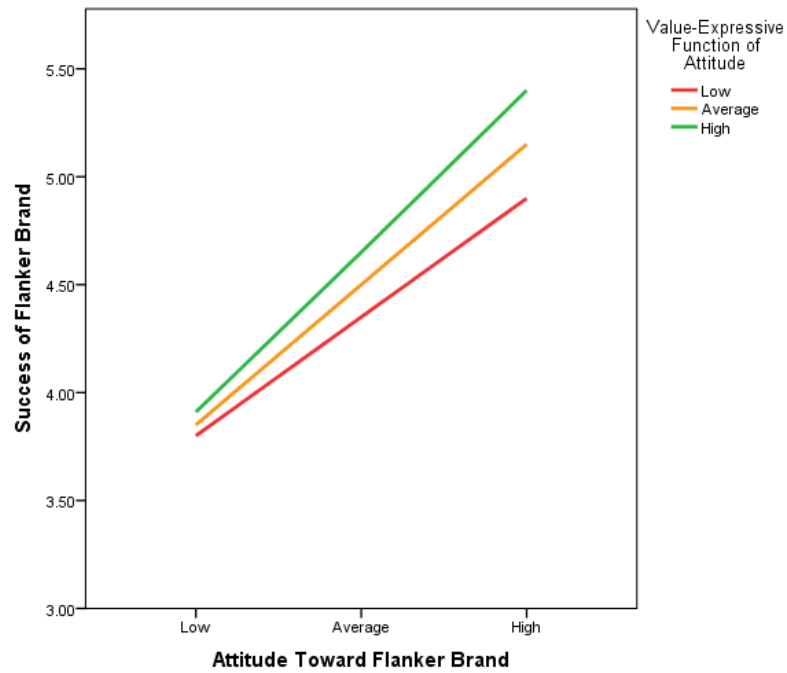
Table 5.14: DFB Social Identity Functions on Att_FlankerBrand → SuccessFlankerBrand

Independent Variables	<i>R</i> ²	<i>F</i>	<i>df</i>	<i>R</i> ² Δ	<i>F</i> Δ	<i>df</i>
Moderator: Value-Expressive Function						
Att_FlankerBrand + Value-Expressive Function + Interaction Term	.409	76.816***	3,433	.009	5.007*	1,433
Moderator: Social-Adjustive Function						
Att_FlankerBrand + Social-Adjustive Function + Interaction Term	.414	85.106***	3,433	.016	8.238**	1,433

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

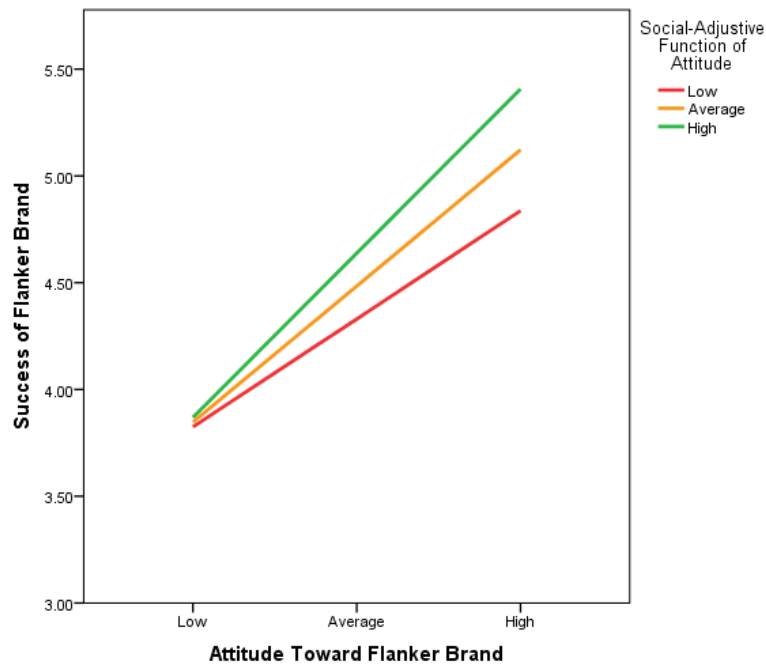
As seen in Table 5.14, for the DFB, the results of the hypothesis testing of *H9a* reveal that both the value-expressive function and social-adjustive function of attitude were found to moderate the relationship between attitude toward the flanker brand and success of flanker brand. A subsequent analysis of the moderation effect revealed that both value-expressive function and social-adjustive function of attitude enhance this relationship. This is illustrated in Figure 5.12 and Figure 5.13 respectively.

Figure 5.12: DFB Value-Expressive Function on Att_FlankerBrand → SuccessFlankerBrand



As seen in Figure 5.12, for consumers whose attitudes serve a low value-expressive function, $b=.390$, $t(433)=8.819$, $p=.000$. For consumers whose attitudes serve an average value-expressive function, $b=.458$, $t(433)=13.939$, $p=.000$. For consumers whose attitudes serve a high value-expressive function, $b=.526$, $t(433)=11.572$, $p=.000$.

Figure 5.13: DFB Social-Adjustive Function on Att_FlankerBrand → SuccessFlankerBrand



As seen in Figure 5.13, for consumers whose attitudes serve a low social-adjustive function, $b=.357$, $t(433)=7.515$, $p=.000$. For consumers whose attitudes serve an average social-adjustive function, $b=.450$, $t(433)=13.740$, $p=.000$. For consumers whose attitudes serve a high social-adjustive function, $b=.543$, $t(433)=12.188$, $p=.000$. In line with the hypothesis, for the DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand. Interestingly however, contrary to the hypothesis, the value-expressive function was also found to enhance the relationship. Based on these findings, $H9a$ is partially supported.

H9b: For **LFB**, the **value-expressive function** of attitude **enhances** the relationship between **attitude toward the flanker brand** and **success of the flanker brand**, while **no moderation** should occur with the **social-adjustive function** (Att_FlankerBrand → SuccessFlankerBrand)

Table 5.15: LFB Social Identity Functions on Att_FlankerBrand → SuccessFlankerBrand

Independent Variables	R^2	F	df	$R^2 \Delta$	$F\Delta$	df
Moderator: Value-Expressive Function						
Att_FlankerBrand + Value-Expressive Function + Interaction Term	.297	43.849***	3,430	.004	1.923	1,430
Moderator: Social-Adjustive Function						
Att_FlankerBrand + Social-Adjustive Function + Interaction Term	.294	40.839***	3,430	.001	.389	1,430

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 5.15, the results of the hypothesis testing for **H9b** reveal that contrary to the hypothesis, for the **LFB**, the value-expressive function of attitude did not moderate the relationship between attitude toward the flanker brand and success of the flanker brand. In line with the hypothesis, however, the value-expressive function of attitude did not moderate the relationship. Given that the focus for this hypothesis is on the value-expressive function of attitude enhancing the relationship, **H9b** is not supported.

Results Discussion

This study has sought to develop a concept of flanker brands, to better understand their business applications, develop a research framework for the empirical testing of the concept of flanker brands, and evaluate consumer perceptions and attitudes toward flanker brands, using social identity functions of attitude. This is examined in terms of the role that social identity functions of attitude play in influencing consumer responses to the DFB and LFB. This study was conducted in the context of luxury bags, and employed the brands Prada (flagship brand), Avant by Prada (fictitious DFB), and Avant (fictitious LFB).

A consolidation of the results from this study is presented in Table 5.16.

Table 5.16: Summary of Findings

Hypotheses	Distinct Flanker Brand (DFB) N=437
H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand	<i>Supported</i>
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand	<i>Supported</i>
H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand	<i>Supported</i>
H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand	<i>Supported</i>
H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand	<i>Supported</i>
Hypotheses	Latent Flanker Brand (LFB) N=434
H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on attitude toward the flanker brand
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand	<i>Supported</i>
H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on perceptual fit of the flanker brand with flagship brand
H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on attitude toward the flanker brand

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on success of the flanker brand
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Role of Social Identity Functions

H6a: Consumers' attitude toward a DFB is greater when their attitude towards luxury brands serve a social-adjustive function more than a value-expressive function	<i>Supported</i>
H6b: Consumers' attitude toward a Latent Flanker Brand is greater when their attitude towards luxury brands serve a value-expressive function more than a social-adjustive function	<i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced attitude toward the LFB
H7a: The success of a DFB is greater when consumers' attitude towards luxury brands serve a social-adjustive function more than a value-expressive function	<i>Supported</i>
H7b: The success of a LFB is greater when consumers' attitude towards luxury brands serve a value-expressive function more than a social-adjustive function	<i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced success of the LFB
H8a: For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → Att_FlankerBrand)	<i>Not Supported</i> Contrary to hypothesis, social-adjustive function does not moderate the relationship; but in line with hypothesis, value-expressive function does not moderate the relationship
H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function	<i>Not Supported</i> Contrary to hypothesis, value-expressive function dampens the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship.
H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Partially Supported</i> Social-adjustive function was found to enhance the relationship; but value-expressive function was also found to enhance the relationship
H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the social-adjustive function (Att_FlankerBrand → SuccessFlankerBrand)	<i>Not Supported</i> Contrary to hypothesis, value-expressive function does not moderate the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship

Discussion – Research Model Testing

Hypothesis H1 examines the influence of attitude toward the flagship brand on attitude toward the flanker brand. It was proposed that for the DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand (H1a), while for the LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand (H1b).

The findings showed that for the DFB, this was supported. This is in line with the expected outcome for a DFB – that similar to the findings from brand extension research (e.g. Kalamas et al., 2006; Kim et al., 2001); consumers are likely to draw on the brand signals link the DFB to the flagship brand, and categorise the DFB based on their pre-existing knowledge and associations of the flagship brand (Erdem et al., 2006). For the LFB however, contrary to the hypothesis (H1b), attitude toward the flagship brand also had a positive influence on attitude toward the flanker brand. This finding lends support to the notion that in the absence of branding cues (e.g. brand name), consumers will look for other signals that may help them to categorise the information that they are presented with (Langan et al., 2016; Zeithaml, 1988). So, in this case, it is possible that consumers are relying on the physical characteristics of the flanker brand to help them categorise and evaluate the flanker brand. Linking this to brand mimicry: mimic brands simulate the signal properties of the flagship brand, in terms of design and concept (Teah, 2013); and given that a flanker brand is in a way a “mimic” of the flagship brand, the physical characteristics might serve as cues for consumers to draw links to the flagship brand.

This could help explain why, in the case of the LFB, attitudes toward the flagship brand have a positive influence on attitudes toward the flanker brand; because consumers who have favourable evaluations of the flagship brand, but who are unable to afford the flagship brand’s products, may purchase a mimic brand instead (Shenkar, 2010, 2012; Teah, 2013; Yoo and Lee, 2012).

Hypothesis H2 proposes that attitude toward the flanker brand has a positive influence on the success of the flanker brand. This was supported for both the DFB and LFB. This reinforces prior research on how attitudes motivate consumer behaviours toward the brand (e.g. Kalamas et al., 2006; Spears and Singh, 2004); and suggests that for

the DFB and LFB, it is imperative that the DFB and LFB be branded and marketed effectively to the target audience.

Hypothesis H3 examines the influence of attitude toward the flagship brand on perceptual fit of the flanker brand with the flagship brand. For the DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand (H3a); while for the LFB this relationship should not be significant (H3b).

Hypothesis H4 examines the influence of perceptual fit on the success of the flanker brand. For the DFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on the attitude toward the flanker brand (H4a). For the LFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on attitude toward the flanker brand (H4b).

Hypothesis H5 examines the influence of perceptual fit on the success of the flanker brand. For the DFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on the success of the flanker brand (H5a). For the LFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on the success of the flanker brand (H5b).

The results showed that, for the DFB, H3a, H4a and H5a were supported. This makes sense as the DFB is designed to have a clear link to the flagship brand. Therefore, a clearer link between the flagship brand and the flanker brand should allow the DFB to leverage the positive brand associations consumers have of the flagship brand. This should result in a greater perceived fit between the flanker brand and the flagship brand, which in turn should have a significant and positive influence on the attitudes toward and success of the flanker brand. This is supported by prior research on perceived fit in brand extensions (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). This lends support for the use of a DFB classification in deploying the flanking strategy. Brand managers can leverage the increased perceived fit of the flanker brand with flagship brand to improve the success rate of the DFB with its target audience.

For the LFB however, H3b, H4b, and H5b were not supported. Similar to the findings in H1b, this result could be due to the physical characteristics of the LFB, which echo the designs of the flagship brand, despite not having any clear branding link to the flagship brand. These might serve as cues for consumers to draw links to the flagship brand. As discussed, flanker brands essentially “mimic” the flagship brand, and draw on the symbolism, concept and the physical characteristics of the flagship brand (Teah, 2013; Teah and Phau, 2011). Thus, as much as it is proposed that the LFB should not have clear links to the flagship brand, there may be certain cues that are unmistakably reminiscent of the flagship brand. This being said, the findings do show that, despite H3b, H4b and H5b not being supported, the influence of attitude toward the flagship brand on perceptual fit of the flanker brand with flagship brand (H3b), and the influence of perceptual fit on attitudes toward (H4b) and the success of the flanker brand (H5b) were all positive influences. This suggests that should consumers know that the LFB is in some way linked to the flagship brand, it may not necessarily be detrimental to the flanker brand’s success. However, further research needs to be conducted to examine if there are any potential negative influences on the flagship brand.

As discussed, hypotheses H1 to H5 are aimed at empirically evaluating the evaluating the research model to test the concept of flanker brands, and the two flanker brand classifications. The present findings show that the research model is effective for evaluating the DFB classification, but appears to be relatively unclear in terms of enabling an empirical evaluation of the LFB classification. Again, this is a limitation of the present research model, which should be addressed in future research.

An initial thought was that the LFB results for H1 to H5 could be due to an issue the issue of gender. The product category employed in This study is luxury bags, and the stimulus uses tote bags as the product. This limitation of the study, could mean that the luxury tote bag is inherently oriented to a female audience. Thus, when running the analysis on the whole dataset, the results are not as clear. Therefore, as a preliminary assessment, the structural model was run again using multi-group analysis to compare the responses between males and females. Interestingly, there was no difference in the results. This provides the following insight: The present testing methodology appears to be robust enough that gender does not pose an issue when

assessing consumer responses to the two flanker brands; and this confirms that gender is not the issue here. Therefore, other factors need to be considered for future research. Overall, the hypothesis testing for the research model demonstrate that the model is applicable for evaluating flanker brands. However, it is not effective as a means of distinguishing consumer perceptions of the DFB and LFB. The fact that consumers reacted to the LFB in similar ways to the DFB suggests that there are other factors that need to be considered to make this research model an effective tool for researchers and brand managers to distinguish consumer perceptions of the DFB and LFB, so that as assessment of which flanker brand to deploy can be made.

Discussion – The Role of Social Identity Functions of Attitude

Hypotheses H6 to H9 are aimed at examining the role that social identity functions play in consumer evaluations of the DFB and LFB.

Hypothesis H6 and H7 examine how the different social identity functions influence consumer attitudes toward the flanker brands. For the DFB, it is proposed that it appeals more to consumers whose attitudes toward luxury fashion brands serve a social-adjustive function instead of a value-expressive function (H6a/H7a). For the LFB, the opposite is proposed, where the LFB appeals more to consumers whose attitudes toward luxury fashion brands serve a value-expressive function more than a social-adjustive function (H6b/H7b).

The results show that for the DFB, the hypotheses are supported (H6a/H7a); the DFB does indeed appeal to consumers whose attitudes toward luxury fashion brands serve a social-adjustive function more than the value-expressive function. This makes sense, considering the DFB has clear and direct links to the flagship brand may trigger the luxury and status related associations consumers have of the flagship brand, and transfer them over to the flanker brand. This is supported by prior research that shows that consumers who are more conscious of their social image are generally motivated to consume luxury brands to convey an upscale image and social status (Bian and Forsythe, 2012; Shavitt et al., 1992; Wilcox et al., 2009). Further, while not explicitly tested, the present research on flanker brands examines them from the perspective of a *flanking position*. Therefore, the DFB is likely to be offered at a lower price premium compared to the flagship brand, making it more accessible to consumers who may have aspirations of owning the flagship brand but cannot afford it (e.g. Harleman, 2015;

Jost, 2014; Keller, 2013; Ritson, 2009). This places the DFB is good competition with mimic brands which offer similar affordability benefits to consumers (Hemphill and Suk, 2009; Nia and Zaichkowsky, 2000; Teah, 2013).

For the LFB however, the findings are less clear cut. The results showed that neither the value-expressive nor social-adjustive functions had any influence on consumer attitudes toward the LFB (H6b) or the success of the LFB (H7b). This is an interesting finding, though unfortunately, within the confines of this research, it is difficult to explain. Some suggestions to explain this result are:

1. Due to the lack of a clear link to the flagship brand, consumers are not as knowledgeable or familiar with the LFB, thus making judgements about how the LFB will fulfil their social identity functions difficult to determine. Indeed, research has shown that varying levels of brand familiarity can affect the way a consumer evaluates a particular brand (Kim et al., 2016; Kronrod and Lowrey, 2016; Siu et al., 2016).

Linking this back to signalling theory, brands serve as signals to consumers, informing them, among other things, about the firm's symbolic and functional attributes, as well as the products' features and key selling points (Erdem et al., 2006; Han et al., 2010). As in the case of the LFB, the only exposure that respondents have had to the brand is from the print advertisement. This does not give enough clarity on the LFB's symbolic attributes from which the respondents might make the assessment of which social identity function the LFB fulfils. Luxury fashion brands can help consumers achieve important social goals, such as conveying a sense of status and personal fitness (Hudders et al., 2014; Wang and Griskevicius, 2013; Wilcox et al., 2009). If the social function of the LFB is not clear through the branding, it could explain why the LFB did not appeal to consumers whose attitudes toward luxury fashion brands serve either the social-adjustive or value-expressive functions.

2. The stimulus used is a print advertisement, which makes judgements of quality difficult to ascertain. This coupled with a lack of information on the branding and pricing of the LFB makes it difficult to determine how the LFB should be perceived. Should it be perceived as a lower-level offering from the flagship

brand's firm? Or should it be perceived as a new brand positioned at a similar level to the flagship brand? This in turn makes judgements on how the LFB will fulfil their social identity functions difficult to determine.

Further research on consumer evaluations of the LFB need to be conducted to gain a clearer understanding of how consumers evaluate the LFB, and what functions of attitude it resonates with. From the present study, the takeaway is that brand managers need to be more precise and clear about the branding and positioning of the LFB so that consumers are not confused about the LFB's brand proposition.

Hypotheses H8 and H9 examine the social identity functions in terms of the moderating role they may play on consumer evaluations of the flanker brand.

Examining H8, for the DFB, it was proposed that the social-adjustive function should enhance the positive relationship between attitude toward the flagship brand and attitude toward the flanker brand ($Att_FlagshipBrand \rightarrow Att_FlankerBrand$), while the value-expressive function should have no moderating effect (H8a). For the LFB, it was proposed that the value-expressive function should enhance the positive relationship between $Att_FlagshipBrand \rightarrow Att_FlankerBrand$, while the social-adjustive function should have no moderating effect (H8b).

The results for both H8a and H8b show that neither hypothesis was supported. For H8a, the social-adjustive function of attitude had no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand. For H8a, this is not quite what was expected, given that H6a and H7a show that for the DFB, consumers whose attitudes toward luxury fashion brands serve a social-adjustive function, have a greater preference for the DFB; which suggests that the social-adjustive function of attitude should enhance the relationship in H8a. While H8a is not supported, it should be noted that the value-expressive function of attitude also did not have a moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand. This result means that, while consumer attitudes toward the flagship brand have an influence on the DFB, the relationship is not influenced by either social-identity function of attitude. Comparing this with the finding in H6a, it is interesting to see that while the DFB appeals to consumers whose attitudes toward luxury fashion brands serve a social-adjustive

function, the social-adjustive function has no influence on this relationship. Why this is the case warrants further research.

The result for the LFB was a similar case for H8b – not supported. The results showed that the value-expressive function had a dampening effect on the Att_FlagshipBrand → Att_FlankerBrand relationship; while the social-adjustive function did not have any influence. This result contradicts the hypothesis, and is a very interesting one, as it was unexpected to see the value-expressive function of attitude weakening the Att_FlagshipBrand → Att_FlankerBrand relationship. One possible explanation for this, could be that as discussed earlier, consumers may be aware that the LFB is in some way linked to the flagship brand. The literature explains that consumers whose attitudes serve a value-expressive function, are motivated to consume certain products as a form of self-expression (Gooner and Nadler, 2012; Wilcox et al., 2009). Matching this with the results for H8b, it is possible that consumers, whose attitudes toward luxury brands serve a value-expressive function, perceived the LFB to have a more social-adjustive appeal; and were therefore less likely to form positive attitudes toward the LFB. This again highlights the need for future research to better understand the factors that consumers use to evaluate the LFB.

Hypothesis H9 proposed that for the DFB, the social-adjustive function should enhance the positive relationship between Att_FlagshipBrand → SuccessFlankerBrand, while the value-expressive function should have no moderating effect (H9a). For the LFB, it was proposed that the value-expressive function should enhance the positive relationship between Att_FlagshipBrand → SuccessFlankerBrand, while the social-adjustive function should have no moderating effect (H9b).

The results for the DFB (H9a) reveal that the hypothesis is partially supported – both the social-adjustive and value-expressive functions of attitude were found to enhance the relationship between attitude toward the flanker brand and success of the flanker brand. For the social-adjustive function, the finding makes sense as the findings in H6a and H7a show that the DFB appeals to consumers whose attitudes serve a social-adjustive function. Therefore, it is logical that the social-adjustive function enhances this relationship. However, the finding that the value-expressive function also enhances the relationship is not expected. One possible explanation for this is that

despite the DFB having clear links to the flagship brand, it could also be sufficiently differentiated from the flagship brand that consumers may view it as something that could fulfil their desire for self-expression. The DFB therefore, might appeal to a consumer who values the social status benefits (social-adjustive function) that the name and physical similarities with the flagship brand provides; but who also wishes to express their self-concept through the consumption of the DFB.

Based on this, there are some implications that should be noted. First, from a managerial standpoint, there are unique benefits to leveraging the flagship brand name. Brand managers may be able to target multiple psychographic segments with the DFB, which could help improve the success rate of the flanker brand, and its effectiveness in protecting the flagship brand's market position. Second, from a theoretical standpoint, future research could examine the influence of other attitude functions and/or personality concepts, such as consumers' need for uniqueness and variety seeking behaviour, on consumer evaluations of the DFB. This being said however, the finding for H9a contradicts the findings for H8a, as no moderation was observed in between attitude toward the flagship brand and attitude toward the flanker brand. While it can be argued that the two relationships (H8a and H9a) are different, the attitude-behaviour link is quite clearly supported in the literature (e.g. Ajzen, 2002; Kalamas et al., 2006), therefore it is expected that the moderating effect should be similar in H8a and H9a. Again, further research should be conducted to examine these relationships in more detail.

Finally, the hypothesis for the LFB – H9b, is not supported. The results showed that neither the value-expressive nor social-adjustive functions had any influence on the Att_FlagshipBrand → SuccessFlankerBrand relationship. It is also interesting to note that the findings for H9b are different from H9a. As before, since the attitude-behaviour link is well-supported, it is interesting to note that the moderation did not carry through to the Att_FlagshipBrand → SuccessFlankerBrand relationship. Similarly, further research needs to be conducted to better understand the factors that consumers use to evaluate the LFB.

For the evaluation of the role that social identity functions may play in consumer assessments of the flanker brand, a similar thought occurred, that there may be gender differences that could be assessed to tease out more nuanced responses. Therefore, as

a preliminary assessment, the analyses were run again, comparing male and female respondents. Overall, the results did not yield much difference from what is already presented in this study. This suggests that future research should consider other factors that may influence consumer evaluations of each flanker brand classification.

Concluding Comments

The present study makes several key contributions to the literature on flanker brands.

Theoretical Contributions

From a theoretical perspective, this study clarifies flanker brands by developing a clear concept of flanker brands; and introducing two classifications of flanker brands. This addresses a key gap in the literature on flanker brands – the lack of clarity on what flanker brands are. The present study puts forward a concept of flanker brands, and empirically evaluates the proposed classifications. This would help serve as a foundation from this area of marketing can be further developed, both from an academic perspective and from an industry perspective.

Methodological Contributions

From a methodological perspective, this study introduces a research framework and testing methodology to empirically assess consumer evaluations of flanker brands. The results from the testing in this study present some interesting findings. The hypothesis testing revealed that the proposed research model is applicable for evaluating flanker brands. However, it is not as effective in helping to distinguish consumer perceptions of the DFB and LFB. Consequently, there is room for future research to refine this model. Further, for the role that social identity functions of attitude may play in consumer assessments of flanker brands, the present study has helped shed light on how each flanker brand classification may appeal to either of the social identity functions. This being said, there are also discrepancies in the findings that warrant further investigation in future research.

Managerial Contributions

Finally, this study makes significant managerial contributions. Through the development of a concept of flanker brands, and through the empirical testing of the proposed model, this study develops an understanding of consumer evaluations of the two flanker brand classifications, in the context of luxury fashion. This gives insight

on the potential nuances, in designing and branding a flanker brand, that may affect consumer preferences for the flanker brand. Further, by evaluating how the social identity functions of attitude affect consumer preferences for each class of flanker brand, this study helps develop an understanding of how each flanker brand class can be used to target specific consumer segments in luxury fashion. This could prove invaluable to brand managers looking to engage specific target markets; as there is a clearer way of characterising flanker brands to target specific consumer markets. Finally, the use of a nested branding approach to the flanker brand name, and the design of the flanker brand products helps give insight into a potential application of how brand managers may want to brand and advertise their flanker brands.

Limitations & Future Research Directions

This study, is not without its limitations. First, the proposed concept of flanker brands has only been examined in the context of luxury fashion, and specifically in the context of luxury bags. As mentioned, flanker brands exist in a multitude of industries. Therefore, the findings from the present study may limit the validity of the present concept of flanker brands when examined in other industries. The validity and application of the present concept and classifications of flanker brands should be further examined in a different product category or industry, to improve the ecological validity of this concept.

Second, this research makes a number of assumptions in order to focus on the key manipulations. For example, the provenance of a flanker brand is highly unclear and can vary significantly. A flanker brand can be a conversion of an existing brand (Keller, 2013; McNallen, 1958), a new brand developed for the specific purpose (e.g. Berman, 2015; Clow and Baack, 2005; Giddens, 2010; De Menezes, 2014), a brand-extension with the strategic intent of flanking (e.g. Bessman, 2000; Johnson, 1992; Rothenberg, 1989), a “me-too” brand (Verhoef et al., 2002), or through a multitude of other means. To manage this, the present research makes the assumption that the flanker brand is a newly developed brand by the firm, for the sole purpose of executing the flanking strategy. While this allows for the evaluation of consumer responses to the respective flanker brands, it limits the evaluation of the strategic implications of flanker brands. Future research could address this, and examine consumer evaluations

of flanker brands that have been, for example, converted from an existing brand, or through the repositioning of an existing brand extension.

Further, the flanker brands being tested are distinguished using only two manipulations – brand name and physical characteristics. It is widely understood that in the context of branding, there are a multitude of brand elements that can be employed in the branding of a product. However, introducing too many elements would limit the validity of the findings in this research. Future research should consider the effect that other brand elements may have on the use of flanker brands.

Overall, this study has attempted to expand the current knowledge on flanker brands and their impact on consumers in the marketplace. It is hoped that the findings from this research will help inspire future research into this dynamic and constantly changing area of marketing.

Chapter 6

Study 2: Generalisation Study Influence of Social Identity Functions of Attitude on Consumer Preferences of Flanker Brands

Chapter Introduction

This chapter seeks to generalise the findings in *Study 1* (Chapter 5), by examining the hypotheses assessed in *Study 1*, in the context of luxury footwear. Similar to *Study 1*, *Study 2* will address research objectives [**RO3 & RO4 – Gap 3**], and hypotheses set out in Chapter 3.

This chapter is written to follow the structure of a stand-alone journal article. For the purposes of this thesis, this chapter presents a clear record of the analyses conducted in *Study 2*, and presents the findings relevant to this study. A ‘cut-down’ version adhering to the journal specifications has been submitted to the *Journal of Brand Management* for review. A consolidated comparison and evaluation of the results from *Study 1* and *Study 2* will be presented and discussed in the conclusion chapter – Chapter 9.

The rest this chapter will be structured as follows: First, an abstract of the study is presented. Following this, is an introduction to the study at hand. This is followed by a summary review of the relevant literature and hypotheses development. Next, the research methodology, specific to *Study 2*, is presented. This is followed by, the results of the analyses and hypotheses testing. Finally, a discussion of the results from *Study 2* is presented.

The Influence of Social Identify Functions of Attitude on Consumer Preferences of Flanker Brands

Abstract

Purpose – This study develops a concept of flanker brands, and examines a framework for the empirical evaluation of flanker brands. It also ascertains how social identity functions of attitude influence consumers' choice of flanker brand classification (Distinct/Latent).

Design/methodology/approach – The data was collected from respondents residing in Singapore, using an online data panel. Data analysis was conducted using structural equation modelling, and hierarchical moderated regression.

Findings – The findings show that the proposed research model is applicable for the evaluation of flanker brands. The results also revealed a better understanding of how consumers' social identity functions of attitude affect their preferences for the distinct and latent classifications of flanker brands. This opens doors for further investigation for flanker brands in the luxury context.

Practical implications – The findings from this study, help give clarity on the concept of flanking in business, and flanker brands. This provides a clear foundation from which future research can be conducted to better understand the business implications of this brand strategy.

Originality/ value – Given the lack of empirical research on flanker brands, this study is the first of its kind to develop a clear and consolidated concept of flanker brands, and presents a first step towards a better understanding of the use of flanker brands as part of a firms' repertoire of brand management strategies.

Introduction

In developing competitive strategies for the marketplace, businesses have come to realise that there is much to learn from the military stratagem of old (e.g. Gorla, 2012; Kotler & Singh, 1981; Lynn, 1993). *Flanking* is one such military strategy that has found its way into the marketer's repertoire of tactics. However, considering that most marketing research borrow ideas from military doctrine, there are significant liberties taken with the terminology and interpretation of military stratagem. This results in inaccuracies in the interpretation and understanding of the literature, and presents problems for managers and academics alike in developing a consensus on how flanking as a military strategy, can be adapted to the business context.

The flanking strategy, in the context of business, is often executed in the form of a flanker brand. A flanker brand is thought to be considered as "a new brand launched in the market by a [business] with an established brand in the same product category" (Kim and Lowrey, 2010; Tauber, 1981); the purpose of which is to combat competitors without having the flagship or parent brand compete (Giddens, 2010; Kim & Lowrey, 2010). In this sense, flanker brands have also been referred to as "fighter" or "fighting" brands (Aaker, 2004; Giddens, 2010; Kim and Lowrey, 2010).

Some examples of flanker brands include the Buick Encore and Opel Mokka, which General Motors launched as flankers to the flagship brands Chevrolet and Cadillac (Higgins and Zha, 2013). In the luxury fragrance market, many brands turn to flankers to bolster their fragrance lines (Sheen, 2014). YSL for example launched their new "L'Homme Ultime by YSL" fragrance as a flanker to its existing scent brands to bolster its line-up (Johnson, 2016). In the telecommunications industry, big mobile carriers in Canada like Rogers, Bell and Telus now have multiple flanker brands like Fido, and Koodo (Bader, 2016). In the cable television market, cable companies are offering up flanker brands to established channels – e.g. Science as a flanker to Discover Channel (Lafayette, 2013). In the airline industry, Jetstar is touted as a low-cost flanker brand to Qantas (Homsombat et al., 2014). Clearly, the applications of flanking and flanker brands are potentially limitless, which makes it a uniquely useful tool to add to the brand manager's repertoire of strategies.

However, the challenge is that despite flanker brands being prominent in multiple industries, there is a lack of clarity on the concept of flanker brands, which makes it

challenging for research to be conducted; and for brand managers to effectively employ flanker brands in their firm's strategy.

This study, therefore, seeks to develop a concept of flanker brands, to better understand their business applications, develop a research framework for the empirical testing of the concept of flanker brands, and evaluate consumer perceptions and attitudes toward flanker brands, using social identity functions of attitude.

This paper begins with the development of a concept of flanker brands, to be used in this study. Following this, the relevant literature is discussed, along with the development of the hypotheses. Then, the sample and survey instrument employed in this study is explained. This is followed by the analyses and results. Finally, this paper closes with a discussion on the results and the contributions of this study.

A Concept of Flanker Brands

Manoeuvre Theory and the Concept of Flanking

In military terms, the concept of flanking is derived from manoeuvre warfare theory (Field, 2012; Lind, 1985; "Military Strategy and Tactics", 2016; Webb, 2016). A flank is the right or left limit of the combat unit relative to the direction of its movement, and is often a weak point, as the unit cannot apply much direct fire to the flanks (*Offense and Defense*, 2012). It is because of this, that flanking as a military strategy and tactic is commonly employed in battle (Dempsey, 1994; Elliott - Bateman, 1990; Field, 2012; Fry and Kiszely, 1998; Glantz, 1988). Commanders employ flanking tactics to engage these weak points and defeat the enemy. Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy's defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German et al., 1991; Lind, 1985; *Offense and Defense*, 2012).

Flanking, as a strategy, is underpinned by manoeuvre theory. Manoeuvre theory has its roots in the military, and was born out of the need to understand and explain the anomalous strategies and tactics used in warfare, that helped armies gain decisive victories over their enemies (Pech and Durden, 2003). In essence, the concept of manoeuvre warfare relates to "the organised movement of forces to a new line and region for the purpose of taking an advantageous position relative to the (opponent) in order to deliver a decisive strike" (Lind, 1985; Sverdlov, 1983).

One famous example of manoeuvre warfare is the German Blitzkrieg of the Second World War, where the Germans employed highly mobile forces to deliver crushing blows to opposing forces, taking their opponents by surprise (Pech and Slade, 2003; Trueman, 2016). Thus, unlike traditional attrition-based warfare, manoeuvre theory and by extension, manoeuvre warfare, emphasises mobility and intellect. An army on a battlefield is deployed to be strongest where it expects to attack or to be attacked. Therefore, fighting the opponent in a direct manner (war of attrition) may result in heavy losses for both sides (Leonhard, 1991).

Manoeuvre warfare however, is characterised by speed, deception and the element of surprise to deliver striking blows to the opponent with minimal effort (Kolar and Toporišič, 2007; Pech and Durden, 2003). This speed, and sustained momentum of the attacks are aimed at forcing the opponent to move at a different pace, throwing the opponents off balance and into disarray (Pech and Durden, 2003). As Clemons and Santamaria (2002) put it, the aim of manoeuvre warfare is “not to destroy the adversary’s forces, but to render them unable to fight in an effective, coordinated [manner]”.

Flanking in Business

Flanking is an often discussed and promoted strategy in business (e.g. Clemons and Santamaria, 2002; Janz, 1987; Ries, 2008; Ries and Trout, 1993; Ritson, 2009a, 2009b, 2010); and there are presently two broad interpretations of the flanking strategy (Crittenden, 2010). First, a *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area, diverting the competitor’s attention away from the main market focus, whilst avoiding direct confrontation with the competitor (Capon et al., 2001; Crittenden, 2010; German et al., 1991; Ries and Trout, 1993). Another example of this, is of how in Absolut vodka priced their products at 50% more than their main competitor Smirnoff, and out-flanked Smirnoff to occupy the premium vodka segment of the market (Burns, 2013).

A *flanking position* on the other hand, is a defence position that a firm employs by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Capon et al., 2001; Crittenden, 2010; Finnie, 1992). In this sense, a firm employing a *flanking position*, is one that is applying the principles of Manoeuvre Theory from a defensive perspective. For example, one could argue that when Apple launched the iPhone 5C, Apple was taking up a *flanking position*, and the

iPhone 5C was launched as part of a defensive flanking strategy (Johansson and Carlson, 2014; Nguyen, 2013). The iPhone is generally positioned as a premium product, leaving much room for lower-priced competitors to compete for a share of the customers' wallet. Emerging markets such as China and India are dominated by brands which offer a similar value proposition as the iPhone, but at a much lower price (Johansson and Carlson, 2014; Ribeiro, 2015). Thus the iPhone 5C could be considered as a means of defending its market share against these lower-priced competitors (Mohammed, 2013).

Overall, flanking should be considered as both an offensive and defensive strategy, as there are elements of both when a flanking manoeuvre is employed in business. A firm may launch a number of flanker brands which can serve to both attack a competitor's market share, while at the same time defend the flagship brand's market position (Capon et al., 2001; German et al., 1991). As evident in the examples of *flanking attacks* and *flanking positions*, in both instances the flanking strategy is used in an offensive manoeuvre for defensive purposes. The challenge however, is that marketing literature often bandies the term flanker brand, with a distinct lack of clarity of what a flanker brand is (Phau and Lim, 2013). There remain gaps in the present understanding of flanker brands: What are the characteristics of flanker brands? What defines a flanker brand?

Flanker Brands

The idea of flanker brands is not new in business, with first mention of flanker brands in marketing literature dating as far back as 1981 in Tauber's (1981) paper on brand franchise extensions. Further, there is mention of flanker brands in much of the literature surrounding brand strategy (e.g. Aaker, 2004; Carroll, 2005; Crittenden, 2010; Giddens, 2010; Hyatt, 1980; Keller, 2008; Kim and Lowrey, 2010; Quelch and Jocz, 2009; Raasch, 2008; Rao et al., 2000; Riezebos, 2003; Ritson, 2009a, 2009b; Tauber, 1981; Varadarajan et al., 2006) yet to the authors' knowledge almost none of the literature make a clear attempt to conceptualise flanker brands (Phau and Lim, 2013).

Compounding the confusion, there is also the prevalence of "fighter brands" also known as "fighting brands", which "unlike flanker brands ... that are designed with a set of target consumers in mind, ... are specifically created to combat a competitor that is threatening to steal market share away from a company's main brand" (Ritson,

2009b). These are generally characterised as a lower-priced and often lower-quality offering from the flagship brand, specifically designed to compete against low-priced competitors, for the purpose of protecting the flagship brand's premium priced offerings (Johnson and Myatt, 2003; Raasch, 2008; Ritson, 2009a). However, a review of the literature reveals that there are characteristic similarities and overlap between "fighter brands" and flanker brands that make it difficult to discern what the differences are in terms of strategic implications, which makes it difficult for brand managers to ascertain the appropriate strategy, adding to further confusion on the concept (Phau and Lim, 2013). A clear concept of flanker brands is key to further developments in research and understanding of the flanking strategy and flanker brands (Phau and Lim, 2013).

A review of the past and present literature on flanking and flanker brands showed that most flanker brands are launched as new brands in the marketplace (e.g. Clow & Baack, 2005; Hyatt, 2008; Keller, 2013; Tauber, 1981). Flanker brands are also often positioned in a similar product category and market as the flagship brand, though the price and quality position is usually lower than the flanker brand and closer to competitor brands (Quelch and Harding, 1996). Firms launching a flanker brand need to apply the flanking strategy – leveraging deception and surprise to ensure that the firm has the upper hand as competitors scramble to deal with the new threat (Bellamy, 1990; Pech and Durden, 2003; Pech and Slade, 2005). Flanker brands are positioned to attack competitor brands' market position, while protecting the flagship brand; and allowing the flagship brand to retain its desired positioning (Keller, 2013; Lafayette, 2013).

Building on manoeuvre theory, and the concept of flanking; and in review of the various concepts of flanker brands over the years, the following conceptual definition of flanker brands is proposed (Lim, 2015):

*Flanker brands are **new brands** that are **swiftly positioned** in a **similar category and market** as the flagship brand, through **stealth and deception**, for the purpose of **attacking and/or defending against competitors; without risking** the flagship brand's established market position by competing head-on*

Further, given that flanker brands may or may not leverage the flagship brand's market image and brand equity using the flagship brand's name (e.g. Berman, 2015; De

Menezes, 2014; Raasch, 2008) , is also proposed that flanker brands can be separated into two classifications:

Distinct Flanker Brand (DFB): A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and

Latent Flanker Brand (LFB): A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.

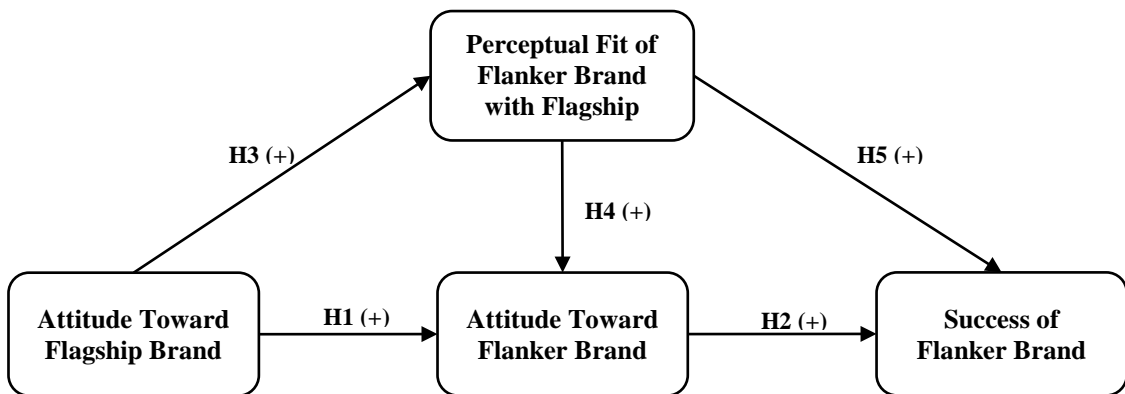
This concept of flanker brands and the corresponding classifications serve as the foundation from which this study will be conducted.

Relevant Literature and Hypothesis Development

This study focuses on determining how social identity functions of attitude (value-expressive and social-adjustive) influence consumers' choice of flanker brand (DFB/LFB) in terms of attitude toward the flanker brand and the flanker brand success. The present study examines this in the context of luxury footwear.

As there is a lack of empirical research on flanker brands, there is no theoretical foundation from which to develop a research model for testing, and thus this research adapts the research model employed by Kalamas et al. (2006) to the flanker brand context. Figure 6.1 illustrates the research model to be employed in this study.

Figure 6.1: Research Model



Following this, is a discussion on the relevant literature, and the development of the hypotheses examined in this study.

Attitudes are an overall evaluation of and judgement of a psychological object (Ajzen, 2001; Fishbein and Ajzen, 1975). Attitudes comprise of both affective (feelings of liking or disliking) and cognitive (beliefs held about object) components, and have a significant influence on an individual's behaviour (Ajzen, 1991, 2002; Katz, 1960; Najmi et al., 2012). Incorporating this into the present research context, attitudes are examined with reference to a brand, and can be defined as a "relatively enduring, unidimensional summary evaluation of the brand that presumably energises behaviour" (Spears and Singh, 2004).

Aaker and Keller (1990) explain, the success of a brand extension is often contingent on: (1) The consumer holding positive beliefs and attitudes toward the parent brand; (2) These positive beliefs and attitudes helping to facilitate the formation of positive beliefs and attitudes toward the extension brand; and (3) Negative associations of the parent brand not being transferred to the extension brand. Drawing on the brand

extension literature, it is argued that brand extensions often share similar features and benefits to the parent brand (Bhat and Reddy, 2001). Through the categorisation process, consumers are likely to compare their knowledge and beliefs of the parent brand, and match it with the extension brand (Kalamas et al., 2006; Sheinin and Schmitt, 1994). This means that the brand extension has to exhibit signals that would trigger the relevant parent brand associations (anchor points) so that the consumer is more likely to categorise and evaluate the brand extension using the positive associations he/she might have of the parent brand (Erdem et al., 2006; Erdem and Swait, 1998). These signals help to reduce the potential for dilution effects, which might result in consumers not accepting the brand extension (Kim et al., 2001; Loken and John, 1993).

Applying this to the present study, a flanker brand is likely to appear as a mimic of the model brand, in this case, the flagship brand of the firm. It is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand, but is positioned against competing mimic brands. For example, the Apple iPhone 5c could be considered a flanker brand to Apple's flagship iPhone. The aesthetics of the iPhone 5c carry an unmistakably iPhone look and feel, but it is positioned at a lower price point to do combat with competing, mimic brands like Xiaomi. In this sense, it is expected that, similar to the findings from brand extension research, a consumer's attitudes toward the flagship brand, would have a positive influence on their attitude toward the flanker brand.

Therefore, the following hypotheses are proposed:

H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

As discussed, consumers' attitudes are known to motivate consumer behaviours (Ajzen, 2001, 2002; Kalamas et al., 2006; Spears and Singh, 2004). Therefore, in the present context, it appears logical to suggest that a consumer who has a positive attitude toward the flanker brand, is more likely to positively evaluate the flanker brand and be motivated to purchase the flanker brand. as a significant and positive influence

on a consumer's desire to purchase the extension. Therefore, the following hypothesis is proposed:

H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand

The concept of cognitive consistency posits that individuals are naturally inclined to establish cognitive and affective consistency in their attitudes, beliefs and behaviours (Palazon and Delgado-Ballester, 2013; Stumpf and Baum, 2016). This concept of cognitive consistency builds on Heider's (1946) balance theory, Osgood and Tannenbaum's (1955) congruity theory, and Festinger's (1957) cognitive dissonance theory; and has links to the categorisation process (Stumpf and Baum, 2016). In the context of branding, the concept of cognitive consistency has links to the notion of perceived fit between brand extensions and the parent brand (e.g. Grime et al., 2009; Kalamas et al., 2006; Lau and Phau, 2007).

Building this premise, the notion of perceived fit in the context of branding is defined as the extent to which consumers accept the new product as "logical and expect[ed] from the [parent] brand" (Kalamas et al., 2006; Tauber, 1988). If a consumer perceives a good fit between a brand and its extension, then they perceive a meaningful association between the brand and the extension, and are more likely to transfer favourable brand perceptions to the extension brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). There are number of bases from which fit may be perceived: (1) Complementarity - the extent to which the extension and the parent product share similar usage, (2) Substitutability - the extent to which one product can replace the other in satisfying the same need, and (3) Transferability - the degree to which manufacturing skill required for the extension overlaps with existing requirements (Aaker and Keller, 1990; Park et al., 1991).

Based on this understanding, it is expected that consumers' attitudes toward the flagship brand will have varying effects on the DFB and LFB, due to the different characteristics of each class of flanker brand.

Since a DFB has a clear link drawn to the flagship brand to leverage any positive associations consumers have of the flagship brand, it is more likely that consumers' attitudes toward the flagship brand will have a positive influence on the perceptual fit

of the flanker brand (DFB) with the flagship brand. Hence the following hypothesis is proposed:

H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand

Conversely, a LFB has a deliberate dissociation between the flanker brand and flagship brand. Therefore, it is expected that consumers' attitudes toward the flagship brand have no significant influence on the perceptual fit between the flanker brand and flagship brand. Therefore, the following hypothesis is proposed:

H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand

With reference to the previous discussion on perceptual fit in branding, it is expected that consumers' perceptual fit of the flanker brand with flagship brand is likely to have a positive influence on their attitudes toward the flanker brand. As explained, in the context of brand extensions, if consumers perceive a meaningful association between the parent brand they are more likely to carry favourable brand perceptions over to the extension brand (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). This is further supported by other branding research, for example, Thompson and Strutton (2012) have found that consumers' perceptions of fit between a parent brand and the co-branded extension have a positive influence on their attitudes toward the co-branded extension.

Therefore, by extension, it is expected that, in the context of flanker brands, a similar result should occur. Similar to H3, because the DFB has clear links drawn to the flagship brand, it is expected that consumers are more likely to perceive a fit between the DFB and the flagship brand, and thus, this should have a clear positive influence on their attitudes toward the DFB. Conversely, because a LFB has a deliberate dissociation between the flanker brand and flagship brand, it is expected that consumers are less likely to perceive a fit between the LFB and the flagship brand, and thus are less likely to be able to transfer associations across to the LFB. Therefore, there should be no significant influence of consumers' perceptual fit of the LFB with the flagship brand on their attitudes toward the LFB.

Therefore, the following two hypotheses are proposed:

H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand; and

H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand

Building on the preceding discussion, hypothesis H2 proposed that attitude toward the flanker brand has a positive influence on the success of the flanker brand. This is due to the fact that attitudes are strong motivator of consumer behaviour (Ajzen, 2001, 2002; Kalamas et al., 2006). Further, the preceding discussion on perceptual fit establishes the notion that consumers who perceive a meaningful association between the flagship brand and the flanker brand are likely to carry over their favourable associations and perceptions onto the flanker brand.

Therefore, for the DFB, again because of the clear links drawn to the flagship brand, it is anticipated that consumers' perceptual fit of the DFB with the flagship brand should have a positive influence on the success of the flanker brand. On the other hand, because a LFB has a deliberate dissociation with the flagship brand, it is less likely that consumers will perceive a fit between the LFB and the flagship brand, thus there should be no significant relationship between the perceptual fit of the LFB with the flagship brand and the success of the LFB. Therefore, the following two hypotheses are proposed:

H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand; and

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand

The Role of Social Identity Functions of Attitude

The functional theory of attitude explains that attitudes can serve several purposes (functions) for individuals (Katz, 1960; Wilcox et al., 2009). Research proposes that attitudes serve some basic functions – Utilitarian, Knowledge, Social Identity, and Self-Esteem Maintenance functions. These functions of attitude can serve as predictors of consumer attitudes and behaviours (Bian and Forsythe, 2012; Fishbein and Ajzen, 1975; Wilcox et al., 2009). Therefore, this research seeks to explore this in the context of luxury flanker brands to ascertain if the different classifications of flanker brands have greater appeal to specific functions of attitude.

The social identity functions of attitude are the focus for this research. It is through these functions of attitude that individuals express core values, establish their identity, and/or gain social approval among their peers (Schade et al., 2016; Shavitt et al., 1992). Prior research has shown that consumers' attitudes toward luxury brands may serve either one of these functions or both (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). In contrast to non-luxury brands, luxury brands are generally high in symbolic value and generally appeal to status driven consumers where price is not the first concern, and the functional value is understood as given (Nueno and Quelch, 1998; Riley et al., 2004). Therefore, it is postulated that the social identity functions of attitude bear greater relevance in the present research.

The social-adjustive function of attitude is adopted by individuals who wish to maintain their relationships or gain social approval with their peers (Shavitt et al., 1992; Wilcox et al., 2009). To this end, a person may hold the same positive attitudes toward objects, issues and people, as the reference group; or may consume brands and products that would gain favour with their peers (Bian and Forsythe, 2012; Debono, 1987; Schade et al., 2016). The value-expressive function of attitude is adopted by individuals who derive satisfaction from expressing their core values and beliefs through their attitudes (Katz, 1960; Wilcox et al., 2009). Therefore, a person may hold certain beliefs and opinions, use certain brands and products, as a means of self-expression (Bian and Forsythe, 2012; Schade et al., 2016).

The prior discussion on flanker brands depicts flanker brands as having two classifications – DFB (where a clear link to the flagship brand is drawn) and LFB (where there is no clear link to the flagship brand). Matching this with research on how consumers may use brands to either express their core values or to gain social approval

(e.g. Schade et al., 2016; Wilcox et al., 2009), it is anticipated that the two classifications of flanker brands can be used to appeal to different segments of consumers, in terms of the social identity function that the consumer tends toward.

In the present research context, the DFB manipulation employs a nested brand naming approach (e.g. Avant by Prada), and thus is likely to give a clear signal to consumers about the provenance of the DFB, and trigger the luxury and status related associations they have of the flagship brand. Prior research has shown that consumers who are more conscious of their social image are generally motivated to consume luxury brands to convey an upscale image and social status (Bian and Forsythe, 2012; Shavitt et al., 1992; Wilcox et al., 2009). Therefore, the DFB, is likely to have a greater appeal to consumers whose attitudes about luxury brand serve a more social-adjustive function.

Thus, the following hypotheses are proposed:

H6a: Consumers' attitude toward a DFB is greater when their attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

H7a: The success of a DFB is greater when consumers' attitude toward luxury brands serve a social-adjustive function more than a value-expressive function

For the LFB, there is no clear link drawn to the flagship brand. Therefore, there are no clear signals of the flagship brand from which the luxury and status related associations may be triggered. Research has shown that consumers whose attitudes toward luxury brands serve a more value-expressive function tend to seek luxury brands that possess attributes and features that reflect their core values and beliefs (Bian and Forsythe, 2012; Wilcox et al., 2009). Therefore, it is expected that consumers who hold positive attitudes toward the LFB, and who may be motivated to purchase it are likely to be buying the LFB as result of their attitude toward the LFB serving a value-expressive function.

Thus, the following hypotheses are proposed:

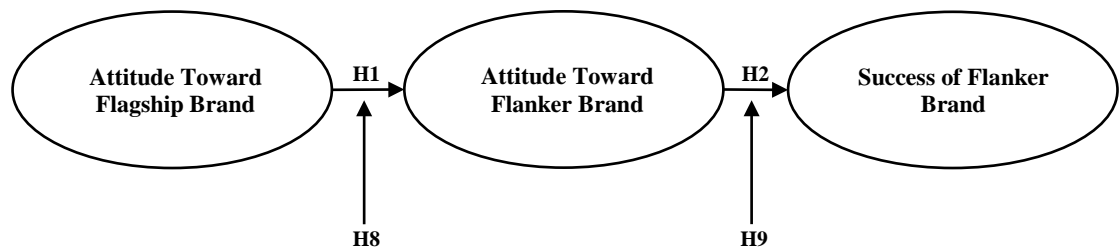
H6b: Consumers' attitude toward a LFB is greater when their attitude toward luxury brands serve a value-expressive function more than a social-adjustive function

H7b: The success of a LFB is greater when consumers' attitude toward luxury brands serve a value-expressive function more than a social-adjustive function

Moderating Effects of Social Identity Functions of Attitude

Continuing with the role that social identity functions of attitude may play on consumer evaluations of the two classifications of flanker brands, it is expected that the social identity functions of attitude carry influence on certain relationships proposed in the research model (Figure 6.1). The relationships examined are illustrated in Figure 6.2 below.

Figure 6.2: Social Identity Functions of Attitude – Relationships Examined in Moderation Analysis



As discussed, the DFB is likely to appeal to consumers whose attitudes toward luxury brands serve a more social-adjustive function. Therefore, it is also expected that, for the DFB, this social-adjustive function of attitude will enhance the relationships between attitude toward the flagship brand and attitude toward the flanker brand; while the value-expressive function of attitude will have no moderating effect.

Therefore, the following hypothesis is proposed:

H8a: For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function

The LFB, however, is likely to appeal to consumers whose attitudes toward luxury brands serve a more value-expressive function. Therefore, it is also expected that for the LFB, this value-expressive function of attitude will enhance the relationships between attitude toward the flagship brand and attitude toward the flanker brand; while the social-adjustive function will have no moderating effect.

Therefore, the following hypothesis is proposed:

H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function

It is expected that the social identity functions of attitude will have a similar moderating effect as those proposed in H8, for the relationship between attitude toward the flanker brand and success of the flanker brand. Therefore, the following hypotheses are proposed:

H9a: For **DFB**, the **social-adjustive function** of attitude **enhances** the relationship between **attitude toward the flanker brand** and **success of the flanker brand**, while **no moderation** should occur with the **value-expressive function**
(Att_FlagshipBrand → SuccessFlankerBrand)

H9b: For **LFB**, the **value-expressive function** of attitude **enhances** the relationship between **attitude toward the flanker brand** and **success of the flanker brand**, while **no moderation** should occur with the **social-adjustive function**
(Att_FlankerBrand → SuccessFlankerBrand)

Research Methodology

Sample & Data Collection

The data for this study was collected in Singapore using Qualtrics, an online survey software with panel data facilities. This method was chosen as it provided a more cost-effective and efficient way to collect the data required for the research. Data collection occurred between February and March 2016. A total of 820 responses were collected, and after screening, 711 responses were deemed usable (DFB – 348, LFB – 363) for use with the study.

Survey Instrument

A self-administered questionnaire was employed as the survey instrument for each of the four studies. This study examines the research objectives and hypotheses in the context of luxury footwear, and uses the brands Bottega Veneta (flagship brand), Touché by Bottega Veneta (fictitious DFB), and Touché (fictitious LFB). The stimulus design and fictitious brand names were determined by adapting the process employed by Phau and Cheong (2009a, 2009b); through a series of focus groups with young adults and industry experts. A sample of the final stimulus employed in this study is presented in Figure 6.3.

Figure 6.3: Sample Stimulus in Survey Instrument – Touché (LFB)



The questionnaire comprised of five sections:

- The first section employs eight questions adapted from Wilcox et al. (2009); and queried respondents about their general attitude toward luxury fashion brands, in terms of the social identity functions.
- The second section asked respondents to view the stimulus relating to the flagship brand product (Bottega Veneta shoe), and answer questions about their attitude toward the flagship brand. The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The third section asked respondents questions about their attitude toward the flanker brand, in relation to the stimulus for the flanker brand product (DFB/LFB). The five items were also adapted from Spears and Singh's (2004) paper.
- The fourth section asked respondents questions about their evaluations of the flanker brand (DFB/LFB), in relation to the flagship brand (Bottega Veneta). The corresponding scale items relate to perceived fit of the flanker brand with flagship brand (four items) and success of the flanker brand (three items) which were adapted from Kalamas et al. (2006).
- The final section related to demographic information of the respondent. All scale measures employed in this study, excluding the demographic section, were measured along a seven-point scale. A sample of the survey instrument employed in the present study is available in Appendix B.

Analyses & Results

First, a descriptive analysis was performed using SPSS 22 on the pooled sample, as well as the individual sample for the DFB and LFB manipulations. Overall, the sample profile for this study was deemed appropriate as majority of the respondents, approximately 76.0% for the DFB sample and 86.2% for the LFB sample, matched the targeted young adult segment – 18-35 years of age (Petry, 2002; Thach and Olsen, 2006). It was observed that gender distribution was skewed towards females for the DFB, with female respondents accounting for 54.6% of the sample. While for the LFB,

the distribution was even with females and males both accounting for 46.5% of the LFB sample.

A breakdown of the sample profile for this study is detailed in Table 6.1.

Table 6.1: Sample Profile

Sample Characteristic	Percentage		
	Pooled Sample (N=711)	DFB (N=348)	LFB (N=363)
Sex			
Male	45.4	45.4	46.5
Female	49.9	54.6	46.5
Age			
18 – 21 years	20.1	14.4	24.5
22 – 34 years	61.3	61.6	61.7
35 – 44 years	10.0	13.6	6.9
45 – 54 years	4.6	5.7	3.6
55 – 70 years	3.8	4.6	3.0
Marital Status			
Single	51.9	47.7	55.9
In a relationship	27.3	27.6	27.0
Married	19.1	23.0	15.4
Divorced	1.1	1.1	1.1
Widow/Widower	.4	.6	.3
Education			
Certificate	16.8	16.4	16.2
Advanced Diploma or Diploma	8.3	8.3	8.3
Bachelor Degree	44.3	46.6	42.1
Graduate Diploma or Graduate Certificate	11.4	10.6	12.1
Postgraduate Degree	8.7	11.5	6.1
Other	4.9	6.3	3.6
Income (Annual)			
\$0-\$25,000	35.5	38.1	36.0
\$25,001-\$50,000	10.7	13.4	8.3
\$50,001-\$75,000	6.9	6.9	6.9
\$75,001-\$100,000	3.2	3.2	3.3
\$100,001-\$125,000	2.4	4.0	.8
\$125,001-\$150,000	.8	.9	.8
\$150,001-\$175,000	1.3	1.7	.8
\$175,001-\$200,000	1.0	.3	1.7
\$200,001 and above	2.1	3.2	1.1
Prefer not to say	28.1	28.4	27.8

Note: Due to some instances of missing demographic data, some statistics will not add up to 100%

Model Specification

The data was analysed using SPSS 22, and AMOS 22 for the Structural Equation Modelling (SEM) portions of the study.

DFB – Model Specification for Touché by Bottega Veneta

DFB – Exploratory Factor Analysis

An Exploratory Factor Analysis (EFA) was conducted on all the constructs employed in the study, to ascertain the dimensionality of the relevant factors. Given that established scales were employed in this study, the Oblimin with Kaiser Normalisation rotation method was used in the EFA (Hair et al., 2010).

While conducting the EFA for the DFB, one item for each “Attitude Towards the Flagship Brand” and “Attitude Towards the Flanker Brand” was removed due to poor factor loading. This was a similar case for “Perceived Fit of Flanker Brand with Flagship Brand” where one item was removed due to poor factor loading.

The results of the EFA for the DFB, Touché by Bottega Veneta, are detailed in Table 6.2.

Table 6.2: EFA Results for DFB – Touché by Bottega Veneta

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Value-Expressive Function of Attitude				
		3.392	84.796	.940
Luxury fashion brands reflect the kind of person I see myself to be	.886			
Luxury fashion brands help me communicate my self-identity	.942			
Luxury fashion brands help me express myself	.920			
Luxury fashion brands help me define myself	.935			
KMO MSA: .856, Bartlett's Test of Sphericity: .000				
Social-Adjustive Function of Attitude				
		2.826	70.656	.860
Luxury fashion brands are a symbol of social status	.786			
Luxury fashion brands help me fit into important social situations	.856			
I like to be seen wearing luxury fashion brands	.871			
I enjoy it when people know I am wearing a luxury brand	.847			
KMO MSA: .750, Bartlett's Test of Sphericity: .000				
Attitude Toward Flagship Brand				
		3.328	83.191	.931
This Bottega Veneta shoe is unappealing/appealing	.882			
This Bottega Veneta shoe is unpleasant/pleasant	.910			
This Bottega Veneta shoe is unfavourable/favourable	.927			
This Bottega Veneta shoe is unlikeable/likeable	.929			
This Bottega Veneta shoe is good/bad	Removed			
KMO MSA: .830, Bartlett's Test of Sphericity: .000				
Attitude Toward Flanker Brand (DFB)				
		3.529	88.235	.954
This Touché by Bottega Veneta shoe is unappealing/appealing				
This Touché by Bottega Veneta shoe is unpleasant/pleasant				
This Touché by Bottega Veneta shoe is unfavourable/favourable				
This Touché by Bottega Veneta shoe is unlikeable/likeable				
This Bottega Veneta shoe is good/bad	Removed			
KMO: .868, Bartlett's Test of Sphericity: .000				
Perceived Fit of Flanker Brand with Flagship Brand				
		1.961	65.358	.733
Bottega Veneta is considering introducing this brand (Touché by Bottega Veneta) into the market. Please indicate how well this new brand relates to Bottega Veneta's existing product line	.790			
Do you see Touché by Bottega Veneta as a good substitute for Bottega Veneta?	.811			
Do you see Touché by Bottega Veneta as a good complement to Bottega Veneta?	.824			
Using their current technology, how easy/difficult would it be for Bottega Veneta to manufacture the Touché by Bottega Veneta shoe?	Removed			
KMO MSA: .683, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand				
		1.874	62.453	.694
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Touché by Bottega Veneta shoe were made, how would you rate its quality?	.757			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché by Bottega Veneta shoe	.819			
Factor 3: Success Attribute (Brand Name) (Single Item Measure)				
Touché by Bottega Veneta would be a good brand name for this shoe	.794			
KMO MSA: .665, Bartlett's Test of Sphericity: .000				

DFB – Confirmatory Factor Analysis

Following the initial EFA, a Confirmatory Factor Analysis (CFA) was conducted for each of the constructs employed in the structural model to ensure that the factors extracted from the EFA are valid indicators of the underlying constructs. The results of the CFA for the DFB – Touché by Bottega Veneta are detailed in Table 6.3.

Table 6.3: DFB Parameter Estimates and Goodness-of-Fit Indices for CFA

Construct/Items	Parameter Estimate	χ^2	df	Normed χ^2	RMSEA	P-Close	GFI	AGFI	CFI	TLI	NFI
Attitude Toward the Flagship Brand		2.565	1	2.565	.067	.257	.996	.963	.999	.998	.998
This Bottega Veneta shoe is unappealing/appealing	.783										
This Bottega Veneta shoe is unpleasant/pleasant	.832										
This Bottega Veneta shoe is unfavourable/favourable	.933										
This Bottega Veneta shoe is unlikeable/likeable	.933										
Attitude Toward the Flanker Brand (DFB)		7.542	2	3.771	.089	.123	.989	.944	.996	.995	.995
This Touché by Bottega Veneta shoe is unappealing/appealing	.877										
This Touché by Bottega Veneta shoe is unpleasant/pleasant	.882										
This Touché by Bottega Veneta shoe is unfavourable/favourable	.866										
This Touché by Bottega Veneta shoe is unlikeable/likeable	.750										
Perceived Fit of Flanker Brand with Flagship Brand (DFB)		1.431	1	1.431	.035	.412	.997	.984	.998	.994	.994
Bottega Veneta is considering introducing this brand (Touché by Bottega Veneta) into the market. Please indicate how well this new brand relates to Bottega Veneta's existing product line	.621										
Do you see Touché by Bottega Veneta as a good substitute for Bottega Veneta?	.735										
Do you see Touché by Bottega Veneta as a good complement to Bottega Veneta?	.722										
Success of Flanker Brand (DFB)		1.189	1	1.189	.023	.458	.998	.986	.999	.994	.994
Factor 1: Perceived Quality											
Assuming this Touché by Bottega Veneta shoe were made, how would you rate its quality?	.585										
Factor 2: Purchase Intention											
Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché by Bottega Veneta shoe	.696										
Factor 3: Success Attribute (Brand Name)											
Touché by Bottega Veneta would be a good brand name for this shoe	.702										

Note: Parameter Estimate – Standardised Estimates

As seen in Table 6.3, a review of the goodness-of-fit indices for Attitude Toward the Flagship Brand construct indicated a good fit. This is a similar case for the Attitude Toward the Flanker Brand where the goodness-of-fit indices indicate an acceptable level of fit. While the Normed χ^2 and RMSEA did not quite confirm to the acceptable level of fit, the other fit indices indicated a good model fit. This is further supported by a cross reference to the Standardised RMR value (.0079), which is another indicator of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made.

For the Perceived fit of Flanker Brand with Flagship Brand (DFB) and Success of Flanker Brand (DFB) construct, the goodness-of-fit indices indicated a good model fit, therefore no further refinements were made.

DFB – Reliability & Validity

Following the CFA assessment, the four constructs to be applied in the full structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBrand) were assessed for their composite reliability (CR) as well as their convergent and discriminant validity. The CR and average variance extracted (AVE) for the constructs were calculated using structural equation modelling with AMOS 22. The recommended threshold for CR is above .60 (Bagozzi and Yi, 1988; Tseng et al., 2006), or .70 as recommended by Hair et al. (2010). Of the four examined constructs, all CR exceeded the .60 criteria, ranging from .692 to .956, thus confirming the reliability of the constructs.

Convergent validity of the constructs was determined in two ways: First, the parameter estimates from the one-factor congeneric models used in the CFA were examined for their statistical significance, direction, and magnitude (Bian and Forsythe, 2012; Garver and Mentzer, 1999). This was followed by an examination of the AVE scores for each of the four constructs. (Fornell and Larcker, 1981). For the parameter estimates, it is recommended that the parameter estimates are significant, positive in direction, and have a magnitude of greater than .60 (Bian and Forsythe, 2012; Garver and Mentzer, 1999). For the AVE scores, it is recommended that the AVE scores are equal or greater than .50 (Fornell and Larcker, 1981; Hair et al., 2010).

Examining the one-factor congeneric models of the four constructs to be used in the full structural model, the parameter estimates were all found to be statistically

significant ($p \leq .001$), in the positive direction, and with most of the magnitudes loading between .621 to .933, meeting the $>.60$ criteria recommended by Steenkamp and van Trijp (1991). The only estimate that did not meet this criterion were from the SuccessFlankerBrand construct – Perceived Quality (.585). Despite the slightly lower parameter estimate scores, this item still met the other two criteria stated. Further, an examination of the standard error (SE) of the parameter estimate revealed that the parameter estimate was greater than twice the standard errors of the item. Perceived Quality ($SE = .072$); which provides partial support for convergent validity (Anderson and Gerbing, 1988). The parameter estimates and goodness-of-fit indices for LFB are summarised in Table 6.3 above.

Examining the constructs, two of the AVE scores met the criteria with scores of .775 (Attitude Toward the Flagship Brand), and .845 (Attitude Toward the Flanker Brand); adhering to the recommended criteria for AVE (Fornell and Larcker, 1981; Hair et al., 2010). The Perceived Fit of the Flanker Brand with Flagship Brand and SuccessFlankerBrand constructs produced an AVE score of .479 and .430 respectively. Despite this, convergent validity was still suggested given the reasonably good overall model fit of the one-factor congeneric model of this construct (see Table 6.3 above) (Holmes-Smith and Coote, 2002; Steenkamp and van Trijp, 1991). The details of the AVE scores are listed in Table 6.4 below.

To establish discriminant validity, three tests were conducted: First, an examination of the AVE scores to ascertain if they exceed the squared correlations between any two constructs in the structural model (Fornell and Larcker, 1981); second, a review of the correlations between constructs in the model, where it is recommended that the correlations be less than .80 (Bagozzi and Heatherton, 1994); and finally, an examination of the confidence intervals of the correlations between constructs was conducted to ascertain if the confidence intervals were less than one (Bagozzi and Heatherton, 1994).

With the first test, the AVE scores ranged from .430 to .845, while the squared correlations ranged from .026 to .406; fulfilling the criteria that the AVE scores should exceed the squared correlations between any two constructs.

For the second test, it was observed that the correlations between the constructs ranged from .161 to .637, which were below the recommended .80 limit (Bagozzi and

Heatherton, 1994; Holmes-Smith and Coote, 2002), which suggests discriminant validity of the constructs.

Finally, the correlations between all four constructs were examined based on confidence intervals. At the 99% confidence interval, the highest correlation (PerceivedFit_FlankerBrand – SuccessFlankerBrand) ranged from .548 to .712. Given that the upper limit was .712 and below the recommended limit of 1 (Bagozzi and Heatherton, 1994), discriminant validity of the constructs was ascertained.

Circling back to the lower AVE score of Perceived Fit of Flagship Brand with Flanker Brand and SuccessFlankerBrand, this was deemed acceptable given that the criteria for the second and third tests were within the recommended criteria. Details on the AVE scores and squared correlations used to determine discriminant validity can be seen in Table 6.4.

Table 6.4: Constructs in the DFB Structural Model – Composite reliabilities, average variance extracted scores, and correlations

Construct	Items	M	SD	CR	AVE	Att_FlagshipBrand	Att_FlankerBrand	PerceivedFit_FlankerBrand	SuccessFlankerBrand
Attitude Toward Flagship Brand (Att_FlagshipBrand)	4	4.528	1.281	.928	.763	1			
Attitude Toward Flanker Brand (Att_FlankerBrand)	4	4.300	1.367	.956	.845	.531* (.282)	1		
Perceived Fit of Flanker Brand with Flagship Brand (PerceivedFit_FlankerBrand)	3	4.411	1.027	.734	.479	.161* (.026)	.419* (.176)	1	
Success of Flanker Brand (SuccessFlankerBrand)	3	4.277	1.034	.692	.430	.362* (.131)	.595* (.354)	.637* (.406)	1

Note: M=Mean, SD=Standard deviation, CR=Construct reliability, AVE = Average variance extracted, Squared correlations in parentheses

* $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

Full Measurement Model (DFB)

Prior to hypotheses testing with the structural model, a full measurement model was tested using the four constructs to be used in the structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand). This was done to ensure that there was no significant issues with model fit, and to ascertain if there were any further improvements to be made to the model (Holmes-Smith and Coote, 2002). The results of the measurement model indicated good model fit: $\chi^2=145.559$, $df=70$, Normed $\chi^2=2.079$, $p\leq.001$, GFI=.944, AGFI=.915, CFI=.979, TLI=.961, NFI=.961, RMSEA=.056, P-Close=.218, therefore, the model was deemed suitable for testing of the hypotheses with AMOS 22.

LFB – Model Specification for Touché

LFB – Exploratory Factor Analysis

Similar to the DFB analyses, an EFA was conducted on all the constructs to ascertain the dimensionality of the relevant factors. Given that established scales were employed in this study, the Oblimin with Kaiser Normalisation rotation method was used in the EFA (Hair et al., 2010).

While conducting the EFA for the LFB, one item for each “Attitude Towards the Flagship Brand” and “Attitude Towards the Flanker Brand” was removed due to poor factor loading. This was a similar case for “Perceived Fit of Flanker Brand with Flagship Brand” where one item was removed due to poor factor loading.

The results for the EFA for the LFB – Touché, are detailed in Table 6.5.

Table 6.5: EFA Results for LFB – Touché

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Value-Expressive Function of Attitude				
		3.232	80.811	.920
Luxury fashion brands reflect the kind of person I see myself to be	.847			
Luxury fashion brands help me communicate my self-identity	.913			
Luxury fashion brands help me express myself	.922			
Luxury fashion brands help me define myself	.912			
KMO MSA: .842, Bartlett's Test of Sphericity: .000				
Social-Adjustive Function of Attitude				
		2.695	67.374	.836
Luxury fashion brands are a symbol of social status	.721			
Luxury fashion brands help me fit into important social situations	.786.807			
I like to be seen wearing luxury fashion brands	.895.889			
I enjoy it when people know I am wearing a luxury brand	.874.856			
KMO MSA: .760, Bartlett's Test of Sphericity: .000				
Attitude Toward Flagship Brand				
		3.174	79.356	.912
This Bottega Veneta shoe is unappealing/appealing	.843			
This Bottega Veneta shoe is unpleasant/pleasant	.863			
This Bottega Veneta shoe is unfavourable/favourable	.927			
This Bottega Veneta shoe is unlikeable/likeable	.927			
This Bottega Veneta shoe is good/bad	Removed			
KMO MSA: .821, Bartlett's Test of Sphericity: .000				
Attitude Toward Flanker Brand (LFB)				
		3.313	82.825	.930
This Touché shoe is unappealing/appealing	.879			
This Touché shoe is unpleasant/pleasant	.908			
This Touché shoe is unfavourable/favourable	.929			
This Touché shoe is unlikeable/likeable	.924			
This Bottega Veneta shoe is good/bad	Removed			
KMO: .836, Bartlett's Test of Sphericity: .000				
Perceived Fit of Flanker Brand with Flagship Brand (LFB)				
		1.959	65.292	.733
Bottega Veneta is considering introducing this brand (Touché) into the market. Please indicate how well this new brand relates to Bottega Veneta's existing product line	.802			
Do you see Touché as a good substitute for Bottega Veneta?	.798			
Do you see Touché as a good complement to Bottega Veneta?	.824			
Using their current technology, how easy/difficult would it be for Bottega Veneta to manufacture the Touché shoe?	Removed			
KMO MSA: .684, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand – 3 Factors (LFB)				
		1.825	60.847	.661
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Touché shoe were made, how would you rate its quality?	.767			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché shoe	.826			
Factor 3: Success Attribute (Brand Name) (Single Item Measure)				
Touché would be a good brand name for this shoe	.746			
KMO MSA: .647, Bartlett's Test of Sphericity: .000				

LFB – Confirmatory Factor Analysis

Following the initial EFA, a congeneric Confirmatory Factor Analysis (CFA) was conducted for each of the constructs employed in the structural model to ensure that the factors extracted from the EFA are valid indicators of the underlying constructs.

The results of the CFA for LFB are summarised in Table 6.6.

Table 6.6: LFB – Goodness-of-Fit-Indices for CFA

Construct/Items	Parameter Estimate	χ^2	<i>df</i>	Normed χ^2	RMSEA	P-Close	GFI	AGFI	CFI	TLI	NFI
Attitude Toward Flagship Brand		4.277	1	4.277	.095	.133	.994	.942	.997	.996	.996
This Bottega Veneta shoe is unappealing/appealing	.742										
This Bottega Veneta shoe is unpleasant/pleasant	.775										
This Bottega Veneta shoe is unfavourable/favourable	.934										
This Bottega Veneta shoe is unlikeable/likeable	.932										
Attitude Toward Flanker Brand (LFB)		2.649	1	2.649	.067	.254	.996	.964	.999	.998	.998
This Touché shoe is unappealing/appealing	.784										
This Touché shoe is unpleasant/pleasant	.837										
This Touché shoe is unfavourable/favourable	.935										
This Touché shoe is unlikeable/likeable	.920										
Perceived Fit of Flanker Brand with Flagship Brand (LFB)		1.272	1	1.272	.027	.449	.998	.986	.999	.994	.994
Bottega Veneta is considering introducing this brand (Touché) into the market. Please indicate how well this new brand relates to Bottega Veneta's existing product line	.677										
Do you see Touché as a good substitute for Bottega Veneta?	.697										
Do you see Touché as a good complement to Bottega Veneta?	.702										
Success of Flanker Brand (LFB)		.075	1	.075	.001	.861	.999	.997	.999	.999	.999
Factor 1: Perceived Quality											
Assuming this Touché shoe were made, how would you rate its quality?	.587										
Factor 2: Purchase Intention											
Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché shoe	.794										
Factor 3: Success Attribute (Brand Name)											
Touché would be a good brand name for this shoe	.554										

Note: Parameter Estimate – Standardised Estimates

As seen in Table 6.6, a review of the goodness-of-fit indices for the Attitude Toward the Flagship Brand construct indicated a reasonably acceptable fit. While the Normed χ^2 and RMSEA did not quite conform to the acceptable level of fit, the other fit indices, such as, GFI, AGFI, CFI, TLI and NFI indicated a good model fit. This is further supported by a cross-reference to the Standardised RMR value (.0075), which is another indicate of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made.

For the Attitude Toward the Flanker Brand Construct, and Perceived Fit of Flanker Brand with Flagship Brand (LFB) constructs, the goodness-of-fit indices indicated a good model fit. Therefore, no further refinements were made.

For the Success of Flanker Brand construct, the Normed χ^2 did not conform to the acceptable level of fit, however the other fit indices indicated a good model fit. This is further supported by a cross-reference to the Standardised RMR value (.0037), which is another indicate of good model fit (Byrne, 2001; Kline, 2005). Therefore, no further refinements were made to the model.

LFB – Reliability & Validity

Following the results of the CFA, the four constructs to be applied in the full structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand) were assessed for their composite reliability as well as their convergent and discriminant validity. The composite reliabilities (CR) and average variance extracted (AVE) for the constructs were calculated using structural equation modelling with AMOS 22. The recommended threshold for CR is above .60 (Bagozzi and Yi, 1988; Tseng et al., 2006), .70 as recommended by Hair et al. (2010). Of the four examined constructs, all CR exceeded the .60 criteria, ranging from .669 to .928, thus confirming the reliability of the constructs.

Convergent validity of the constructs was determined in two ways: First, the parameter estimates from the one-factor congeneric models used in the CFA were examined for their statistical significance, direction, and magnitude (Bian and Forsythe, 2012; Garver and Mentzer, 1999). This was followed by an examination of the AVE scores for each of the four constructs. (Fornell and Larcker, 1981). For the parameter estimates, it is recommended that the parameter estimates are significant, positive in direction, and have a magnitude of greater than .60 (Bian and Forsythe, 2012; Garver

and Mentzer, 1999). For the AVE scores, it is recommended that the AVE scores are equal or greater than .50 (Fornell and Larcker, 1981; Hair et al., 2010).

Examining the one-factor congeneric models of the four constructs to be used in the full structural model, the parameter estimates were all found to be statistically significant ($p \leq .001$), in the positive direction, and with most of the magnitudes loading between .677 to .935, meeting the $>.60$ criteria recommended by Steenkamp and van Trijp (1991). The two estimates that did not meet this criterion were from the SuccessFlankerBrand construct – Perceived Quality (.587), and Success Attribute (Brand Name) (.554). Despite the slightly lower parameter estimate scores, this item still met the other two criteria stated. Further, an examination of the standard error (SE) of the parameter estimate revealed that the parameter estimate was greater than twice the standard errors of the item – Perceived Quality (SE=.071), and Success Attribute (Brand Name) (SE=.091); which provides partial support for convergent validity (Anderson and Gerbing, 1988). The parameter estimates and goodness-of-fit indices for LFB are summarised in Table 6.6 above.

Examining the constructs, two of the AVE scores met the criteria with scores of .724 (Attitude Toward the Flagship Brand), and .762 (Attitude Toward the Flanker Brand); adhering to the recommended criteria for AVE (Fornell and Larcker, 1981; Hair et al., 2010). The Perceived Fit of the Flanker Brand with Flagship Brand and SuccessFlankerBrand constructs produced an AVE score of .479 and .410 respectively. Despite this, convergent validity was still suggested given the reasonably good overall model fit of the one-factor congeneric models of these construct (see Table 6.6 above) (Holmes-Smith and Coote, 2002; Steenkamp and van Trijp, 1991). The details of the AVE scores are listed in Table 6.7 below.

To establish discriminant validity, three tests were conducted: First, an examination of the AVE scores to ascertain if they exceed the squared correlations between any two constructs in the structural model (Fornell and Larcker, 1981); second, a review of the correlations between constructs in the model, where it is recommended that the correlations be less than .80 (Bagozzi and Heatherton, 1994); and finally, an examination of the confidence intervals of the correlations between constructs was conducted to ascertain if the confidence intervals were less than one (Bagozzi and Heatherton, 1994).

With the first test, the AVE scores ranged from .410 to .762, while the squared correlations ranged from .056 to .391; fulfilling the criteria that the AVE scores should exceed the squared correlations between any two constructs.

For the second test, it was observed that the correlations between the constructs ranged from .229 to .625, which were below the recommended .80 limit (Bagozzi and Heatherton, 1994; Holmes-Smith and Coote, 2002), which suggests discriminant validity of the constructs.

Finally, the correlations between all four constructs were examined based on confidence intervals. At the 99% confidence interval, the highest correlation (PerceivedFit_FlankerBrand – SuccessFlankerBrand) ranged from .536 to .700. Given that the upper limit was .700 and below the recommended limit of 1 (Bagozzi and Heatherton, 1994), discriminant validity of the constructs was ascertained.

Circling back to the lower AVE score of Perceived Fit of Flagship Brand with Flanker Brand and SuccessFlankerBrand, this was deemed acceptable given that the criteria for the second and third tests were within the recommended criteria. Details on the AVE scores and squared correlations used to determine discriminant validity can be seen in Table 6.7.

Table 6.7: Constructs in the LFB Structural Model – Composite reliabilities, average variance extracted scores, and correlations

Construct	Items	M	SD	CR	AVE	Att_FlagshipBrand	Att_FlankerBrand	PerceivedFit_FlankerBrand	SuccessFlankerBrand
Attitude Toward Flagship Brand (Att_FlagshipBrand)	4	4.305	1.254	.912	.724	1			
Attitude Toward Flanker Brand (Att_FlankerBrand)	4	4.080	1.287	.928	.762	.541* (.293)	1		
Perceived Fit of Flanker Brand with Flagship Brand (PerceivedFit_FlankerBrand)	3	4.409	.960	.734	.479	.236* (.056)	.493* (.243)	1	
Success of Flanker Brand (SuccessFlankerBrand)	3	4.113	1.048	.669	.410	.229* (.052)	.468* (.219)	.625* (.391)	1

Note: M=Mean, SD=Standard deviation, CR=Construct reliability, AVE = Average variance extracted, Squared correlations in parentheses

* $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

Full Measurement Model (LFB)

Prior to hypotheses testing with the structural model, a full measurement model was tested using the four constructs to be used in the structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_BlankerBrand, and SuccessFlankerBand). This was done to ensure that there was no significant issues with model fit, and to ascertain if there were any further improvements to be made to the model (Holmes-Smith and Coote, 2002). The results of the measurement model indicated good model fit: $\chi^2=159.337$, $df=69$, Normed $\chi^2=2.309$, $p \leq .001$, GFI=.942, AGFI=.912, CFI=.972, TLI=.952, NFI=.952, RMSEA=.060, P-Close=.084, therefore, the model was deemed suitable for testing of the hypotheses with AMOS 22.

Full Measurement Model (DFB & LFB)

Prior to hypotheses testing with the structural model, a full measurement model was tested using the four constructs to be used in the structural model (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand) across both DFB and LFB. This was done to ensure that there was no significant issues with model fit, and to ascertain if there were any further improvements to be made to the model (Holmes-Smith and Coote, 2002). The results of the measurement model indicated good model fit, as indicated in Table 6.8, and suggests that the models are ready for hypothesis testing.

Table 6.8: Full Measurement Model Fit Indices

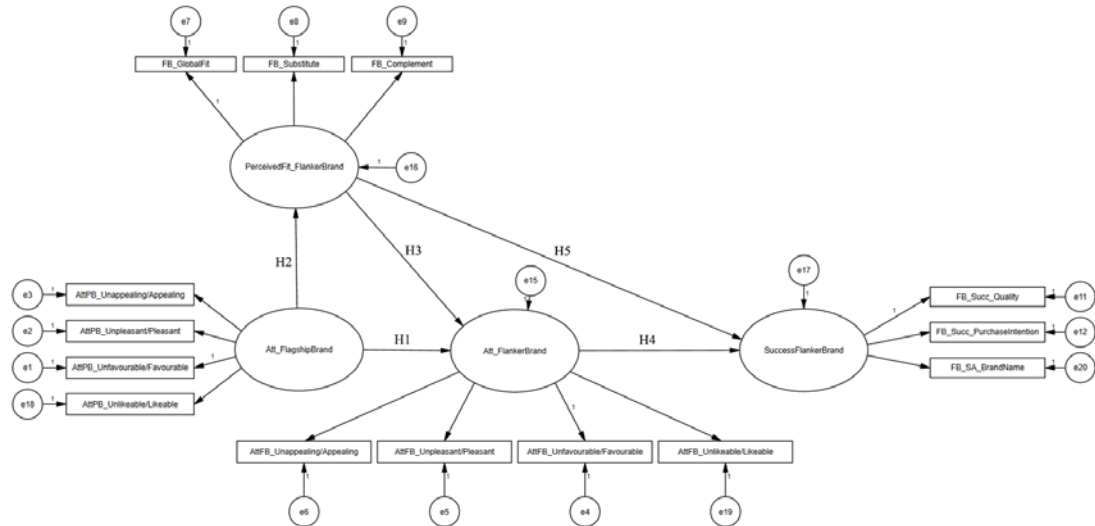
Measurement Model	χ^2	df	Normed χ^2	RMSEA	P-Close	GFI	AGFI	CFI	TLI	NFI
Distinct Flanker Brand (DFB)	145.559	70	2.079	.056	.218	.944	.915	.979	.961	.961
Latent Flanker Brand (LFB)	159.337	69	2.309	.060	.084	.942	.912	.972	.952	.952

Once a good model fit was established with the measurement models, the constructs were then tested in a full structural model. Figure 6.4 illustrates the structural model used in hypothesis testing for this study.

Hypothesis Testing

The structural model to be used for hypothesis testing is presented in Figure 6.4.

Figure 6.4: Structural Model Used in Hypothesis Testing

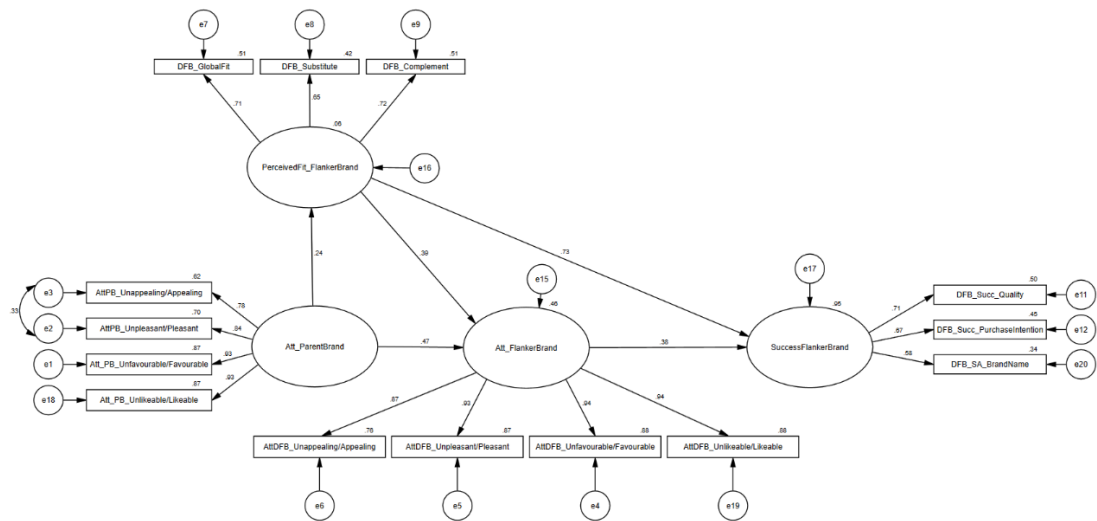


Hypothesis Testing – H1 to H5

Hypotheses H1 to H5 are aimed at evaluating consumer perceptions and attitudes towards flanker brands, specifically in the context of luxury fashion brands. Further, it is expected that through this hypothesis testing, the proposed research framework can be validated.

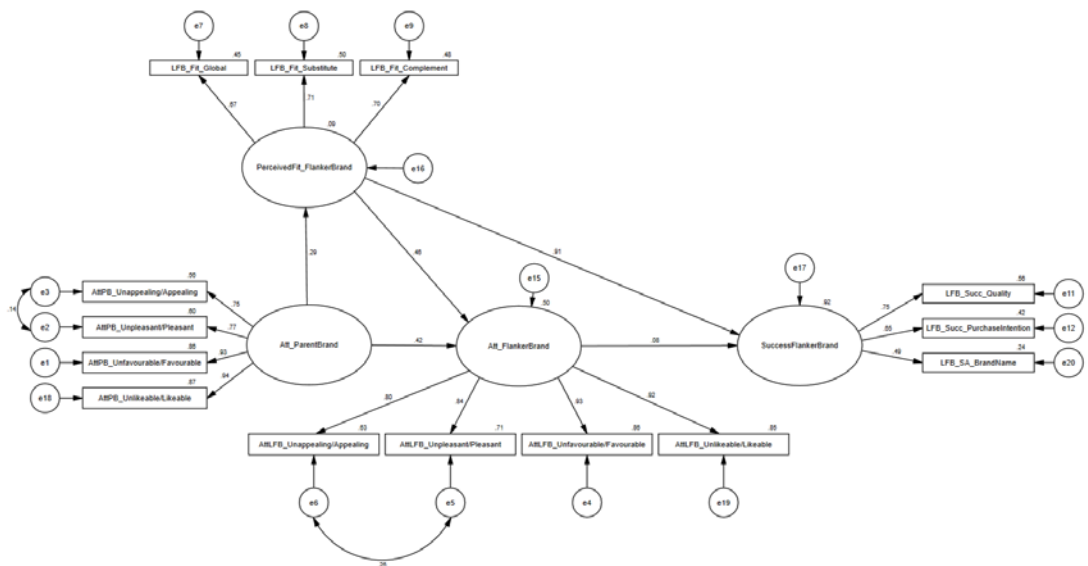
To test hypotheses H1 to H5, a structural model was analysed in AMOS 22, using the constructs discussed (Att_FlagshipBrand, Att_FlankerBrand, PerceivedFit_FlankerBrand, and SuccessFlankerBand). The model fit indices for the DFB structural model are presented in Figure 6.5; with the model fit indices for the LFB structural model presented in Figure 6.6.

Figure 6.5: Structural Model Results – Touché by Bottega Veneta (DFB)



Model fit: $\chi^2=152.659$, $df=71$, Normed $\chi^2=2.150$, $p \leq .001$, GFI=.941, AGFI=.912, CFI=.978, TLI=.959, NFI=.959, RMSEA=.058, P-Close=.154

Figure 6.6: Structural Model Results – Touché (LFB)



Model fit: $\chi^2=159.598$, $df=70$, Normed $\chi^2=2.280$, $p \leq .001$, GFI=.942, AGFI=.913, CFI=.972, TLI=.952, NFI=.952, RMSEA=.059, P-Close=.097

Having established an acceptable goodness-of-fit for both structural models, the hypothesised relationships for the DFB and LFB were examined. The results of the hypotheses testing for the DFB and LFB are summarised in Table 6.9.

Table 6.9: H1-H5 – Standardised Path Coefficients

Hypotheses	Distinct Flanker Brand (DFB) (N= 348)	
H1a: Att_FlagshipBrand → Att_FlankerBrand	.466***	Supported
H2: Att_FlankerBrand → SuccessFlankerBrand	.383***	Supported
H3a: Att_FlagshipBrand → PerceivedFit_FlankerBrand	.240***	Supported
H4a: PerceivedFit_FlankerBrand → Att_FlankerBrand	.388***	Supported
H5a: PerceivedFit_FlankerBrand → SuccessFlankerBrand	.727***	Supported
Hypotheses	Latent Flanker Brand (LFB) (N= 363)	
H1b: Att_FlagshipBrand → Att_FlankerBrand (not significant)	.423***	Not Supported
H2: Att_FlankerBrand → SuccessFlankerBrand	.084	Not Supported
H3b: Att_FlagshipBrand → PerceivedFit_FlankerBrand (not significant)	.294***	Not Supported
H4b: PerceivedFit_FlankerBrand → Att_FlankerBrand (not significant)	.456***	Not Supported
H5b: PerceivedFit_FlankerBrand → SuccessFlankerBrand (not significant)	.906***	Not Supported

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

Based on the results of the structural model, attitude toward the flagship brand has a positive and significant influence on attitude toward the DFB ($\beta = .466$, $p \leq .001$), therefore supporting *H1a*. Contrary to the hypothesised relationship however, with *H1b*, attitude toward the flagship brand also has a positive and significant influence on attitude toward the LFB ($\beta = .423$, $p \leq .001$).

H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand

The analysis results showed that attitude toward the flanker brand has a positive and significant influence success of the flanker brand for the DFB ($\beta=.383$, $p\leq.001$). Interestingly, the analysis results showed that for the LFB ($\beta=.084$), the relationship is not significant. Therefore, *H2* is partially supported.

H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand

The analysis results showed that attitude toward the flagship brand has a positive and significant influence on perceptual fit of the DFB with the flagship brand ($\beta=.240$, $p\leq.001$), therefore supporting *H2a*. Contrary to the hypothesised relationship however, with *H2b*, attitude toward the flagship brand also has a positive and significant influence on perceptual fit of the LFB with flagship brand ($\beta=.294$, $p\leq.001$).

H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand

H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand

The analysis results showed that perceptual fit of the DFB with the flagship brand has a positive and significant influence on attitude toward the flanker brand ($\beta=.388$, $p\leq.001$), therefore supporting *H4a*. Contrary to the hypothesised relationship however, with *H4b*, perceptual fit of the LFB with flagship brand also has a positive and significant influence on attitude toward the flanker brand ($\beta=.456$, $p\leq.001$). Therefore, *H4b* is not supported.

H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand

The analysis results showed that perceptual fit of the DFB with the flagship brand has a positive and significant influence on success of the flanker brand ($\beta=.727, p\leq.001$), therefore supporting *H5a*. Contrary to the hypothesised relationship however, with *H5b*, perceptual fit of the LFB with flagship brand also has a positive and significant influence on success of the flanker brand ($\beta=.906, p\leq.001$). Therefore, *H5b* is not supported.

The Role of Social Identity Functions of Attitude

Luxury brands are generally high in symbolic value and generally appeal to status driven consumers where price is not the first concern, and the functional value is understood as given (Wilcox et al., 2009). The social identity functions of attitude help explain how consumers may express their core values, establish their identity, and/or gain social approval among their peers through the consumption of luxury products (e.g. Schade et al., 2016; Wilcox et al., 2009). Prior research has shown that consumers' attitudes toward luxury brands may serve either one of these functions or both (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). Therefore, it is postulated that the social identity functions of attitude bear greater relevance in the present research.

All variables employed in the testing were mean-centred to reduce potential issues with multi-collinearity (Wilcox et al., 2009).

To test the role of Social Identity Functions of Attitude, the following hypotheses were assessed:

H6a: *Consumers' attitude toward a Distinct Flanker Brand is greater when their attitude towards luxury brands serve a social-adjustive function more than a value-expressive function*

H6b: *Consumers' attitude toward a Latent Flanker brand is greater when their attitude towards luxury brands serve a value-expressive function more than a social-adjustive function*

Table 6.10: H6a & H6b – Multiple Regression Analysis

Construct	B [95% CI]	S.E.	t- value	β	sr^2	Adj. R ²	F
Distinct Flanker Brand (DFB)							
Value-Expressive → Att_FlankerBrand	.060 [-.064, .183]	.063	.953	.073	.003	.006	2.017
Social-Adjustive → Att_FlankerBrand	.039 [-.099, .178]	.070	.560	.043	.001		
Latent Flanker Brand (LFB)							
Value-Expressive → Att_FlankerBrand	.060 [-.060, .180]	.061	.989	.074	.003	.000	1.013
Social-Adjustive → Att_FlankerBrand	.001 [-.132, .134]	.068	.021	.002	.000		

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 6.10, the results of the hypothesis testing reveal that for both the DFB and LFB, neither the value-expressive nor social-adjustive functions of attitude had

any influence on consumer attitudes toward the DFB and LFB. Therefore, H6a and H6b are both not supported.

H7a: The Success of a Distinct Flanker Brand is greater when consumers' attitude towards luxury brands serve a social-adjustive function more than a value-expressive function

H7b: The Success of a Latent Flanker brand is greater when consumers' attitude towards luxury brands serve a value-expressive function more than a social-adjustive function

Table 6.11: H7a & H7b – Multiple Regression Analysis

Construct	B [95% CI]	S.E.	t- value	β	sr^2	Adj. R ²	F
Distinct Flanker Brand (DFB)							
Value-Expressive → SuccessFlankerBrand	.144 [.053, .236]	.046	3.109	.232**	.027	.049	10.011**
Social-Adjustive → SuccessFlankerBrand	.002 [-.101, .105]	.052	.039	.003	.000		
Latent Flanker Brand (LFB)							
Value-Expressive → SuccessFlankerBrand	.153 [.058, .248]	.048	3.175	.231**	.027	.049	10.238***
Social-Adjustive → SuccessFlankerBrand	.001 [-.104, .107]	.054	.022	.002	.000		

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 6.11, the results of the hypothesis testing reveal that the DFB is likely to be more successful when consumers' attitudes toward luxury brands serve a value-expressive function, than consumers whose attitudes serve a social-adjustive function. This is in direct contrast to the proposed hypothesis, therefore H7a is not supported. Conversely, the LFB is likely to be more successful when consumers' attitudes toward luxury brands serve a value-expressive function, than consumers whose attitudes serve a social-adjustive function. Therefore, H7b is supported.

Moderation Analyses – Social Identity Functions of Attitude

Having established these relationships, the role of social identity functions of attitude is further explored in specific relationships within the aforementioned structural model. The relationships relevant to the moderation analyses are illustrated in Figure 6.2 above.

The moderation analyses were conducted using the PROCESS SPSS macro developed by Hayes (2012), and applied the approach proposed by Anderson (1986) and Baron and Kenny (1986):

1. Regress the dependent variable (Y) on the independent variable (X), to ensure that the relationship is significant.
2. Regress the dependent variable (Y) on the independent variable (X), and moderator variable (Z) to obtain the R^2 – Model 1.
3. Centering of the independent variable (X) and the moderator variable (Z) by subtracting the mean score from all the values so that the mean score is zero.
4. Multiplying of the centred independent variable (X) and the centered moderator variable (Z) to create an interaction term (I).
5. Regress the dependent variable (Y) on the independent variable (X), the moderator variable (Z), and the interaction term (I), to obtain the R^2 – Model 2.
6. Compare the change in R^2 ($R^2 \Delta$) between models 1 and 2 to ascertain if there is a significant moderation effect.
 - a. If the $R^2 \Delta$ is not significant, then the moderator variable (Z) does not moderate the relationship.
 - b. If the $R^2 \Delta$ is significant, then the moderator variable (Z) moderates the relationship.
7. If the $R^2 \Delta$ is significant, conduct a simple slopes analysis to ascertain the effect of the moderator (Z) on the relationship between independent variable (X) and dependent variable (Y).

H8a: For DFB, consumers' whose attitudes serve a social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → Att_FlankerBrand)

Table 6.12: DFB Social Identity Functions on Att_FlagshipBrand → Att_FlankerBrand

Independent Variables	R ²	F	df	R ² Δ	FΔ	df
Moderator: Value-Expressive Function						
Att_FlagshipBrand + Value-Expressive Function + Interaction Term	.283	26.864***	3,344	.001	.317	1,344
Moderator: Social-Adjustive Function						
Att_FlagshipBrand + Social-Adjustive Function + Interaction Term	.287	31.079***	3,344	.005	1.332	1,344

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 6.12, the results of the hypothesis testing for *H8a* reveal that contrary to the hypothesis, for the DFB, the social-adjustive function of attitude does not moderate the relationship between attitude toward the flagship brand and attitude toward the flanker brand. This is also true of the value-expressive function of attitude, the results of which fell in-line with the hypothesis. Therefore, *H8a* is not supported.

H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function (Att_FlagshipBrand → Att_FlankerBrand)

Table 6.13: LFB Social Identity Functions on Att_FlagshipBrand → Att_FlankerBrand

Independent Variables	R ²	F	df	R ² Δ	FΔ	df
Moderator: Value-Expressive Function						
Att_FlagshipBrand + Value-Expressive Function + Interaction Term	.293	26.228***	3,359	.000	.037	1,359
Moderator: Social-Adjustive Function						
Att_FlagshipBrand + Social-Adjustive Function + Interaction Term	.295	27.872***	3,359	.001	.228	1,359

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 6.13, the results of the hypothesis testing for *H8b* reveal that contrary to the hypothesis, for the LFB, the value-expressive function of attitude does not moderate the relationship between attitude toward the flagship brand and attitude toward the flanker brand. This is also true of the social-adjustive function of attitude, the results of which fell in-line with the hypothesis. Therefore, *H8b* is not supported.

H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while *no moderation* should occur with the value-expressive function (Att_FlankerBrand → SuccessFlankerBrand)

Table 6.14: DFB Social Identity Functions on Att_FlankerBrand → SuccessFlankerBrand

Independent Variables	R ²	F	df	R ² Δ	FΔ	df
Moderator: Value-Expressive Function						
Att_FlankerBrand + Value-Expressive Function + Interaction Term	.384	55.902***	3,344	.000	.099	1,344
Moderator: Social-Adjustive Function						
Att_FlankerBrand + Social-Adjustive Function + Interaction Term	.366	51.389***	3,344	.000	.039	1,344

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 6.14, the results of the hypothesis testing for H9a reveal that contrary to the hypothesis, for the DFB, the social-adjustive function of attitude does not moderate the relationship between attitude toward the flanker brand and success of the flanker brand. This is also true of the value-expressive function of attitude, the results of which fell in-line with the hypothesis. Therefore, H9a is not supported.

H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while *no moderation* should occur with the social-adjustive function (Att_FlankerBrand → SuccessFlankerBrand)

Table 6.15: LFB Social Identity Functions on Att_FlankerBrand → SuccessFlankerBrand

Independent Variables	R ²	F	df	R ² Δ	FΔ	df
Moderator: Value-Expressive Function						
Att_FlankerBrand + Value-Expressive Function + Interaction Term	.258	33.796***	3,359	.000	.038	1,359
Moderator: Social-Adjustive Function						
Att_FlankerBrand + Social-Adjustive Function + Interaction Term	.239	31.750***	3,359	.001	.178	1,359

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 6.15, the results of the hypothesis testing for H9b reveal that contrary to the hypothesis, for the LFB, the value-expressive function of attitude does not moderate the relationship between attitude toward the flanker brand and success of the flanker brand. This is also true of the value-expressive function of attitude, the results of which fell in-line with the hypothesis. Therefore, H9b is not supported.

Results Discussion

This study has sought to develop a concept of flanker brands, to better understand their business applications, develop a research framework for the empirical testing of the concept of flanker brands, and evaluate consumer perceptions and attitudes toward flanker brands, using social identity functions of attitude. This is examined in terms of the role that social identity functions of attitude play in influencing consumer responses to the DFB and LFB. This study was conducted in the context of luxury footwear, and employed the brands Bottega Veneta (flagship brand), Touché by Bottega Veneta (fictitious DFB), and Touché (fictitious LFB).

A consolidation of the results from this study is presented in Table 6.16.

Table 6.16: Summary of Findings

Hypotheses	Distinct Flanker Brand (DFB) N=348
H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand	<i>Supported</i>
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand	<i>Supported</i>
H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand	<i>Supported</i>
H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand	<i>Supported</i>
H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand	<i>Supported</i>
Hypotheses	Latent Flanker Brand (LFB) N=363
H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on attitude toward the flanker brand
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand	<i>Not Supported</i> Attitude toward the flanker brand has no significant influence on success of the flanker brand
H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on perceptual fit of the flanker brand with flagship brand
H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on attitude toward the flanker brand

<p>H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand</p>	<p><i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on success of the flanker brand</p>
<p>Role of Social Identity Functions</p>	
<p>H6a: Consumers' attitude toward a DFB is greater when their attitude towards luxury brands serve a social-adjustive function more than a value-expressive function</p>	<p><i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced attitude toward the DFB</p>
<p>H6b: Consumers' attitude toward a Latent Flanker Brand is greater when their attitude towards luxury brands serve a value-expressive function more than a social-adjustive function</p>	<p><i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced attitude toward the LFB</p>
<p>H7a: The success of a DFB is greater when consumers' attitude towards luxury brands serve a social-adjustive function more than a value-expressive function</p>	<p><i>Not Supported</i> The value-expressive function of attitude had a positive effect on success of the DFB instead of the social-adjustive function</p>
<p>H7b: The success of a LFB is greater when consumers' attitude towards luxury brands serve a value-expressive function more than a social-adjustive function</p>	<p><i>Supported</i></p>
<p>H8a: For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → Att_FlankerBrand)</p>	<p><i>Not Supported</i> Contrary to hypothesis, social-adjustive function does not moderate the relationship; but in line with hypothesis, value-expressive function does not moderate the relationship</p>
<p>H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function</p>	<p><i>Not Supported</i> Contrary to hypothesis, value-expressive function does not moderate the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship.</p>
<p>H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → SuccessFlankerBrand)</p>	<p><i>Not Supported</i> Contrary to hypothesis, social-adjustive function does not moderate the relationship; but in line with hypothesis, value-expressive function does not moderate the relationship</p>
<p>H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the social-adjustive function (Att_FlankerBrand → SuccessFlankerBrand)</p>	<p><i>Not Supported</i> Contrary to hypothesis, value-expressive function does not moderate the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship.</p>

Discussion – Research Model Testing

Hypothesis H1 examines the influence of attitude toward the flagship brand on attitude toward the flanker brand. It was proposed that for the DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand (H1a), while for the LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand (H1b).

The findings showed that for the DFB, this was supported. This is in line with the expected outcome for a DFB – that similar to the findings from brand extension research (e.g. Kalamas et al., 2006; Kim et al., 2001). Consumers are likely to draw on the brand signals link the DFB to the flagship brand, and categorise the DFB based on their pre-existing knowledge and associations of the flagship brand (Erdem et al., 2006). For the LFB however, contrary to the hypothesis (H1b), attitude toward the flagship brand also had a positive influence on attitude toward the flanker brand. This finding lends support to the notion that in the absence of branding cues (e.g. brand name), consumers will look for other signals that may help them to categorise the information that they are presented with (Langan et al., 2016; Zeithaml, 1988). So, in this case, it is possible that consumers are relying on the physical characteristics of the flanker brand to help them categorise and evaluate the flanker brand. Linking this to brand mimicry: mimic brands simulate the signal properties of the flagship brand, in terms of design and concept (Teah, 2013); and given that a flanker brand is in a way a “mimic” of the flagship brand, the physical characteristics might serve as cues for consumers to draw links to the flagship brand.

This could help explain why, in the case of the LFB, attitudes toward the flagship brand have a positive influence on attitudes toward the flanker brand; because consumers who have favourable evaluations of the flagship brand, but who are unable to afford the flagship brand’s products, may purchase a mimic brand instead (Shenkar, 2010, 2012; Teah, 2013; Yoo and Lee, 2012).

Hypothesis H2 proposes that attitude toward the flanker brand has a positive influence on the success of the flanker brand. This was supported for both the DFB but not for the LFB. For the DFB, this finding reinforces prior research on how attitudes motivate consumer behaviours toward the brand (e.g. Kalamas et al., 2006; Spears and Singh, 2004); and suggests that for the DFB, it is imperative that the DFB be branded and marketed effectively to the target audience. Surprisingly, however, this was not

supported for the LFB. One possible reason for this could be with the issue of gender. In the present study, the context is on luxury footwear, and the example products employed in the stimuli (slip-on shoe) could be inherently oriented toward a male audience. Thus, when running the analysis on the whole dataset, the results may not be as clear as it does not account for differences in gender. To account for this, the structural model for the LFB was run again using multi-group analysis to observe if there were any differences. However, this preliminary assessment of the structural model revealed no differences in responses between male and female respondents. This indicates that further research needs to be conducted to ascertain if this result is prevalent across other product categories and situations, or if this is a recurring characteristic of the LFB.

Hypothesis H3 examines the influence of attitude toward the flagship brand on perceptual fit of the flanker brand with the flagship brand. For the DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand (H3a); while for the LFB this relationship should not be significant (H3b).

Hypothesis H4 examines the influence of perceptual fit on the success of the flanker brand. For the DFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on the attitude toward the flanker brand (H4a). For the LFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on attitude toward the flanker brand (H4b).

Hypothesis H5 examines the influence of perceptual fit on the success of the flanker brand. For the DFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on the success of the flanker brand (H5a). For the LFB, it is proposed that perceptual fit of the flanker brand with the flagship brand should have a positive influence on the success of the flanker brand (H5b).

The results showed that, for the DFB, H3a, H4a and H5a were supported. This makes sense as the DFB is designed to have a clear link to the flagship brand. Therefore, a clearer link between the flagship brand and the flanker brand should allow the DFB to leverage the positive brand associations consumers have of the flagship brand. This

should result in a greater perceived fit between the flanker brand and the flagship brand, which in turn should have a significant and positive influence on the attitudes toward and success of the flanker brand. This is supported by prior research on perceived fit in brand extensions (Kalamas et al., 2006; Lau and Phau, 2007; Stumpf and Baum, 2016). This lends support for the use of a DFB classification in deploying the flanking strategy. Brand managers can leverage the increased perceived fit of the flanker brand with flagship brand to improve the success rate of the DFB with its target audience.

For the LFB however, H3b, H4b, and H5b were not supported. Similar to the findings in H1b, this result could be due to the physical characteristics of the LFB, which echo the designs of the flagship brand, despite not having any clear branding link to the flagship brand. These might be serving as cues for consumers to draw links to the flagship brand. As discussed, flanker brands essentially “mimic” the flagship brand, and draw on the symbolism, concept and the physical characteristics of the flagship brand (Teah, 2013; Teah and Phau, 2011). Thus, as much as it is proposed that the LFB should not have clear links to the flagship brand, there may be certain cues that are unmistakably reminiscent of the flagship brand. This being said, the findings do show that, despite H3b, H4b and H5b not being supported, the influence of attitude toward the flagship brand on perceptual fit of the flanker brand with flagship brand (H3b), and the influence of perceptual fit on attitudes toward (H4b) and the success of the flanker brand (H5b) were all positive influences. This suggests that should consumers know that the LFB is in some way linked to the flagship brand, it may not necessarily be detrimental to the flanker brand’s success. However, further research needs to be conducted to examine if there are any potential negative influences on the flagship brand.

Hypotheses H1 to H5 are aimed at empirically evaluating the evaluating the research model to test the concept of flanker brands, and the two flanker brand classifications. The present findings show that the research model is effective for evaluating the DFB classification, but appears to be relatively unclear in terms of enabling an empirical evaluation of the LFB classification. Again, this is a limitation of the present research model, which should be addressed in future research.

Overall, the hypothesis testing for the research model demonstrate that the model is applicable for evaluating flanker brands. However, it is not effective as a means of

distinguishing consumer perceptions of the DFB and LFB. The fact that consumers reacted to the LFB in similar ways to the DFB suggests that there are other factors that need to be considered to make this research model an effective tool for researchers and brand managers to distinguish consumer perceptions of the DFB and LFB, so that as assessment of which flanker brand to deploy can be made.

Discussion – The Role of Social Identity Functions of Attitude

Hypotheses H6 to H9 are aimed at examining the role that social identity functions play in consumer evaluations of the DFB and LFB.

Hypothesis H6 and H7 examine how the different social identity functions influence consumer attitudes toward the flanker brands. For the DFB, it is proposed that it appeals more to consumers whose attitudes toward luxury fashion brands serve a social-adjustive function instead of a value-expressive function (H6a/H7a). For the LFB, the opposite is proposed, where the LFB appeals more to consumers whose attitudes toward luxury fashion brands serve a value-expressive function more than a social-adjustive function (H6b/H7b).

First, examining the DFB (H6a/H7a): For H6a, the hypothesis was not supported. The results showed that neither the value-expressive nor social-adjustive functions had any influence on consumer attitudes toward the DFB (H6a). H7a was also not supported. The hypothesis testing for H7a revealed that the DFB was more successful with consumers whose attitudes toward luxury brands serve a value-expressive function, instead of the social-adjustive function. Why this was the case is not clear. One possible reason could be that the product category of luxury footwear may trigger different decision making processes in consumers; which may be de-emphasizing the effect of social identify functions of attitude. However, this needs to be examined in more detail with future research.

Next, examining the LFB (H6b/H7b): H6b was not supported for the LFB – neither the value-expressive nor social-adjustive functions had any influence on consumer attitudes toward the LFB (H6b). The results for H7b however, revealed that the hypothesis was supported. This suggests that for luxury footwear, the LFB is more successful with consumers' whose attitudes toward luxury brands serve a value-expressive function than a social-adjustive function.

The result for H6b, may be due to a lack of clarity on which function of attitude the LFB appeals to. This could be a result of consumers not being as knowledgeable or familiar with the LFB. Indeed, research has shown that varying levels of brand familiarity can affect the way a consumer evaluates a particular brand (Kim et al., 2016; Kronrod and Lowrey, 2016; Siu et al., 2016). This makes judgements about how the LFB will fulfil their social identity functions difficult to determine. For H7b, the results fall in line with the rationale for the hypothesis. As discussed, research has shown that consumers whose attitudes towards luxury brands serve a more value-expressive function tend to seek luxury brands that possess attributes and features that reflect their core values and beliefs (Bian and Forsythe, 2012; Wilcox et al., 2009). Thus, the success of the LFB in the case of luxury footwear, could be due to the LFB being better at reflecting the values and beliefs that the consumer holds. This being said, it is important for future research to examine if this finding differs with the use of other brands and product categories.

Further research on consumer evaluations of the LFB need to be conducted to gain a clearer understanding of how consumers evaluate the LFB, and what functions of attitude it resonates with. From the present study, the takeaway is that brand managers need to be more precise and clear about the branding and positioning of the LFB so that consumers are not confused about the LFB's brand proposition.

Hypotheses H8 and H9 examine the social identity functions in terms of the moderating role they may play on consumer evaluations of the flanker brand. The results for hypothesis testing of H8 and H9 in showed that, for the luxury footwear category, the social identity functions of attitude had no moderating effects on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (H8); and attitude toward the flanker brand and success of the flanker brand (H9).

Examining H8, for the DFB, it was proposed that the social-adjustive function should enhance the positive relationship between attitude toward the flagship brand and attitude toward the flanker brand ($Att_FlagshipBrand \rightarrow Att_FlankerBrand$), while the value-expressive function should have no moderating effect (H8a). For the LFB, it was proposed that the value-expressive function should enhance the positive relationship between $Att_FlagshipBrand \rightarrow Att_FlankerBrand$, while the social-adjustive function should have no moderating effect (H8b).

Hypothesis H9 proposed that for the DFB, the social-adjustive function should enhance the positive relationship between Att_FlagshipBrand → SuccessFlankerBrand, while the value-expressive function should have no moderating effect (H9a). For the LFB, it was proposed that the value-expressive function should enhance the positive relationship between Att_FlagshipBrand → SuccessFlankerBrand, while the social-adjustive function should have no moderating effect (H9b).

For the DFB (H8a/H9a), the social-adjustive function of attitude was found to have no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand; or the relationship between attitude toward the flanker brand and success of the flanker brand. It should also be noted that the value-expressive function also had no effect on either relationship. This result means that, while consumer attitudes toward the flagship brand have an influence on the DFB, the relationship is not influenced by either social-identity function of attitude, and suggests that other possible factors need to be considered. One possible explanation could be that due to the nature of the DFB, having a clear link to the flagship brand, consumers are relying primarily on their attitudes and associations of the flagship brand, and perhaps the level of perceived fit between the flagship brand and the flanker brand. Therefore, the social identity functions of attitude may have little to no effect on this relationship.

Based on this, there are some implications that should be noted. First, from a managerial standpoint, there are unique benefits to leveraging the flagship brand name. Brand managers may be able to target multiple psychographic segments with the DFB, which could help improve the success rate of the flanker brand, and its effectiveness in protecting the flagship brand's market position. Second, from a theoretical standpoint, future research could examine the influence of other attitude functions and/or personality concepts, such as consumers' need for uniqueness and variety seeking behaviour, on consumer evaluations of the DFB.

For LFB (H8b/H9b), the value-expressive function of attitude was found to have no moderating effect on the relationship between attitude toward the flagship brand and success of the flanker brand; or the relationship between attitude toward the flanker brand and success of the flanker brand. It should also be noted that the social-adjustive function also had no effect on either relationship. Similar to H8a, this result means

that, while consumer attitudes toward the flagship brand have an influence on the DFB, the relationship is not influenced by either social-identity function of attitude, and suggests that other possible factors need to be considered. In particular, given that, unlike the DFB, the LFB does not present clear links to the flagship brand; there may be other, unconsidered factors that influence this relationship. Future research should be conducted to explore this in more detail to ascertain what other factors might influence consumer assessments of the LFB.

For the evaluation of the role that social identity functions may play in consumer assessments of the flanker brand, a similar thought occurred, that there may be gender differences that could be assessed to tease out more nuanced responses. Therefore, as a preliminary assessment, the analyses were run again, comparing male and female respondents. Overall, the results did not yield much difference from what is already presented in this study. This suggests that future research should consider other factors that may influence consumer evaluations of each flanker brand classification.

Concluding Comments

The present study makes several key contributions to the literature on flanker brands.

Theoretical Contributions

From a theoretical perspective, this study clarifies flanker brands by developing a clear concept of flanker brands; and introducing two classifications of flanker brands. This addresses a key gap in the literature on flanker brands – the lack of clarity on what flanker brands are. The present study puts forward a concept of flanker brands, and empirically evaluates the proposed classifications. This would help serve as a foundation from this area of marketing can be further developed, both from an academic perspective and from an industry perspective.

Methodological Contributions

From a methodological perspective, this study introduces a research framework and testing methodology to empirically assess consumer evaluations of flanker brands. The results from the testing in this study present some interesting findings. The hypothesis testing revealed that the proposed research model is applicable for evaluating flanker brands. However, it is not as effective in helping to distinguish consumer perceptions of the DFB and LFB. Consequently, there is room for future research to refine this model. Further, for the role that social identity functions of attitude may play in consumer assessments of flanker brands, the present study has helped shed light on how each flanker brand classification may appeal to either of the social identity functions. This being said, there are also discrepancies in the findings that warrant further investigation in future research.

Managerial Contributions

Finally, this study makes significant managerial contributions. Through the development of a concept of flanker brands, and through the empirical testing of the proposed model, this study develops an understanding of consumer evaluations of the two flanker brand classifications, in the context of luxury fashion. This gives insight on the potential nuances, in designing and branding a flanker brand, that may affect consumer preferences for the flanker brand. Further, by evaluating how the social identity functions of attitude affect consumer preferences for each class of flanker brand, this study helps develop an understanding of how each flanker brand class can be used to target specific consumer segments in luxury footwear. This could prove invaluable to brand managers looking to engage specific target markets; as there is a

clearer way of characterising flanker brands to target specific consumer markets. The use of a nested branding approach to the flanker brand name, and the design of the flanker brand products helps give insight into a potential application of how brand managers may want to brand and advertise their flanker brands.

Limitations & Future Research Directions

This study, is not without its limitations. First, the proposed concept of flanker brands has only been examined in the context of luxury fashion, and specifically in the context of luxury footwear. As mentioned, flanker brands exist in a multitude of industries. Therefore, the findings from the present study may limit the validity of the present concept of flanker brands when examined in other industries. The validity and application of the present concept and classifications of flanker brands should be further examined in a different product category or industry, to improve the ecological validity of this concept.

Second, this research makes a number of assumptions in order to focus on the key manipulations. For example, the provenance of a flanker brand is highly unclear and can vary significantly. A flanker brand can be a conversion of an existing brand (Keller, 2013; McNallen, 1958), a new brand developed for the specific purpose (e.g. Berman, 2015; Clow and Baack, 2005; Giddens, 2010; De Menezes, 2014), a brand-extension with the strategic intent of flanking (e.g. Bessman, 2000; Johnson, 1992; Rothenberg, 1989), a “me-too” brand (Verhoef et al., 2002), or through a multitude of other means. To manage this, the present research makes the assumption that the flanker brand is a newly developed brand by the firm, for the sole purpose of executing the flanking strategy. While this allows for the evaluation of consumer responses to the respective flanker brands, it limits the evaluation of the strategic implications of flanker brands. Future research could address this, and examine consumer evaluations of flanker brands that have been, for example, converted from an existing brand, or through the repositioning of an existing brand extension.

Further, the flanker brands being tested are distinguished using only two manipulations – brand name and physical characteristics. It is widely understood that in the context of branding, there are a multitude of brand elements that can be employed in the branding of a product. However, introducing too many elements would limit the validity of the findings in this research. Future research should consider the effect that other brand elements may have on the use of flanker brands.

Finally, the discussion of the results from this study makes reference to brand mimicry. While not within the scope of this study, there is the possibility for flanker brands to be used as a tactical tool against brand mimicry, given that a flanker brand is in a way a “mimic” of the flagship brand. This could be an important future research direction to assess the effectiveness of flanker brands as a tactic to compete against mimic brands².

Overall, this study has attempted to expand the current knowledge on flanker brands and their impact on consumers in the marketplace. It is hoped that the findings from this research will help inspire future research into this dynamic and constantly changing area of marketing.

² **RO5:** *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands*

Chapter 7

Study 3: Influence of Brand Mimicry on Preference of Flanker Brand Types

Chapter Introduction

The preceding chapters – Chapter 5 (*Study 1*) and Chapter 6 (*Study 2*), sought to address research objectives **RO3** and **RO4**, and address research **Gap 3**. The focus for *Study 1* and *Study 2*, leaned toward developing the theoretical implications of this research; and sought to develop an empirical understanding of consumer perceptions and attitudes toward flanker brands. This was achieved through the development of a research framework to evaluate a proposed model on flanker brands; and through the evaluation of how social identity functions of attitude influenced consumer perceptions toward each classification of flanker brand.

Study 3 seeks to address **RO5** – *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands* [**Gap 4**]. *Study 3* draws greater emphasis on the managerial implications, and seeks to examine the tactical applications of flanker brands in the marketplace. To this end, several sub-objectives were identified (see below), and will be address in this chapter.

RO5-1. Comparing consumer attitudes toward flanker brands against mimic brands

RO5-2. Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand

RO5-3. Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success

RO5-4. Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

This chapter is written to follow the structure of a stand-alone journal article. For the purposes of this thesis, this chapter presents a clear record of the analyses conducted in *Study 3*, and presents the findings relevant to this study. A ‘cut-down’ version adhering to the journal specifications has been submitted to *Marketing Intelligence & Planning* for review.

The rest this chapter will be structured as follows: First, an abstract of the study is presented. Following this, is an introduction to the study at hand. This is followed by

a summary review of the relevant literature and hypotheses development. Next, the research methodology, specific to *Study 3*, is presented. This is followed by, the results of the analyses and hypotheses testing. Finally, a discussion of the results from *Study 3* is presented.

Flanker Brands as a Tactic Against Brand Mimicry

Abstract

Purpose – This study examines the use of flanker brands (distinct and latent) as a tactic against mimic brands in the marketplace. Specifically, it examines how consumer attitudes toward the mimic brand; and their perception of physical similarities of the mimic brand with flagship brand, affects consumer attitudes toward the flanker brand, and the success of the flanker brand.

Design/methodology/approach – The data was collected from respondents residing in Singapore, using an online data panel. Data analysis was conducted using structural equation modelling, and hierarchical moderated regression.

Findings – The results help build an understanding of how consumer attitudes toward the distinct and latent flanker brands; and perceptions of physical similarities with the flagship brand, differ when compared against mimic brands. Further, the findings show variances in how consumer attitudes toward the mimic brand; and perceptions of physical similarities with the flagship, affect the success of each flanker brand classification – distinct and latent.

Practical implications – The findings from this study, help give clarity on application of flanker brands as a tool against mimic brands. It builds a better understand how the characteristic differences between distinct and latent flanker brands can be used to dissuade potential consumer interest in mimic brands, and thus protect the firm's market share. This may help guide brand managers in the effective deployment of flanker brands against competing mimic brands.

Originality/ value – Given the lack of empirical research on flanker brands, this study presents a first step towards a better understanding of the use of flanker brands as part of a firms' repertoire of brand management strategies.

Introduction

Brand mimicry in the luxury brand industry is an area of research that has sparked significant interest in recent years (e.g. Phau and Teah, 2016; Teah, 2013; Wilcox et al., 2009). Brands such as Zara and H&M are some of the more prominent fashion mimic brands in the marketplace, often mimicking designs from luxury labels (Campbell, 2016; Cormack, 2016). Some argue that the presence of mimicry has helped spur innovation and growth in the luxury brand industry (Raustiala and Sprigman, 2012; Teah, 2013). However, mimic brands also present a significant threat to luxury brands established in the industry (Cormack, 2016; “Does Look-a-Likes Impact Luxury Brands?”, 2016). Presently there are not many options for firms looking to fend off mimic brand competitors. Teah (2013) explains that, in the luxury fashion industry, one of the main responses to brand mimicry is for companies to continually change designs each season, making it more difficult for mimic brands to keep up with the established brand. Another option that luxury brand firms employ is to market special and limited editions of their products in order to create a sense of exclusivity and appeal that warrant greater attention, and indeed the consumers’ money, over competing mimic brands (Fionda and Moore, 2009; Teah, 2013). However, these options are not without caveats. First, continually changing designs from season to season is a potentially costly affair, and can be taxing on the firm as it is continuously forced to come up with new designs and products in order to stay ahead of the mimic brand competition (Bhardwaj and Fairhurst, 2010; Dier, 2016). This issue may be alleviated with the introduction of special and limited edition products (Amatulli et al., 2016; Su, 2016). However, this poses another potential issue – a limited edition, is by nature, a transient brand, making it difficult for a firm to justify keeping it in production, even if the limited edition proves successful in the marketplace.

With this in mind, there is a need for other potential tactics that may be useful for luxury fashion brands to combat the rise of mimic brands. One possible tactic is to use flanker brands; which may be a useful addition, if not an alternative, to these existing strategies.

This study therefore, seeks to investigate the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace. Conducted in the context of luxury bags, this study will: (1) Evaluate and compare consumer attitudes toward flanker brands and mimic brands; (2) Evaluate and compare consumer

perceptions of physical characteristics of flanker brands and mimic brands, and their similarity to the flagship brand; (3) Determine how attitudes toward mimic brands affect (if at all) the attitudes toward flanker brands and their success; and (4) Determine how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success.

This paper begins with a background on brand mimicry, and introduces the impetus for this study. Following this, is the development of a concept of flanker brands, to be used in this study. Next, the relevant literature is discussed, along with the development of the hypotheses. Then, the sample and survey instrument employed in this study is explained. This is followed by the analyses and results. Finally, this paper closes with a discussion on the results and the contributions of this study.

Brand Mimicry

The term mimicry, from a biological perspective, relates to the visible similarities of physical appearance like shape, colour and patterns between organisms in distinct families (Phau and Teah, 2016). By extension, brand mimicry “involves a brand (the mimic) which simulates the signal propert[ies] of a second brand (the model) through, for example, the trade dress, image, concept, which are perceived signals of interest by a third party (the signal receiver/dupe/operator); such that the mimic brand gains fitness as a result of the signal receiver identifying it as an example of the model brand” (Teah, 2013). In essence, brand mimicry is “the act or art of copying or close imitation of a brand” (Teah and Phau, 2010), and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). This aspect of physical characteristics serves as the focal point for assessing mimic brands and their effect on flanker brands in this study. This was identified as the most obvious and easiest characteristics that would signal consumers to consider the mimic brand as an alternative to the (model) flagship brand (Teah, 2013).

It is usually employed by competitor brands looking to enter and compete in an established industry, or to survive in the market (Teah and Phau, 2010, 2011). Mimic brands generally copy packaging, design, and brand concept to create points of parity with the model brand (Teah and Phau, 2010). Mimicry in the marketplace affects both convenience goods and luxury brands, particularly in the fashion industry, and can sometimes be considered as a useful strategy to aid in stimulating demand for the

product, and spurring business growth and innovation (Hilton et al., 2004; Teah and Phau, 2010; Yoo and Lee, 2012).

From a consumer perspective, there are several arguments for brand mimicry. For example, some research argue that imitation in the marketplace can provide consumers with viable alternatives to luxury brand products that they might not otherwise be able to afford (Hemphill and Suk, 2009; Nia and Zaichkowsky, 2000; Teah, 2013). However, while this might be beneficial to the consumer – being given more choice in terms of pricing, it does mean that established brands in the marketplace now have to make do with the presence of mimic brands, and face potential shrinkage of their market share. This is where it is postulated that flanker brands can be used as an effective strategy against mimic competitors in the marketplace, in particular, in the luxury branding industry.

A Concept of Flanker Brands

Manoeuvre Theory and the Concept of Flanking

Flanker brands are derived from the flanking strategy – a military strategy that has, over the years, found its way into the marketer’s repertoire of branding tactics. In military terms, a flank is the right or left limit of the combat unit relative to the direction of its movement, and is often a weak point, as the unit cannot apply much direct fire to the flanks (*Offense and Defense*, 2012). It is because of this, that flanking as a military strategy and tactic is commonly employed in battle (Dempsey, 1994; Elliott - Bateman, 1990; Field, 2012; Fry and Kiszely, 1998; Glantz, 1988). Commanders employ flanking tactics to engage these weak points, and defeat the enemy. Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy’s defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German et al., 1991; Lind, 1985; *Offense and Defense*, 2012).

Flanking, as a strategy, is underpinned by manoeuvre theory. Manoeuvre theory has its roots in the military, and was born out of the need to understand and explain the anomalous strategies and tactics used in warfare, that helped armies gain decisive victories over their enemies (Pech and Slade, 2003). In essence, the concept of manoeuvre warfare relates to “the organised movement of forces to a new line and

region for the purpose of taking an advantageous position relative to the (opponent) in order to deliver a decisive strike” (Lind, 1985; Sverdlov, 1983).

One famous example of manoeuvre warfare is the German Blitzkrieg of the Second World War, where the Germans employed highly mobile forces to deliver crushing blows to opposing forces, taking their opponents by surprise (Pech and Slade, 2003; Trueman, 2016). Thus, unlike traditional attrition-based warfare, manoeuvre theory and by extension, manoeuvre warfare, emphasises mobility and intellect. An army on a battlefield is deployed to be strongest where it expects to attack or to be attacked. Therefore, fighting the opponent in a direct manner (war of attrition) may result in heavy losses for both sides (Leonhard, 1991).

Manoeuvre warfare however, is characterised by speed, deception and the element of surprise to deliver striking blows to the opponent with minimal effort (Kolar and Toporišič, 2007; Pech and Durden, 2003). This speed, and sustained momentum of the attacks are aimed at forcing the opponent to move at a different pace, throwing the opponents off balance and into disarray (Pech and Durden, 2003). As Clemons and Santamaria (2002) put it, the aim of manoeuvre warfare is “not to destroy the adversary’s forces, but to render them unable to fight in an effective, coordinated [manner]”.

Flanking in Business

Drawn into the business context, there are presently two broad interpretations of the flanking strategy (Crittenden, 2010). A *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area, diverting the competitor’s attention away from the main market focus, whilst avoiding direct confrontation with the competitor (Capon et al., 2001; Crittenden, 2010; German et al., 1991; Ries and Trout, 1993). Another example of this, is of how in Absolut vodka priced their products at 50% more than their main competitor Smirnoff, and out-flanked Smirnoff to occupy the premium vodka segment of the market (Burns, 2013).

A *flanking position* on the other hand, is a defence position that a firm employs by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Capon et al., 2001; Crittenden, 2010; Finnie, 1992). In this sense, a firm employing a *flanking position*, is one that is applying the principles of manoeuvre theory from a defensive perspective. Flanker brands have been employed

in a multitude of industries. In the luxury fragrance market, for example, many brands turn to flankers to bolster their fragrance lines (Sheen, 2014). YSL for example launched their new “L’Homme Ultime by YSL” fragrance as a flanker to its existing scent brands to bolster its line-up (Johnson, 2016). In the fashion market, fast fashion house H&M have also launched flanker brands to compete with brands like Zara. In 2007, the H&M group launched a new brand – Collection of Style (COS), positioning COS as a high fashion but affordable retailer (“COS: Collection of Style”, 2007), flanking the H&M brand as an alternative to other fashion brands such as Zara.

Flanker Brands

The idea of flanker brands is not new in business, with first mention of flanker brands in marketing literature dating as far back as 1981 in Tauber’s (1981) paper on brand franchise extensions. Further, there is mention of flanker brands in much of the literature surrounding brand strategy (e.g. Aaker, 2004; Carroll, 2005; Crittenden, 2010; Giddens, 2010; Hyatt, 1980; Keller, 2008; Kim and Lowrey, 2010; Quelch and Jocz, 2009; Raasch, 2008; Rao et al., 2000; Riezebos, 2003; Ritson, 2009a, 2009b; Tauber, 1981; Varadarajan et al., 2006) yet to the authors' knowledge almost none of the literature make a clear attempt to conceptualise flanker brands (Phau and Lim, 2013). While not the primary focus for this study, a clear concept of flanker brands is necessary to move forward with this research.

A review of the past and present literature on flanking and flanker brands showed that most flanker brands are launched as new brands in the marketplace (e.g. Clow and Baack, 2005; Hyatt, 2008; Keller, 2013; Tauber, 1981). Flanker brands are also often positioned in a similar product category and market as the flagship brand, though the price and quality position is usually lower than the flanker brand and closer to competitor brands (Quelch and Harding, 1996). Firms launching a flanker brand need to apply the flanking strategy – leveraging deception and surprise to ensure that the firm has the upper hand as competitors scramble to deal with the new threat (Bellamy, 1990; Pech and Durden, 2003; Pech and Slade, 2005). Flanker brands are positioned to attack competitor brands’ market position, while protecting the flagship brand; and allowing the flagship brand to retain its desired positioning (Keller, 2013; Lafayette, 2013).

Through a review of the various concepts of flanker brands over the years, the following conceptual definition of flanker brands is adopted for this study (Lim, 2015):

Flanker brands are new brands that are swiftly positioned in a similar category and market as the flagship brand, through stealth and deception, for the purpose of attacking and/or defending against competitors; without risking the flagship brand's established market position by competing head-on

Further, given that flanker brands may or may not leverage the flagship brand's market image and brand equity using the flagship brand's name (e.g. Berman, 2015; De Menezes, 2014; Raasch, 2008) , is also proposed that flanker brands can be separated into two classifications (Lim, 2015):

***Distinct Flanker Brand (DFB):** A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and*

***Latent Flanker Brand (LFB):** A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.*

This concept of flanker brands and the corresponding classifications serve as the foundation from which this study will be conducted.

Flanking and Brand Mimicry

Referring back to the literature on flanker brands, and comparing it with the literature on brand mimicry, there are some parallels that can be drawn. Chiefly, because flanker brands are often positioned at the same level as competitor brands (Keller, 2013; Kim and Lowrey, 2010; Ritson, 2009b), mimic brands in this case, they need to have points of parity with these mimic brands in order for consumers to consider them for purchase (Keller, 2013; Ritson, 2009b; Varadarajan et al., 2006). Therefore, arguably, a flanker brand could be launched as a “mimic” of the flagship brand. In this sense, strategically, the flagship brand can outflank competing mimic brands by introducing its own “mimic brand” into the marketplace – a flanker brand. In doing so, the flanker brand competes directly with these mimic brands, and protects the flagship brand's market position.

In addition to this, a flanker brand, if successful, can be kept in the firm's portfolio on a more permanent basis, avoiding the disadvantage of special/limited edition brands (Sheen, 2014). Further, since flanker brands are essentially “mimics” of the flagship

brand, the benefits afforded of a seasonal design strategy can be strengthened, with the flanker brand “mimicking” the flagship brand’s designs each season. This allows the firm to target those consumers who cannot afford the flagship brand, maintaining parity with competing mimics which employ similar seasonal strategies, and drawing consumers away from other mimic brand competitors in the marketplace.

Therefore, it is postulated there is potential that flanker brands could serve as an effective means of competing against mimic brands, without having to sacrifice the flagship brand’s equity and market positioning.

Relevant Literature and Hypothesis Development

This study seeks to investigate the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace.

In this study, the defining characteristic of a DFB is that there is a clear link drawn between the flagship brand and the flanker brand (e.g. Avant by Prada). This serves as a clear signal and anchor point from which consumers can use to categorise the flanker brand, and make evaluations about the flanker brand based on their associations and beliefs of the flagship brand; drawing similar parallels to findings from brand extension research (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007).

A LFB however, has no obvious link to the flagship brand (e.g. Avant), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation. This means that there is a lower chance of perceiving the flanker brand as related to the flagship brand. Thus, when considering the LFB in the market place, it can and should appear very much like a mimic brand.

A mimic brand (e.g. Zara), as discussed, is a brand that is a copy or close imitation of a model (flagship) brand (Teah and Phau, 2010); and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). Mimic brands generally copy packaging, design, and brand concept to create points of parity with the model (flagship) brand (Teah and Phau, 2010). As discussed earlier, this was identified as the most obvious and easiest characteristic that would signal consumers to consider the mimic brand as an alternative to the (model) flagship brand (Teah, 2013).

Attitudes are an overall evaluation of and judgement of a psychological object (Ajzen, 2001; Fishbein and Ajzen, 1975). Attitudes comprise of both affective (feelings of

liking or disliking) and cognitive (beliefs held about object) components, and have a significant influence on an individual's behaviour (Ajzen, 1991, 2002; Katz, 1960; Najmi et al., 2012). Incorporating this into the present research context, attitudes are examined with reference to a brand, and can be defined as a “relatively enduring, unidimensional summary evaluation of the brand that presumably energises behaviour” (Spears and Singh, 2004). To this end, one of the first things that needs to be established, is if there is a significant difference in consumer evaluations of the two classes of flanker brands, and how evaluations of the flanker brands compare against a mimic brand competitor.

Therefore, the following hypotheses are proposed:

H1a:** There is a significant difference in consumer's attitude toward the brand when comparing the **DFB** and **LFB

H1b:** There is a significant difference in consumer's attitude toward the brand when comparing the **mimic brand** and the **DFB

Contrary to the DFB, a LFB should appear to the consumer like another mimic brand, and consumers are expected to evaluate the LFB as they would a competing mimic brand. Thus there should be no significant differences in perceptions of the LFB when compared to the mimic brand.

Therefore, the following hypothesis is proposed:

H1c:** There is **no significant difference** in consumer's attitude toward the brand when comparing the **mimic brand** and the **LFB

Next, as discussed, the physical characteristics play an important role in influencing consumer evaluations of the brands they encounter, as mimic brands often copy the physical characteristics of the model (flagship) brand (Teah, 2013). To examine this, the first thing that needs to be determined is if consumers perceive a significant difference in the physical similarities between the flanker brand and the flagship brand. Given that a flanker brand can be developed as a “mimic” of the flagship brand, it is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand; but is positioned against competing mimic brands. It is expected that there

should be no difference between the DFB and LFB in terms of consumer perceptions of physical similarities between the flanker brand and the flagship brand.

Therefore, the following hypothesis is proposed:

H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB

This research endeavours to ascertain if the flanker brand is perceived to be more similar to the flagship brand than the mimic brand. For the DFB, the presence of the flagship brand name should trigger associations with the flagship brand, and thus it is more likely that consumers will perceive differences in physical similarities with the flagship brand when comparing the DFB and the mimic brand.

Therefore, the following hypothesis is proposed:

H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB.

As before, given that a flanker brand can be viewed as an “mimic” developed by the flagship brand’s firm, it is expected that there should be no significant differences in perceptions of physical similarities with the flagship brand when comparing the LFB and mimic brand. The lack of the flagship brand name, should mean that consumers would perceive the LFB as “another mimic brand”, with no association with the flagship brand, and thus evaluate the LFB without any reference to the flagship brand.

Therefore, the following hypothesis is proposed:

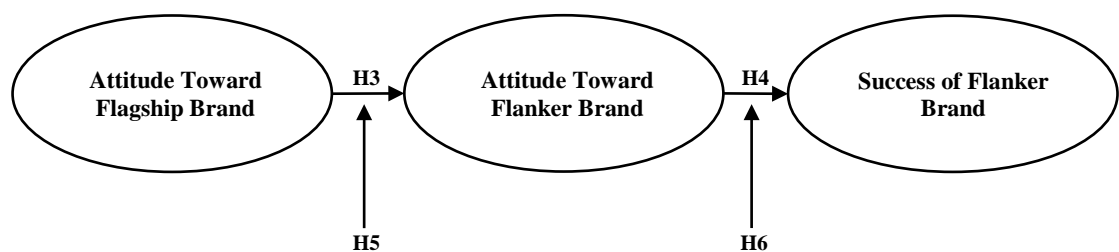
H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the LFB.

Building on hypotheses H1 and H2, it is proposed that for flanker brands to be effective in competing against mimic brands, evaluations of, and the success of flanker brands should not be influenced by mimic brands. As there is a lack of empirical research on

flanker brands, there is no theoretical foundation from which to develop a research model for testing, and thus this research adapts the research model employed by Kalamas et al. (2006) to the flanker brand context. Figure 7.1 illustrates the research model to be employed in this study.

Consumer attitudes toward the mimic brand; and perceptions of physical similarities between the mimic brand and flagship brand will be examined to ascertain if mimic brands have any influence on certain relationships. The proposed research model is illustrated in Figure 7.1 below.

Figure 7.1: Research Model



Building on the aforementioned discussion on attitude toward the brand, Aaker and Keller (1990) explain, the success of a brand extension is often contingent on: (1) The consumer holding positive beliefs and attitudes toward the parent brand; (2) These positive beliefs and attitudes helping to facilitate the formation of positive beliefs and attitudes toward the extension brand; and (3) Negative associations of the parent brand not being transferred to the extension brand. Drawing on the brand extension literature, it is argued that brand extensions often share similar features and benefits to the parent brand (Bhat and Reddy, 2001).

Through the categorisation process, consumers are likely to compare their knowledge and beliefs of the parent brand, and match it with the extension brand (Kalamas et al., 2006; Sheinin and Schmitt, 1994). This means that the brand extension has to exhibit signals that would trigger the relevant parent brand associations (anchor points) so that the consumer is more likely to categorise and evaluate the brand extension using the positive associations he/she might have of the parent brand (Erdem et al., 2006; Erdem and Swait, 1998). These signals help to reduce the potential for dilution effects, which might result in consumers not accepting the brand extension (Kim et al., 2001; Loken and John, 1993).

Applying this to the present study, a flanker brand is likely to appear as a mimic of the model brand, in this case, the flagship brand of the firm. It is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand, but is positioned against competing mimic brands. In this sense, it is expected that, similar to the findings from brand extension research, consumers' attitudes toward the flagship brand, would have a positive influence on their attitude toward the flanker brand.

Therefore, the following hypotheses are proposed:

H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

As discussed, consumers' attitudes are known to motivate consumer behaviours (Ajzen, 2001, 2002; Kalamas et al., 2006; Spears and Singh, 2004). Therefore, in the present context, it appears logical to suggest that a consumer who has a positive attitude toward the flanker brand, is more likely to positively evaluate the flanker brand and be motivated to purchase the flanker brand. as a significant and positive influence on a consumer's desire to purchase the extension.

Therefore, the following hypothesis is proposed:

H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand

Finally, if the flanker brand is to be used as an effective measure against mimic brands, then consumer attitudes toward the mimic brand and perceptions of physical similarities between the mimic brand and flagship brand should not deter consumers' attitudes toward the flanker brand and the success of the flanker brand.

Therefore, the following moderation hypotheses are proposed:

H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

Research Methodology

Sample & Data Collection

The data for this study was collected in Singapore using Qualtrics, an online survey software with panel data facilities. This method was chosen as it provided a more cost-effective and efficient way to collect the data required for the research. Data collection occurred between April and May 2016. A total of 600 responses were collected, and after screening, a total of 466 responses were deemed usable (DFB – 255, LFB – 211) for use with the study.

Survey Instrument

A self-administered questionnaire was employed as the survey instrument for each of the four studies. This study examines the research objectives and hypotheses in the context of luxury bags, and uses the brands Prada (flagship brand), Avant by Prada (fictitious DFB), Avant (fictitious LFB), and Zara (real-world mimic brand). The stimulus design and fictitious brand names were determined by adapting the process employed by Phau and Cheong (2009a, 2009b); through a series of focus groups with young adults and industry experts. A sample of the final stimulus employed in this study is presented in Figure 7.2.

Figure 7.2: Sample Stimulus Used in Survey Instrument – Avant by Prada Bag (DFB)



The questionnaire comprised of six sections:

- The first section asked respondents to view the stimulus relating to the flagship brand product (Prada bag), and answer questions about their attitude toward the flagship brand. The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The second section asked respondents questions about their attitude toward the flanker brand, in relation to the stimulus for the flanker brand product (DFB/LFB). The five items were also adapted from Spears and Singh's (2004) paper.
- The third section asked respondents questions about their evaluations of the flanker brand (DFB/LFB), in relation to the flagship brand (Prada). The corresponding scale items relate to the success of the flanker brand (three items) which were adapted from Kalamas et al. (2006); and physical similarities of the flanker brand with flagship brand (four items) which were adapted from Teah (2013) and Teah and Phau (2011).
- The fourth section asked respondents to view the stimulus relating to the mimic brand product (Zara bag), and answer questions about their attitude toward the mimic brand. The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The fifth section asked respondents questions about their perceptions of physical similarities of the mimic brand (Zara) in relation to the flagship brand (Prada). The corresponding scale items (four items) were adapted from Teah (2013) and Teah and Phau (2011). The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The final section related to demographic information of the respondent. All scale measures employed in this study, excluding the demographic section, were measured along a seven-point scale.

Given that this study makes comparisons between the flanker and mimic brands, there was a significant concern that the sequence in which the flanker brand and mimic brand stimulus was presented to the respondents, may inadvertently prime respondents' reactions to the various brands. Thus, to reduce the potential for respondent bias, the

sequence of presentation of the flanker and mimic brand stimuli; and corresponding questions, were alternated between questionnaires. A sample of the survey instrument employed in the present study is available in Appendix C.

Analyses & Results

First, a descriptive analysis was performed using SPSS 22 on the pooled sample, as well as the individual sample for the DFB and LFB manipulations. Overall, the sample profile for this study was deemed appropriate as majority of the respondents, approximately 98.4% for the DFB sample and 98.6% for the LFB sample, matched the targeted young adult segment – 18-35 years of age (Petry, 2002; Thach and Olsen, 2006). The distribution of respondents was also relatively even, with female respondents accounting for 49.4% of the DFB sample, and 49.3% of the LFB sample.

A breakdown of the sample profile for this study is detailed in Table 7.1

Table 7.1: Sample Profile

Sample Characteristic	Percentages		
	Pooled Sample (N=466)	DFB (N=255)	LFB (N=211)
Sex			
Male	50.6	50.6	50.7
Female	49.4	49.4	49.3
Age			
18 – 21 years	69.7	60.7	78.2
22 – 34 years	28.8	37.7	20.4
35 – 44 years	1.1	1.2	.9
45 – 54 years	.2	.3	.2
55 – 70 years	.2	.1	.3
Marital Status			
Single	64.6	62.7	66.8
In a relationship	32.2	33.7	30.3
Married	2.6	3.1	1.9
Divorced	.4	.4	.5
Widow/Widower	.2	0	.5
Education			
Certificate	19.5	21.2	17.5
Advanced Diploma or Diploma	5.4	6.7	5.2
Bachelor Degree	61.8	60.4	63.5
Graduate Diploma or Graduate Certificate	7.1	7.5	6.6
Postgraduate Degree	3.8	3.1	4.7
Other	1.7	1.1	2.4
Income (Annual)			
\$0-\$25,000	69.1	67.9	70.6
\$25,001-\$50,000	16.1	17.3	15.4
\$50,001-\$75,000	4.6	5.5	3.4
\$75,001-\$100,000	1.1	.4	1.9
\$100,001-\$125,000	1.1	.6	1.6
\$125,001-\$150,000	.8	1.0	.5
\$150,001-\$175,000	.5	.4	.5
\$175,001-\$200,000	.5	.4	.5
\$200,001 and above	.6	.6	.5
Prefer not to say	5.6	5.9	5.2

Note: Due to some instances of missing data, some statistics will not add up to 100%

Exploratory Factor Analysis – DFB & LFB Datasets

The data was analysed using SPSS 22. An Exploratory Factor Analysis (EFA) was conducted on all the constructs employed in the study, to ascertain the dimensionality of the relevant factors. Given that established scales were employed in this study, the Oblimin with Kaiser Normalisation rotation method was used in the EFA (Hair et al., 2010).

While conducting the EFA, one item for each “Attitude Towards the Flagship Brand” and “Attitude Towards the Flanker Brand” was removed due to poor factor loading. This was a similar case for “Perceived Fit of Flanker Brand with Flagship Brand” where one item was removed due to poor factor loading.

The results of the EFA for the DFB – Avant by Prada, and the LFB – Avant, are detailed in Table 7.2 and 7.3 respectively.

Table 7.2: EFA Results for DFB – Avant by Prada

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Attitude Toward Flagship Brand				
		3.469	86.726	.943
This Prada bag is unappealing/appealing	.891			
This Prada bag is unpleasant/pleasant	.941			
This Prada bag is unfavourable/favourable	.948			
This Prada bag is unlikeable/likeable	.944			
This Prada bag is good/bad	Removed			
KMO MSA: .846, Bartlett's Test of Sphericity: .000				
Attitude Toward Flanker Brand (DFB)				
		3.475	86.864	.946
This Avant by Prada bag is unappealing/appealing	.873			
This Avant by Prada bag is unpleasant/pleasant	.951			
This Avant by Prada bag is unfavourable/favourable	.952			
This Avant by Prada bag is unlikeable/likeable	.949			
This Avant by Prada bag is good/bad	Removed			
KMO MSA: .850, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand				
		1.862	62.059	.673
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Avant by Prada bag were made, how would you rate its quality?	.804			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant by Prada bag	.795			
Factor 4: Success Attribute (Brand Name) (Single Item Measure)				
Avant by Prada would be a good brand name for this bag	.764			
KMO MSA: .668, Bartlett's Test of Sphericity: .000				
Attitude Toward Mimic Brand (Zara)				
		3.500	87.508	.950
This Zara bag is unappealing/appealing	.892			
This Zara bag is unpleasant/pleasant	.953			
This Zara bag is unfavourable/favourable	.943			
This Zara bag is unlikeable/likeable	.953			
This Zara bag is good/bad	Removed			
KMO: .868, Bartlett's Test of Sphericity: .000				
Physical Similarities of Flanker Brand with Flagship Brand (DFB)				
		3.616	90.389	.964
The Avant by Prada bag shares similar looks to Prada's bag	.957			
The Avant by Prada bag shares similar designs to Prada's bag	.968			
The Avant by Prada bag shares similar physical appearance to Prada's bag	.973			
The Avant by Prada bag shares similar aesthetics to Prada's bag	.904			
KMO: .857, Bartlett's Test of Sphericity: .000				
Physical Similarities of Mimic Brand with Flagship Brand (Zara)				
		3.616	90.389	.964
The Zara bag shares similar looks to Prada's bag	.957			
The Zara bag shares similar designs to Prada's bag	.968			
The Zara bag shares similar physical appearance to Prada's bag	.973			
The Zara bag shares similar aesthetics to Prada's bag	.904			
KMO: .857, Bartlett's Test of Sphericity: .000				

Table 7.3: EFA Results for LFB – Avant

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Attitude Toward Flagship Brand				
		3.499	87.482	.949
This Prada bag is unappealing/appealing	.920			
This Prada bag is unpleasant/pleasant	.930			
This Prada bag is unfavourable/favourable	.943			
This Prada bag is unlikeable/likeable	.947			
This Prada bag is good/bad	Removed			
KMO MSA: .846, Bartlett's Test of Sphericity: .000				
Attitude Toward Flanker Brand (LFB)				
		3.434	85.838	.944
This Avant by Prada bag is unappealing/appealing	.925			
This Avant by Prada bag is unpleasant/pleasant	.934			
This Avant by Prada bag is unfavourable/favourable	.921			
This Avant by Prada bag is unlikeable/likeable	.926			
This Avant by Prada bag is good/bad	Removed			
KMO: .858, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand				
		1.750	58.327	.630
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Avant by Prada bag were made, how would you rate its quality?	.753			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant by Prada bag	.798			
Factor 4: Success Attribute (Brand Name) (Single Item Measure)				
Avant by Prada would be a good brand name for this bag	.739			
KMO MSA: .645, Bartlett's Test of Sphericity: .000				
Attitude Toward Mimic Brand (Zara)				
		3.571	89.268	.959
This Zara bag is unappealing/appealing	.932			
This Zara bag is unpleasant/pleasant	.949			
This Zara bag is unfavourable/favourable	.941			
This Zara bag is unlikeable/likeable	.957			
This Zara bag is good/bad	Removed			
KMO: .868, Bartlett's Test of Sphericity: .000				
Physical Similarities of Flanker Brand with Flagship Brand (LFB)				
		3.616	90.389	.964
The Avant bag shares similar looks to Prada's bag	.915			
The Avant bag shares similar designs to Prada's bag	.937			
The Avant bag shares similar physical appearance to Prada's bag	.946			
The Avant shares similar aesthetics to Prada's bag	.817			
KMO: .857, Bartlett's Test of Sphericity: .000				
Physical Similarities of Mimic Brand with Flagship Brand				
		3.525	88.129	.965
The Zara bag shares similar looks to Prada's bag	.937			
The Zara bag shares similar designs to Prada's bag	.960			
The Zara bag shares similar physical appearance to Prada's bag	.956			
The Zara bag shares similar aesthetics to Prada's bag	.901			
KMO: .857, Bartlett's Test of Sphericity: .000				

Hypothesis Testing

Prior to testing hypotheses H1 and H2, consumer attitudes toward the mimic brand (Zara) and perceptions of physical similarities to the flagship brand (Zara) were compared to ensure that there were no significant differences in these perceptions between the DFB and LFB datasets so that a more even evaluation could be made when testing the hypotheses. The independent samples t-tests showed that, as predicted, there were no significant differences in attitudes toward the mimic brand (Zara) for both the DFB and LFB datasets. This was a similar case for the perceptions of physical similarities of the mimic brand (Zara) with the flagship brand. The results are presented in Table 7.4.

Table 7.4: Variable Means & Independent Samples T-Test for the Mimic Brand (Zara)

Brand	Zara Mimic (DFB Dataset)	Zara Mimic (LFB Dataset)
Attitude (Mean)	4.766	4.858
<i>t-value</i>		-.729
<i>d.f.</i>		464
<i>Mean Diff.</i>		-.092
<i>95% CI</i>		[-.092, .127]
Physical Similarities (Mean)	3.673	3.639
<i>t-value</i>		.229
<i>d.f.</i>		464
<i>Mean Diff.</i>		.033
<i>95% CI</i>		[-.248, .313]

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$ and refer to sig. (2-tailed)

Hypothesis Testing – H1 to H4

Independent samples and paired samples t-tests were conducted to analyse the data for H1 and H2. H1a and H2a employed the independent samples t-test while H1b, H1c, H2b, H2c employed the paired samples t-test. The results of the t-tests are presented in Table 7.5.

Table 7.5: Variable Means & T-Test Results

Brand	Independent Samples T-Test		Paired Samples T-Test			
	Avant by Prada (DFB)	Avant (LFB)	Avant by Prada (DFB)	Zara (Mimic)	Avant (LFB)	Zara (Mimic)
Attitude (Mean)	4.502	4.167	4.502	4.766	4.167	4.858
<i>t-value</i>	2.871**		-3.639***		-7.794***	
<i>d.f.</i>	464		254		210	
<i>Mean Diff.</i>	.335		-.264		-.691	
<i>95% CI</i>	[.117, .106]		[-.406, -.121]		[-.865, -.516]	
Physical Similarities (Mean)	4.396	4.261	4.396	3.673	4.261	3.639
<i>t-value</i>	.968		7.921***		6.524***	
<i>d.f.</i>	464		254		210	
<i>Mean Diff.</i>	.135		.724		.621	
<i>95% CI</i>	[.135, .140]		[.544, .903]		[.433, .808]	

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$ and refer to sig. (2-tailed)

H1a: *There is a significant difference in consumer's attitude toward the brand when comparing the DFB and LFB*

The results showed that there is a significant difference between the mean attitude toward the flanker brand when comparing the DFB and LFB. Therefore, H1a is supported. Also, the mean attitude toward the DFB (4.502) is significantly greater than the mean attitude toward the LFB (4.167).

H1b: *There is a significant difference in consumer's attitude toward the brand when comparing the mimic brand and the DFB*

The results showed that there is a significant difference between the mean attitude toward the flanker brand when comparing the mimic brand and DFB. Therefore, H1b is supported. Also, the mean attitude toward the mimic brand (4.766) is significantly greater than the mean attitude toward the DFB (4.502).

H1c: There is no significant difference in consumer's attitude toward the brand when comparing the mimic brand and the LFB

The results showed that there is a significant difference between the mean attitude toward the flanker brand when comparing the mimic brand and LFB. Therefore, H1c is not supported. Also, the mean attitude toward the mimic brand (4.858) is significantly greater than the mean attitude toward the LFB (4.167).

H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB

The results showed that there is no significant difference between the mean perception of physical similarities with the flagship brand between the DFB and the LFB. Therefore, H2a is supported.

H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB.

The results showed that there is a significant difference between the mean perception of physical similarities with the flagship brand between the mimic brand and the DFB. Therefore, H2b is supported. Also, the mean attitude toward the DFB (4.396) is significantly greater than the mean attitude toward the mimic brand (3.673).

H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the LFB.

The results showed that there is a significant difference between the mean perception of physical similarities with the flagship brand between the mimic brand and the DFB. Therefore, H2c is not supported. Also, the mean attitude toward the LFB (4.261) is significantly greater than the mean attitude toward the mimic brand (3.639).

Regression analysis in SPSS 22 was used to evaluate H3a, H3b and H4. The variables were mean-centred prior to running the regressions to reduce the potential for multicollinearity in the analyses (Wilcox et al., 2009).

H3a: *For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand*

H3b: *For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand*

Table 7.6: Att_FlagshipBrand→Att_FlankerBrand

Variables	B [95% CI]	S.E.	β	Adj. R ²	t- value	Sig.
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand→Att_FlankerBrand	.507 [.418, .596]	.045	.578	.332	11.279	.000***
Latent Flanker Brand (LFB)						
Att_FlagshipBrand→Att_FlankerBrand	.559 [.465, .653]	.048	.629	.392	11.690	.000***

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 7.6, the results for the hypothesis testing for H3a (DFB) reveal that attitude toward flagship brand does have a significant and positive influence on attitude toward the flanker brand (DFB) ($p < .001$, $\beta = .578$, $t = 11.279$). Thus, H3a is supported. The results for the hypothesis testing for H3b (DFB), however, reveal that attitude toward the flagship brand also has a significant and positive influence on attitude toward the flanker brand (LFB) ($p < .001$, $\beta = .629$, $t = 11.690$). This runs contrary to the hypothesis, and thus, H3b is not supported.

H4: *Attitude toward the flanker brand has a positive influence on success of the flanker brand*

Table 7.7: Att_FlankerBrand→Success_FlankerBrand

Variables	B [95% CI]	S.E.	β	Adj. R ²	t- value	Sig.
Distinct Flanker Brand (DFB)						
Att_FlankerBrand→Success_FlankerBrand	.493 [.399, .587]	.048	.544	.294	10.323	.000***
Latent Flanker Brand (LFB)						
Att_FlankerBrand→Success_FlankerBrand	.374 [.279, .469]	.048	.475	.222	7.800	.000***

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 7.7, the results for the hypothesis testing for H4 for both the DFB and LFB reveal that attitude toward flanker brand does have a significant and positive influence on the success of the flanker brand (DFB: $p < .001$, $\beta = .544$, $t = 10.323$); LFB: $p < .001$, $\beta = .475$, $t = 7.800$). Thus, H4 is supported for both the DFB and LFB.

Moderation Analyses

Having established these relationships, moderation analyses were conducted to evaluate the influence of attitude toward the mimic brand (H5), and perceptions of physical similarities with the flagship brand (H6), on these relationships. The relationships relevant to the moderation analyses are illustrated in Figure 7.1 above.

The moderation analyses were conducted using the PROCESS SPSS macro developed by Hayes (2012), and applied the approach proposed by Anderson (1986) and Baron and Kenny (1986):

1. Regress the dependent variable (Y) on the independent variable (X), to ensure that the relationship is significant.
2. Regress the dependent variable (Y) on the independent variable (X), and moderator variable (Z) to obtain the R^2 – Model 1.
3. Centering of the independent variable (X) and the moderator variable (Z) by subtracting the mean score from all the values so that the mean score is zero.
4. Multiplying of the centred independent variable (X) and the centered moderator variable (Z) to create an interaction term (I).
5. Regress the dependent variable (Y) on the independent variable (X), the moderator variable (Z), and the interaction term (I), to obtain the R^2 – Model 2.
6. Compare the change in R^2 ($R^2 \Delta$) between models 1 and 2 to ascertain if there is a significant moderation effect.
 - a. If the $R^2 \Delta$ is not significant, then the moderator variable (Z) does not moderate the relationship.
 - b. If the $R^2 \Delta$ is significant, then the moderator variable (Z) moderates the relationship.
7. If the $R^2 \Delta$ is significant, conduct a simple slopes analysis to ascertain the effect of the moderator (Z) on the relationship between independent variable (X) and dependent variable (Y).

H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

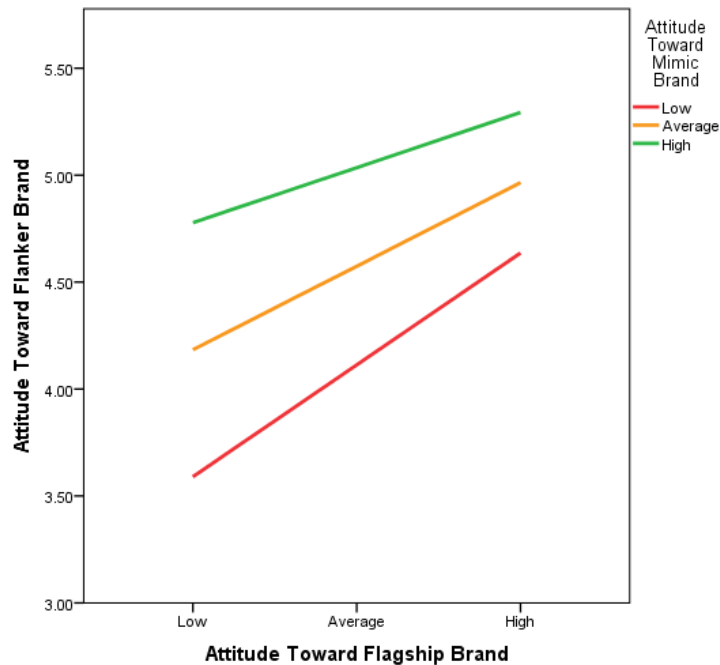
Table 7.8: Att_MimicBrand on Att_FlagshipBrand→Att_FlankerBrand

Independent Variables	R^2	F	df	R^2 Δ	$F\Delta$	df
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand + Att_MimicBrand + Interaction Term	.460	105.843***	3,251	.016	8.446**	1,251
Latent Flanker Brand (LFB)						
Att_FlagshipBrand + Att_MimicBrand + Interaction Term	.451	88.806***	3,207	.007	2.036	1,207

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 7.8, for the DFB, the results for the hypothesis testing for H5a reveal that attitude toward the mimic brand was found to moderate the relationship between attitude toward the flagship brand and attitude toward the flanker brand. A subsequent analysis of the moderation effect revealed that, contrary to the hypothesis, attitude toward the mimic brand dampens this relationship. Therefore, for the DFB, H5a is not supported. This is illustrated in Figure 7.3.

Figure 7.3: DFB Att_MimicBrand on Att_FlagshipBrand→Att_FlankerBrand



As seen in Figure 7.3, for consumers with a low positive attitude toward the mimic brand, $b = .372$, $t(251) = 6.057$, $p = .000$. For consumers with an average attitude toward the mimic brand, $b = .278$, $t(251) = 4.628$, $p = .000$. For consumers with a high positive attitude toward the mimic brand, $b = .183$, $t(251) = 2.460$, $p = .015$.

For the LFB, attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand. Therefore, hypothesis H5a is supported for the LFB.

Overall, H5a is not supported for the DFB and supported for the LFB.

H5b: *Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand* (Att_FlankerBrand → SuccessFlankerBrand)

Table 7.9: Att_MimicBrand on Att_FlankerBrand→SuccessFlankerBrand

Independent Variables	R^2	F	df	$R^2 \Delta$	$F\Delta$	df
Distinct Flanker Brand (DFB)						
Att_FlankerBrand + Att_MimicBrand + Interaction Term	.297	30.707***	3,251	.001	.178	1,251
Latent Flanker Brand (LFB)						
Att_FlankerBrand + Att_MimicBrand + Interaction Term	.265	18.699***	3,207	.002	.210	1,207

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 7.9, for the both the DFB and LFB, attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. Therefore, hypothesis H5b is supported.

H6a: *Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand* (Att_FlagshipBrand → Att_FlankerBrand)

Table 7.10: MimicBrand_PhysChar on Att_FlagshipBrand→Att_FlankerBrand

Independent Variables	R^2	F	df	$R^2 \Delta$	$F\Delta$	df
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand + MimicBrand_PhysChar + Interaction Term	.350	32.720***	3,251	.003	.676	1,251
Latent Flanker Brand (LFB)						
Att_FlagshipBrand + MimicBrand_PhysChar + Interaction Term	.399	36.422***	3,207	.000	.045	1,207

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 7.10, for the both the DFB and LFB, perceptions of physical similarities of the mimic brand with the flagship brand have no moderating effect on

the relationship between attitude toward the flagship brand and attitude toward the flanker brand. Therefore, hypothesis H6a is supported for both the DFB and LFB.

H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

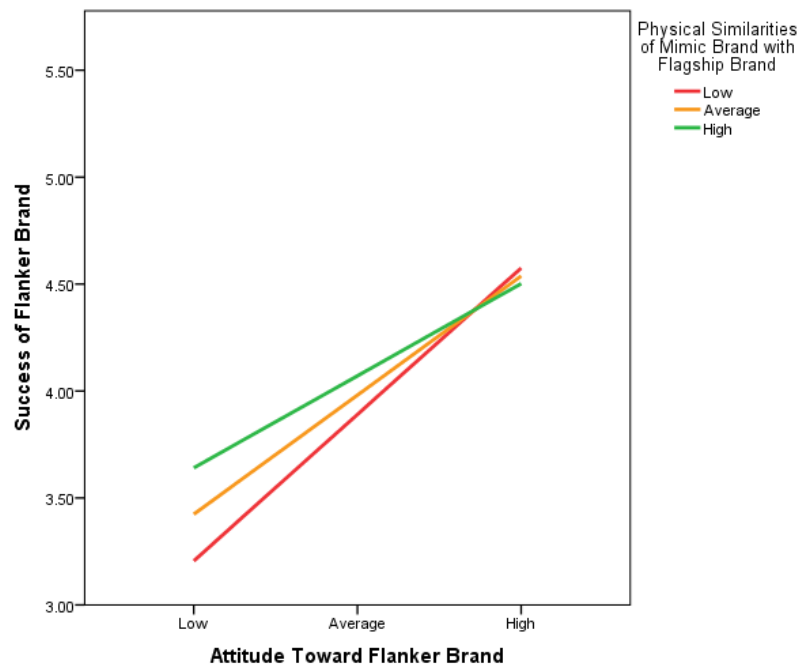
Table 7.11: MimicBrand_PhysChar on Att_FlankerBrand→SuccessFlankerBrand

Independent Variables	R^2	F	df	$R^2 \Delta$	$F\Delta$	df
Distinct Flanker Brand (DFB)						
Att_FlankerBrand + MimicBrand_PhysChar + Interaction Term	.321	39.637***	3,251	.018	4.876*	1,251
Latent Flanker Brand (LFB)						
Att_FlankerBrand + MimicBrand_PhysChar + Interaction Term	.250	14.761***	3,207	.001	.078	1,207

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 7.11, for the DFB, the results for the hypothesis testing for H6b reveal that perceptions of physical similarities between the mimic brand and flagship brand was found to moderate the relationship between attitude toward the flanker brand and success of the flanker brand. A subsequent analysis of the moderation effect revealed that, contrary to the hypothesis, attitude toward the mimic brand dampens this relationship. Therefore, for the DFB, H6b is not supported. This is illustrated in Figure 7.4.

Figure 7.4: DFB MimicBrand_PhysChar on Att_FlankerBrand→SuccessFlankerBrand



As seen in Figure 7.4, for consumers with low perceptions of physical similarities between the mimic brand and flagship brand, $b=.555$, $t(251)=9.137$, $p=.000$. For consumers with average perceptions of physical similarities between the mimic brand and flagship brand, $b=.452$, $t(251)=8.215$, $p=.000$. For consumers with high perceptions of physical similarities between the mimic brand and flagship brand, $b=.349$, $t(251)=4.270$, $p=.000$.

For the LFB, attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. Therefore, hypothesis H6b is supported for the LFB.

Overall, H6b is not supported for the DFB and supported for the LFB.

Results Discussion

This study has sought to investigate the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace. To this end, this study has addressed the following sub-objectives: (1) Evaluate and compare consumer attitudes toward flanker brands and mimic brands; (2) Evaluate and compare consumer perceptions of physical characteristics of flanker brands and mimic brands, and their similarity to the flagship brand; (3) Determine how attitudes toward mimic brands affect (if at all) the attitudes toward flanker brands and their success; and (4) Determine how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success.

A consolidation of the results from this study is presented in Table 7.12.

Table 7.12: Summary of Findings

Hypothesis	Avant by Prada (DFB)	Avant (LFB)
H1a: There is a significant difference in consumer's attitude toward the brand when comparing the DFB and LFB	<i>Supported</i> Attitude toward the DFB is greater than attitude toward the LFB	
H1b: There is a significant difference in consumer's attitude toward the brand when comparing the mimic brand and the DFB	<i>Supported</i> Attitude toward the mimic brand is greater than attitude toward the DFB	<i>n/a</i>
H1c: There is no significant difference in consumer's attitude toward the brand when comparing the mimic brand and the LFB	<i>n/a</i>	<i>Not Supported</i> Attitude toward the mimic brand is significantly greater than attitude toward the LFB
H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB		<i>Supported</i>
H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB	<i>Supported</i> Perceptions of physical similarities for the DFB is significantly greater than the mimic brand	<i>n/a</i>
H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with flagship brand for the LFB	<i>n/a</i>	<i>Not Supported</i> Perceptions of physical similarities for the LFB is significantly greater than the mimic brand
H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Supported</i>	<i>n/a</i>
H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>n/a</i>	<i>Not Supported</i> Attitude toward the flagship brand had a positive influence on attitude toward the flanker brand
H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Supported</i>
H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Not Supported</i> Attitude toward the mimic brand dampens the relationship	<i>Supported</i>
H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Supported</i>

Hypothesis	Avant by Prada (DFB)	Avant (LFB)
H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Supported</i>	<i>Supported</i>
H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Not Supported</i> Perceptions of physical similarities of the mimic brand with flagship brand dampens the relationship	<i>Supported</i>

Discussion – Comparison of Attitudes & Perceptions of Physical Characteristics

Hypotheses H1 and H2 make comparisons on consumer attitudes and perceptions of physical similarities with the flagship brand, between the flagship brand, DFB, LFB, and mimic brand.

For H1a, a significant difference in attitudes toward the DFB and LFB was observed. Consumers' attitude toward the DFB were found to be more positive than attitudes toward the LFB. This is in line with expectations on attitudes toward the DFB and LFB, as the DFB signals a clear association with the flagship brand through cues such as the brand name (Avant by **Prada**). This is in line with the prior findings in the branding literature on consumer attitudes. Consumers are likely to make evaluations about the flanker brand based on their associations and beliefs of the flagship brand, and extend this onto the DFB (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007). By contrast, the LFB does not have any clear link to the flagship brand (Avant), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation (e.g. Erdem et al., 2006; Kalamas et al., 2006; Malhotra et al., 2015). This also means that positive associations with the flagship brand might not be transferred onto the LFB. This, as seen in H1a, results in consumers having a more positive attitude toward the DFB, when compared to the LFB.

Moving onto H1b and H1c, attitudes toward the respective flanker brands are compared against attitudes toward the mimic brand. The analysis results showed that in both cases, respondents had a more positive attitude toward the mimic brand Zara, compared to the DFB and LFB. There are several possible explanations for this:

1. The DFB and LFB employed in this study are both fictitious brands (Avant by Prada and Avant), compared to the mimic brand which is a real-world brand (Zara). Indeed, research has shown that varying levels of brand familiarity can affect the way a consumer evaluates a particular brand (Kim et al., 2016; Kronrod and Lowrey, 2016; Siu et al., 2016). A lack of familiarity with the flanker brands, coupled with greater familiarity with the mimic brand may mean that respondents were more critical or uncertain of the flanker brands.
2. A potential limitation that may have caused these results could be with the stimulus. This study used a print advertisement, making judgements of the brand in terms of quality difficult to ascertain. The lack of information on the branding

and pricing of the flanker brands makes it difficult to make attitudinal comparisons against the mimic brand. However, the mean difference in the responses were both quite small (<1), which suggest while the mimic brand was better received, the flanker brands were not completely disregarded. Therefore, with adequate marketing; for example, in through clear and consistent branding, advertising and promotion of the flanker brand, the flanker brands may prove to be a useful tactic against mimic brands.

For H2a, there was no significant difference in respondents' perceptions of physical similarities of the flanker brands with the flagship brand. This is as expected, as the flanker brand should be a "mimic" of the flagship brand, and thus should possess physical characteristics that echo that of the flagship brand. This implies that both the DFB and LFB are perceived to be almost equally similar to the flagship brand in terms of the physical characteristics.

Examining the results for H2b and H2c, it is observed that perceptions of physical similarity between the flanker brand and flagship brand were, in both cases (DFB and LFB), more positive than perceptions of physical similarity between the mimic brand and the flagship brand. A possible explanation for this is that respondents may be quite familiar with the Zara brand (mimic brand), and the products they make. This could suggest respondents are more knowledgeable about the nuances that are unique to the mimic brand, and thus they do not perceive the mimic brand to be physically similar to the flagship brand. Indeed, while a direct comparison cannot be made, the mean scores for perceptions of physical similarities of the mimic brand with flagship brand (DFB dataset: 3.673; LFB dataset: 3.639) are both subjectively low and below the median score of 4 (responses were measured on a seven-point scale). This suggests that the mimic brand is perceived to somewhat dissimilar to the flagship brand.

Thus, there are two takeaways from this result. First, this suggests, that future research should consider the influence of consumer brand familiarity and consumer knowledge on evaluations of the mimic brand and the flagship brand to see if there are any correlations in the results. If brand familiarity and knowledge do indeed influence consumer perceptions of physical similarities, then brand managers will need to take this into consideration and decide which flanker brand classification would be more effective against the target mimic brand. Second, the present result lends credence to the notion that the flanker brand can be used as an effective tactic against the mimic

brand. As an in-house developed brand, the flanker brand should be a better “mimic” of the flagship brand than competing mimic brands. Thus, as the results for H2b and H2c show, for both the DFB and LFB, the flanker brands are perceived to be more similar to the flagship brand than the mimic brand.

Discussion – Influence of Mimic Brands on Flanker Brand Evaluations

Hypothesis H3 and H4 were aimed at establishing key relationships for the moderation analyses to be conducted. Hypothesis H3 examines the influence of consumer attitudes toward the flagship brand on attitudes toward the flanker brands (DFB:H3a/LFB:H3b). The analysis results for H3 show that for the DFB, attitude toward the flagship brand does indeed have a significant and positive influence on attitude toward the flanker brand.

This is in line with the expected outcome for a DFB – that similar to the findings from brand extension research (e.g. Kalamas et al., 2006; Kim et al., 2001); consumers are likely to draw on the brand signals link the DFB to the flagship brand, and categorise the DFB based on their pre-existing knowledge and associations of the flagship brand (Erdem et al., 2006). For the LFB however, contrary to the hypothesis (H3b), attitude toward the flagship brand also had a positive influence on attitude toward the flanker brand. This finding lends support to the notion that in the absence of branding cues (e.g. brand name), consumers will look for other signals that may help them to categorise the information that they are presented with (Langan et al., 2016; Zeithaml, 1988). So, in this case, it is possible that consumers are relying on the physical characteristics of the flanker brand to help them categorise and evaluate the flanker brand. Linking this to brand mimicry: mimic brands simulate the signal properties of the flagship brand, in terms of design and concept (Teah, 2013); and given that a flanker brand is in a way a “mimic” of the flagship brand, the physical characteristics might serve as cues for consumers to draw links to the flagship brand.

This could help explain why, in the case of the LFB, attitudes toward the flagship brand have a positive influence on attitudes toward the flanker brand; because consumers who have favourable evaluations of the flagship brand, but who are unable to afford the flagship brand’s products, may purchase a mimic brand instead (Shenkar, 2010, 2012; Teah, 2013; Yoo and Lee, 2012).

Hypothesis H4 proposes that attitude toward the flanker brand has a positive influence on the success of the flanker brand. This was supported for both the DFB and LFB. This reinforces prior research on how attitudes motivate consumer behaviours toward the brand (e.g. Kalamas et al., 2006; Spears and Singh, 2004); and suggests that for the DFB and LFB, it is imperative that the DFB and LFB be branded and marketed effectively to the target audience.

Hypothesis H5 examines the moderating influence of attitude toward the mimic brand on the relationship between attitude toward the flagship brand and attitude toward the flanker brand ($\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$) (H5a); and attitude toward the flanker brand and success of the flanker brand ($\text{Att_FlagshipBrand} \rightarrow \text{Success_FlankerBrand}$) (H5b).

Examining the results for H5a show that for the DFB, attitudes toward the mimic brand dampened the $\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$ relationship. Therefore, H5a is not supported for the DFB.

For the DFB, the result for H5a is an interesting finding, as it suggests the positive effect of brand associations being transferred from the flagship brand to DFB are potentially negated in the presence of a mimic brand that consumers have a positive attitude toward. One possible explanation for this could be that if a consumer already has a strong positive attitude toward the mimic brand, then the mimic brand may be used as another anchor point for evaluating the DFB. This use of anchor points is reflected in other branding research (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007). The result, is that the mimic brand may appear to be a better alternative to the DFB, which then erodes the positive associations between the flagship brand and DFB. Alternatively, it may be that the design and branding of the DFB in the present study is not effectively communicating the associations with the flagship brand. This suggests that brand managers looking to employ a DFB as part of a flanking strategy need to ensure that the DFB is properly positioned and marketed to the consumer. Overall, the findings suggest that attitudes toward the mimic brand do have an influence on consumer attitudes toward the DFB.

Interestingly however, for the DFB, attitude toward the mimic brand does not affect the $\text{Att_FlagshipBrand} \rightarrow \text{Success_FlankerBrand}$ relationship (H5b). This means that should consumers have a positive attitude toward the flanker brand, the success of the

flanker brand can be retained. Linking it back to the finding for H5a, this could suggest that brand managers who wish to launch a DFB, need to carefully brand and position the DFB to engage consumers in such a way that the positive associations the flagship brand are clearly and effectively transferred to the DFB. This would then strengthen the likelihood that consumers are receptive to the DFB and willing to purchase it.

Comparing this against the analysis results for the LFB – where no moderation was found for H5a and H5b; it may suggest that in this context of luxury bags, the LFB is a better tactic for brand managers. The fact that there was no moderation detected for the LFB, for both relationships examined, suggests that in the LFB is a more resilient flanker brand against mimic brand competitors in the context of luxury bags. One explanation could be that the lack of association with the flagship brand meant that consumers were less likely to make judgements about the LFB using the flagship brand as an anchor point; avoiding any potential issues encountered by the DFB.

Hypothesis H6 examines the moderating influence of perceptions of physical similarities with the flagship brand on the relationship Att_FlagshipBrand → Att_FlankerBrand (H6a); and Att_FlagshipBrand → Success_FlankerBrand (H6b).

Examining the results for H6a show that for the DFB, perceptions of physical similarities with the flagship brand did not influence the Att_FlagshipBrand → Att_FlankerBrand relationship. This suggests that for consumers, the physical similarities of the mimic brand with the flagship brand do not have a significant influence on consumer attitudes toward the DFB.

For the DFB, the results for H6a are interesting when compared to the findings in H5a. For H5a, attitude toward the mimic brand has a dampening effect on the Att_FlagshipBrand → Att_FlankerBrand relationship; while for H6a, perceptions of physical similarities between the mimic brand and flagship brand do not. This highlights the notion that mimic brands do not simply mimic the physical aspects of the flagship brand, but also the symbolic and conceptual aspects (Teah, 2013; Teah and Phau, 2011). The finding for H6a could also help explain the result for H5a. It is possible that consumers felt that the mimic brand carried stronger symbolic and conceptual similarities with the flagship brand than the DFB. Thus, despite the DFB having physical similarities with the flagship brand, attitudes were still influenced in H5a. Therefore, brand managers need to effectively branded and positioned, to ensure

that the DFB maintains symbolic and conceptual parity with the flagship brand, to be an effective competitor against mimic brands.

Examining the results for H6b, it is noted that for the DFB, perceptions of physical similarities of the mimic brand with the flagship brand has a dampening effect on the Att_FlankerBrand → SuccessFlankerBrand relationship.

For the DFB, this means that as consumers perceive the mimic brand to be more similar to the flagship brand, the weaker the influence of their attitude toward the DFB is on its success. This could mean that should consumers perceive the mimic brand to be very similar to the flagship brand, the positive attitudes they have of the DFB are less likely to translate into them purchasing the DFB. Why this is the case certainly warrants further research. One possible explanation for this may lie with the consumers' social-identity functions of attitude. As discussed, attitudes can serve social functions (Wilcox et al., 2009). Thus, consumers whose attitudes serve a more social-adjustive function may be less likely to purchase and own the DFB, despite having positive attitudes toward it. Further, the result for H2b showed that DFB is perceived to be more similar to the flagship brand than the mimic brand. For a consumer, whose attitudes serve a social-adjustive function, purchasing the DFB may have the social benefit of being able to be associated with consumers of the flagship brand (Wilcox et al., 2009). Assuming this is the case, and the consumer is purchasing the DFB to serve a social-adjustive function; the strong similarity between the mimic brand and flagship brand may lead the consumer to believe that the DFB is positioned at the same level as the mimic brand. This may negate the social benefits of purchasing the DFB as the consumer may determine that purchasing the DFB is no more socially beneficial than purchasing the mimic brand. This presents brand managers with a conundrum that needs to be carefully considered when developing a DFB.

For the LFB, the perceptions of physical similarity of the mimic brand with flagship brand do not influence either the Att_FlagshipBrand → Att_FlankerBrand (H6a) or the Att_FlagshipBrand → Success_FlankerBrand (H6b) relationships. This suggests that due to the lack of a link to the flagship brand, consumers have no clear reference point to make evaluations about the LFB, and thus may be more likely to perceive the LFB as another mimic brand. This lends credence to the findings for the LFB in H5 and H6, and suggests that the LFB can be useful for this product category, as in both cases, evaluations of the LFB are unaffected by the mimic brand.

Concluding Comments

The present study makes several key contributions to the literature on flanker brands. The main impetus for this study is to examine the managerial implications of flanker brands, and ascertain their effectiveness as strategic tools against an increasingly common competitor strategy – mimic brands. Given the lack of empirical research in this area, this was addressed through a number of identified objectives: (1) Evaluate and compare consumer attitudes toward flanker brands and mimic brands; (2) Evaluate and compare consumer perceptions of physical characteristics of flanker brands and mimic brands, and their similarity to the flagship brand; (3) Determine how attitudes toward mimic brands affect (if at all) the attitudes toward flanker brands and their success; and (4) Determine how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success.

Theoretical Contributions

From a theoretical perspective, this study develops a better understanding of flanker brands by developing a clear concept of flanker brands; and introducing two classifications of flanker brands. This addresses a key gap in the literature on flanker brands – the lack of clarity on what flanker brands are. The present study puts forward a concept of flanker brands, and empirically evaluates the proposed classifications. This would help serve as a foundation from this area of marketing can be further developed, both from an academic perspective and from an industry perspective.

Methodological Contributions

The main methodological contribution with this study is with the approach taken for the stimulus design and choice of fictitious brand name for the flanker brand. This study helps to expand the applicability of the method used by Phau and Cheong (2009a, 2009b) for selecting fictitious brand names. Further, as this study makes comparisons between mimic brands and flanker brands, it necessitated the alternating of the mimic brand and flanker brand stimuli and corresponding survey questions between respondents. This was done to help reduce the potential bias and priming that a fixed survey structure may introduce. While this is not something that can be explicitly validated, it is a detail that future research in this area should consider this as part of the research methodology.

Managerial Contributions

First, the findings show that attitudes toward the DFB were significantly more positive than attitudes toward the LFB. This reinforces a characteristic advantage of the DFB over the LFB. Knowing this, brand managers could leverage the positive associations that consumers may have of the flagship brand, when combating mimic brands, through the use of a DFB. When comparing attitudes toward the DFB and LFB against the mimic brand, this study found that attitudes toward the mimic brand was significantly more positive than attitudes toward the respective flanker brands. As discussed, this could be due to the fact that fictitious brand names were used for the flanker brands; while a real-world mimic brand (Zara) was used. This means that there is an inherent difference in familiarity between the flanker brand and mimic brand. As discussed, research on brand familiarity has shown that varying levels of brand familiarity can affect consumers' evaluations and behavioural intentions toward brands (Kronrod and Lowrey, 2016; Saini and Lynch, 2016; Siu et al., 2016). This could be why the mimic brand was better perceived, when compared to the DFB and LFB. This means, that for the brand manager, should a DFB or LFB be launched, it is imperative that flanker brands be effectively communicated and marketed to the consumer to ensure that they are favourably compared against the intended mimic brand competitors. This being said, this has not been evaluated in the context of flanker brands, and thus presents an avenue for future research.

When comparing the perceptions of physical similarity to the flagship brand across the DFB, LFB and mimic brand, the results show that perceptions of physical similarities with the flagship brand were consistently greater for the flanker brands than for the mimic brands. As mentioned, one possible explanation could have been that respondents may be quite familiar with the Zara brand (mimic brand), and the products they make. This could suggest respondents are more knowledgeable about the nuances that are unique to the mimic brand, and thus they do not perceive the mimic brand to be physically similar to the flagship brand. However, this gives rise to the consideration that brand managers may be able to leverage the physical aspects of their products to ensure that the flanker brand is perceived to be a better "mimic" of the flagship brand than the competing mimic brand. This draws on some key aspects of brand mimicry – design, concept and symbolism (Teah, 2013). By launching a flanker brand that is a better copy of the flagship brand's design and concept, brand managers

may be able to position the flanker brand to better mimic the character of the flagship brand than the mimic brand. In particular, this could be useful when targeting consumers whose attitudes serve a social-adjustive function (Wilcox et al., 2009), a closer match with the flagship brand's physical characteristics may potentially help ensure the success of the flanker brand over the mimic brand.

The moderation analyses showed that overall, the LFB is potentially more resilient against mimic brands than the DFB. The moderation results showed that throughout testing, consumer attitudes toward the mimic brand; and perceptions of physical similarities of the mimic brand with flagship brand had no detrimental effect on consumer attitudes toward the LFB, or its success. In addition to reducing the potential for damaging the flagship brand's image and equity, due to the disassociation with the flagship brand, the LFB may appear as a less direct move by the firm to compete against mimic brands. Therefore, from the consumers' perspective, since the LFB appears to be another mimic brand, they might be more willing to consider the LFB as an alternative to the competing mimic brands. In the present research context of luxury bags, it may suggest that for brand managers, the LFB may be a more effective means of competing against mimic brands.

This does not mean however, that the DFB has no place in the flanking strategy. The findings show that attitudes toward the mimic brand; and perceptions of physical similarities of the mimic brand with flagship brand were found to dampen the relationship between attitude toward the flagship brand and attitude toward the flanker brand. However, these variables had no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. This suggests that should brand managers be effective in their marketing of the DFB, consumers who desire to own a product from the flagship brand, but who may be otherwise be unable to, may be an ideal target for the DFB.

Overall, brand managers need to be clear about what kind of competition they intend to use the flanking strategy against, and the kind of consumer they intend to engage. This will then help narrow down, which classification of flanker brand to deploy in the marketplace.

Limitations & Future Research Directions

This study, is not without its limitations. First, the proposed concept of flanker brands has only been examined in the context of luxury fashion, and specifically in the context of luxury footwear. As mentioned, flanker brands exist in a multitude of industries. Therefore, the findings from the present study may limit the validity of the present concept of flanker brands when examined in other industries. The validity and application of the present concept and classifications of flanker brands should be further examined in a different product category or industry, to improve the ecological validity of this concept.

Second, this research makes a number of assumptions in order to focus on the key manipulations. For example, the provenance of a flanker brand is highly unclear and can vary significantly. A flanker brand can be a conversion of an existing brand (Keller, 2013; McNallen, 1958), a new brand developed for the specific purpose (e.g. Berman, 2015; Clow and Baack, 2005; Giddens, 2010; De Menezes, 2014), a brand-extension with the strategic intent of flanking (e.g. Bessman, 2000; Johnson, 1992; Rothenberg, 1989), a “me-too” brand (Verhoef et al., 2002), or through a multitude of other means. To manage this, the present research makes the assumption that the flanker brand is a newly developed brand by the firm, for the sole purpose of executing the flanking strategy. While this allows for the evaluation of consumer responses to the respective flanker brands, it limits the evaluation of the strategic implications of flanker brands. Future research could address this, and examine consumer evaluations of flanker brands that have been, for example, converted from an existing brand, or through the repositioning of an existing brand extension.

Further, the flanker brands being tested are distinguished using only two manipulations – brand name and physical characteristics. It is widely understood that in the context of branding, there are a multitude of brand elements that can be employed in the branding of a product. However, introducing too many elements would limit the validity of the findings in this research. Future research should consider the effect that other brand elements may have on the use of flanker brands.

Overall, this study has attempted to expand the current knowledge on flanker brands through the investigation of the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace. The results from this study present some interesting findings, and it is hoped that the findings from this research

will help inspire future research into this dynamic, and constantly changing area of marketing.

Chapter 8

Study 4: Generalisation Study – Influence of Brand Mimicry on Preference of Flanker Brand Types

Chapter Introduction

This chapter seeks to generalise the findings in *Study 3* (Chapter 7), by examining the hypothesis assessed in *Study 3*, in the context of luxury footwear. Similar to *Study 3*, *Study 4* will address research objective **RO5** – *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands [Gap 4]*, and the hypotheses set out in Chapter 3.

Study 4 draws greater emphasis on the managerial implications, and seeks to examine the tactical applications of flanker brands in the marketplace. To this end, several sub-objectives were identified (see below), and will be address in this chapter.

RO5-1. Comparing consumer attitudes toward flanker brands against mimic brands

RO5-2. Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand

RO5-3. Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success

RO5-4. Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

This chapter is written to follow the structure of a stand-alone journal article. For the purposes of this thesis, this chapter presents a clear record of the analyses conducted in *Study 3*, and presents the findings relevant to this study. A ‘cut-down’ version adhering to the journal specifications has been submitted to the *Journal of Retailing & Consumer Services* for review. A consolidated comparison and evaluation of the results from *Study 3* and *Study 4* will be presented and discussed in the conclusion chapter – Chapter 9.

This chapter is structured in the following manner: First, an abstract of the study is presented. Following this, is an introduction to the study at hand. A summary review of the relevant literature and hypotheses development follow this. Next, the research

methodology, specific to *Study 4*, is presented. This is followed by, the results of the analyses and hypotheses testing. Finally, a discussion of the results from *Study 4* is presented.

Fighting Brand Mimics with Flanker Brands: An Empirical Evaluation

Abstract

Purpose – This study develops a concept of flanker brands, and examines a framework for the empirical evaluation of flanker brands. It also ascertains how social identity functions of attitude influence consumers' choice of flanker brand classification (Distinct/Latent).

Design/methodology/approach – Data were collected from respondents residing in Singapore, using an online data panel. Data analysis was conducted using structural equation modelling, and hierarchical moderated regression.

Findings – The findings show that the proposed research model is applicable for the evaluation of flanker brands. The results also revealed a better understanding of how consumers' social identity functions of attitude affect their preferences for the distinct and latent classifications of flanker brands. This opens doors for further investigation for flanker brands in the luxury context.

Practical implications – The findings from this study, help give clarity on the concept of flanking in business, and flanker brands. This provides a clear foundation from which future research can be conducted to better understand the business implications of this brand strategy.

Originality/ value – Given the lack of empirical research on flanker brands, this study is the first of its kind to develop a clear and consolidated concept of flanker brands, and presents a first step towards a better understanding of the use of flanker brands as part of a firms' repertoire of brand management strategies.

Introduction

Brand mimicry in the luxury brand industry is an area of research that has sparked significant interest in recent years (e.g. Phau and Teah, 2016; Teah, 2013; Wilcox et al., 2009). Brands such as Zara and H&M are some of the more prominent fashion mimic brands in the marketplace, often mimicking designs from luxury labels (Campbell, 2016; Cormack, 2016). Some argue that the presence of mimicry has helped spur innovation and growth in the luxury brand industry (Raustiala and Sprigman, 2012; Teah, 2013). However, mimic brands also present a significant threat to luxury brands established in the industry (Cormack, 2016; “Does Look-a-Likes Impact Luxury Brands?”, 2016). Presently there are few options for firms looking to fend off mimic brand competitors. Teah (2013) explains that, in the luxury fashion industry, one of the main responses to brand mimicry is for companies to continually change designs each season, making it more difficult for mimic brands to keep up with the established brand. Another option that luxury brand firms employ is to market special and limited editions of their products in order to create a sense of exclusivity and appeal that warrant greater attention, and indeed the consumers’ money, over competing mimic brands (Fionda and Moore, 2009; Teah, 2013). However, these options are not without caveats. First, continually changing designs from season to season is a potentially costly affair, and can be taxing on the firm as it is continuously forced to come up with new designs and products in order to stay ahead of the mimic brand competition (Bhardwaj and Fairhurst, 2010; Dier, 2016). This issue may be alleviated with the introduction of special and limited edition products (Amatulli et al., 2016; Su, 2016). However, this poses another potential issue – a limited edition, is by nature, a transient brand, making it difficult for a firm to justify keeping it in production, even if the limited edition proves successful in the marketplace.

With this in mind, there is a need for other potential tactics that may be useful for luxury fashion brands to combat the rise of mimic brands. One possible tactic is to use flanker brands; which may be a useful addition, if not an alternative, to these existing strategies.

This study therefore, seeks to investigate the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace. Conducted in the context of luxury footwear, this study will: (1) Evaluate and compare consumer attitudes toward flanker brands and mimic brands; (2) Evaluate and compare consumer

perceptions of physical characteristics of flanker brands and mimic brands, and their similarity to the flagship brand; (3) Determine how attitudes toward mimic brands affect (if at all) the attitudes toward flanker brands and their success; and (4) Determine how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success.

This paper begins with a background on brand mimicry, and introduces the impetus for this study. Following this, is the development of a concept of flanker brands, to be used in this study. Next, the relevant literature is discussed, along with the development of the hypotheses. Then, the sample and survey instrument employed in this study is explained. This is followed by the analyses and results. Finally, this paper closes with a discussion on the results and the contributions of this study.

Brand Mimicry

The term mimicry, from a biological perspective, relates to the visible similarities of physical appearance like shape, colour and patterns between organisms in distinct families (Phau and Teah, 2016). By extension, brand mimicry “involves a brand (the mimic) which simulates the signal propert[ies] of a second brand (the model) through, for example, the trade dress, image, concept, which are perceived signals of interest by a third party (the signal receiver/dupe/operator); such that the mimic brand gains fitness as a result of the signal receiver identifying it as an example of the model brand” (Teah, 2013). In essence, brand mimicry is “the act or art of copying or close imitation of a brand” (Teah and Phau, 2010), and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). This aspect of physical characteristics serves as the focal point for assessing mimic brands and their effect on flanker brands in this study. This was identified as the most obvious and easiest characteristics that would signal consumers to consider the mimic brand as an alternative to the (model) flagship brand (Teah, 2013).

It is usually employed by competitor brands looking to enter and compete in an established industry, or to survive in the market (Teah and Phau, 2010, 2011). Mimic brands generally copy packaging, design, and brand concept to create points of parity with the model brand (Teah and Phau, 2010). Mimicry in the marketplace affects both convenience goods and luxury brands, particularly in the fashion industry, and can sometimes be considered as a useful strategy to aid in stimulating demand for the

product, and spurring business growth and innovation (Hilton et al., 2004; Teah and Phau, 2010; Yoo and Lee, 2012).

From a consumer perspective, there are several arguments for brand mimicry. For example, some research argues that imitation in the marketplace can provide consumers with viable alternatives to luxury brand products that they might not otherwise be able to afford (Hemphill and Suk, 2009; Nia and Zaichkowsky, 2000; Teah, 2013). However, while this might be beneficial to the consumer – being given more choice in terms of pricing; it does mean that established brands in the marketplace now have to make to with the presence of mimic brands, and face potential shrinkage of their market share. This is where it is postulated that flanker brands can be used as an effective strategy against mimic competitors in the marketplace, in particular, in the luxury branding industry.

A Concept of Flanker Brands

Manoeuvre Theory and the Concept of Flanking

Flanker brands are derived from the flanking strategy – a military strategy that has, over the years, found its way into the marketer’s repertoire of branding tactics. In military terms, a flank is the right or left limit of the combat unit relative to the direction of its movement, and is often a weak point, as the unit cannot apply much direct fire to the flanks (*Offense and Defense*, 2012). It is because of this, that flanking as a military strategy and tactic is commonly employed in battle (Dempsey, 1994; Elliott - Bateman, 1990; Field, 2012; Fry and Kiszely, 1998; Glantz, 1988). Commanders employ flanking tactics to engage these weak points, and defeat the enemy. Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy’s defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German et al., 1991; Lind, 1985; *Offense and Defense*, 2012).

Flanking, as a strategy, is underpinned by manoeuvre theory. Manoeuvre theory has its roots in the military, and was born out of the need to understand and explain the anomalous strategies and tactics used in warfare, that helped armies gain decisive victories over their enemies (Pech and Slade, 2003). In essence, the concept of manoeuvre warfare relates to “the organised movement of forces to a new line and

region for the purpose of taking an advantageous position relative to the (opponent) in order to deliver a decisive strike” (Lind, 1985; Sverdlov, 1983).

One famous example of manoeuvre warfare is the German Blitzkrieg of the Second World War, where the Germans employed highly mobile forces to deliver crushing blows to opposing forces, taking their opponents by surprise (Pech and Slade, 2003; Trueman, 2016). Thus, unlike traditional attrition-based warfare, manoeuvre theory and by extension, manoeuvre warfare, emphasises mobility and intellect. An army on a battlefield is deployed to be strongest where it expects to attack or to be attacked. Therefore, fighting the opponent in a direct manner (war of attrition) may result in heavy losses for both sides (Leonhard, 1991).

Manoeuvre warfare however, is characterised by speed, deception and the element of surprise to deliver striking blows to the opponent with minimal effort (Kolar and Toporišič, 2007; Pech and Durden, 2003). This speed, and sustained momentum of the attacks are aimed at forcing the opponent to move at a different pace, throwing the opponents off balance and into disarray (Pech and Durden, 2003). As Clemons and Santamaria (2002) put it, the aim of manoeuvre warfare is “not to destroy the adversary’s forces, but to render them unable to fight in an effective, coordinated [manner]”.

Flanking in Business

Drawn into the business context, there are presently two broad interpretations of the flanking strategy (Crittenden, 2010). A *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area, diverting the competitor’s attention away from the main market focus, whilst avoiding direct confrontation with the competitor (Capon et al., 2001; Crittenden, 2010; German et al., 1991; Ries and Trout, 1993). Another example of this, is of how in Absolut vodka priced their products at 50% more than their main competitor Smirnoff, and out-flanked Smirnoff to occupy the premium vodka segment of the market (Burns, 2013).

A *flanking position* on the other hand, is a defence position that a firm employs by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Capon et al., 2001; Crittenden, 2010; Finnie, 1992). In this sense, a firm employing a *flanking position*, is one that is applying the principles of manoeuvre theory from a defensive perspective. Flanker brands have been employed

in a multitude of industries. In the luxury fragrance market, for example, many brands turn to flankers to bolster their fragrance lines (Sheen, 2014). YSL for example launched their new “L’Homme Ultime by YSL” fragrance as a flanker to its existing scent brands to bolster its line-up (Johnson, 2016). In the fashion market, fast fashion house H&M have also launched flanker brands to compete with brands like Zara. In 2007, the H&M group launched a new brand – Collection of Style (COS), positioning COS as a high fashion but affordable retailer (“COS: Collection of Style”, 2007), flanking the H&M brand as an alternative to other fashion brands such as Zara.

Flanker Brands

The idea of flanker brands is not new in business, with first mention of flanker brands in marketing literature dating as far back as 1981 in Tauber’s (1981) paper on brand franchise extensions. Further, there is mention of flanker brands in much of the literature surrounding brand strategy (e.g. Aaker, 2004; Carroll, 2005; Crittenden, 2010; Giddens, 2010; Hyatt, 1980; Keller, 2008; Kim and Lowrey, 2010; Quelch and Jocz, 2009; Raasch, 2008; Rao et al., 2000; Riezebos, 2003; Ritson, 2009a, 2009b; Tauber, 1981; Varadarajan et al., 2006) yet to the authors' knowledge almost none of the literature make a clear attempt to conceptualise flanker brands (Phau and Lim, 2013). While not the primary focus for this study, a clear concept of flanker brands is necessary to move forward with this research.

A review of the past and present literature on flanking and flanker brands showed that most flanker brands are launched as new brands in the marketplace (e.g. Clow & Baack, 2005; Hyatt, 2008; Keller, 2013; Tauber, 1981). Flanker brands are also often positioned in a similar product category and market as the flagship brand, though the price and quality position is usually lower than the flanker brand and closer to competitor brands (Quelch and Harding, 1996). Firms launching a flanker brand need to apply the flanking strategy – leveraging deception and surprise to ensure that the firm has the upper hand as competitors scramble to deal with the new threat (Bellamy, 1990; Pech and Durden, 2003; Pech and Slade, 2005). Flanker brands are positioned to attack competitor brands’ market position, while protecting the flagship brand; and allowing the flagship brand to retain its desired positioning (Keller, 2013; Lafayette, 2013).

Through a review of the various concepts of flanker brands over the years, the following conceptual definition of flanker brands is adopted for this study (Lim, 2015):

Flanker brands are new brands that are swiftly positioned in a similar category and market as the flagship brand, through stealth and deception, for the purpose of attacking and/or defending against competitors; without risking the flagship brand's established market position by competing head-on

Further, given that flanker brands may or may not leverage the flagship brand's market image and brand equity using the flagship brand's name (e.g. Berman, 2015; De Menezes, 2014; Raasch, 2008) , is also proposed that flanker brands can be separated into two classifications (Lim, 2015):

Distinct Flanker Brand (DFB): A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and

Latent Flanker Brand (LFB): A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.

This concept of flanker brands and the corresponding classifications serve as the foundation from which this study will be conducted.

Flanking and Brand Mimicry

Referring to the literature on flanker brands, and comparing it with the literature on brand mimicry, there are some parallels that can be drawn. Chiefly, because flanker brands are often positioned at the same level as competitor brands (Keller, 2013; Kim and Lowrey, 2010; Ritson, 2009b), mimic brands in this case, they need to have points of parity with these mimic brands in order for consumers to consider them for purchase (Keller, 2013; Ritson, 2009b; Varadarajan et al., 2006). Therefore, arguably, a flanker brand could be launched as a “mimic” of the flagship brand. In this sense, strategically, the flagship brand can outflank competing mimic brands by introducing its own “mimic brand” into the marketplace – a flanker brand. In doing so, the flanker brand competes directly with mimic brand competitors, and protects the flagship brand's market position.

In addition to this, a flanker brand, if successful, can be kept in the firm's portfolio on a more permanent basis, avoiding the disadvantage of special/limited edition brands (Sheen, 2014). Further, since flanker brands are essentially “mimics” of the flagship

brand, the benefits afforded of a seasonal design strategy can be strengthened, with the flanker brand “mimicking” the flagship brand’s designs each season maintaining parity with competing mimics which employ similar seasonal strategies. This allows the firm to target those consumers who cannot afford the flagship brand, drawing consumers away from other mimic brand competitors in the marketplace.

Therefore, it is postulated there is potential that flanker brands could serve as an effective means of competing against mimic brands, without having to sacrifice the flagship brand’s equity and market positioning.

Relevant Literature and Hypothesis Development

This study seeks to investigate the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace.

In this study, the defining characteristic of a DFB is that there is a clear link drawn between the flagship brand and the flanker brand (e.g. Avant by Bottega Veneta). This serves as a clear signal and anchor point from which consumers can use to categorise the flanker brand, and make evaluations about the flanker brand based on their associations and beliefs of the flagship brand; drawing similar parallels to findings from brand extension research (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007).

A LFB however, has no obvious link to the flagship brand (e.g. Avant), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation. This means that there is a lower chance of perceiving the flanker brand as related to the flagship brand. Thus, when considering the LFB in the market place, it can and should appear very much like a mimic brand.

A mimic brand (e.g. Zara), as discussed, is a brand that is a copy or close imitation of a model (flagship) brand (Teah and Phau, 2010); and often involves the imitation of physical appearance of other brands (Teah and Phau, 2011). Mimic brands generally copy packaging, design, and brand concept to create points of parity with the model (flagship) brand (Teah and Phau, 2010). As discussed earlier this was identified as the most obvious and easiest characteristics that would signal consumers to consider the mimic brand as an alternative to the (model) flagship brand (Teah, 2013).

Attitudes are an overall evaluation of and judgement of a psychological object (Ajzen, 2001; Fishbein and Ajzen, 1975). Attitudes comprise of both affective (feelings of

liking or disliking) and cognitive (beliefs held about object) components, and have a significant influence on an individual's behaviour (Ajzen, 1991, 2002; Katz, 1960; Najmi et al., 2012). Incorporating this into the present research context, attitudes are examined with reference to a brand, and can be defined as a “relatively enduring, unidimensional summary evaluation of the brand that presumably energises behaviour” (Spears and Singh, 2004). To this end, one of the first things that needs to be established, is if there is a significant difference in consumer evaluations of the two classes of flanker brands, and how evaluations of the flanker brands compare against a mimic brand competitor.

Therefore, the following hypotheses are proposed:

H1a:** There is a significant difference in consumer's attitude toward the brand when comparing the **DFB** and **LFB

H1b:** There is a significant difference in consumer's attitude toward the brand when comparing the **mimic brand** and the **DFB

As discussed, a LFB should appear to the consumer like another mimic brand, and thus there should be no significant differences in perceptions of the LFB when compared to the mimic brand. Therefore, the following hypothesis is proposed:

H1c:** There is no significant difference in consumer's attitude toward the brand when comparing the **mimic brand** and the **LFB

Next, as discussed, the physical characteristics play an important role in influencing consumer evaluations of the brands they encounter, as mimic brands often copy the physical characteristics of the model (flagship) brand (Teah, 2013). To examine this, the first thing that needs to be determined is if consumers perceive a significant difference in the physical similarities between the flanker brand and the flagship brand. Given that a flanker brand can be developed as a “mimic” of the flagship brand, it is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand; but is positioned against competing mimic brands. It is expected that there should be no difference between the DFB and LFB in terms of consumer perceptions

of physical similarities between the flanker brand and the flagship brand. Therefore, the following hypothesis is proposed:

H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB

Following this, this research endeavours to ascertain if the flanker brand is perceived to be more similar to the flagship brand than the mimic brand. For the DFB, the presence of the flagship brand name should trigger associations with the flagship brand, and thus it is more likely that consumers will perceive differences in physical similarities with the flagship brand when comparing the DFB and the mimic brand. Therefore, the following hypothesis is proposed:

H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB

As before, given that a flanker brand can be viewed as an “mimic” developed by the flagship brand’s firm, it is expected that there should be no significant differences in perceptions of physical similarities with the flagship brand when comparing the LFB and mimic brand. The lack of the flagship brand name, should mean that consumers would perceive the LFB as “another mimic brand”, with no association with the flagship brand, and thus evaluate the LFB without any reference to the flagship brand.

Therefore, the following hypothesis is proposed:

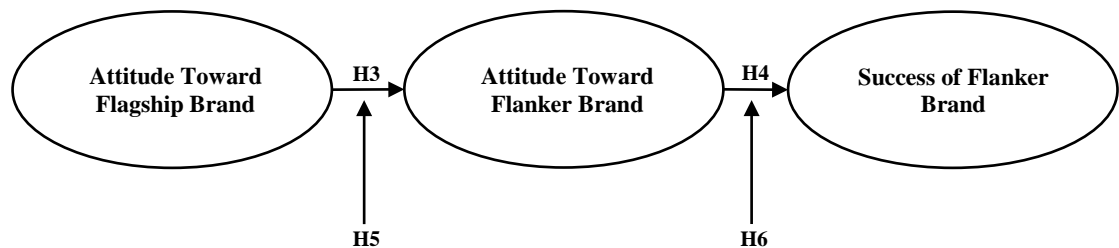
H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the LFB

Building on hypotheses H1 to H3, it is proposed that for flanker brands to be effective in competing against mimic brands, evaluations of, and the success of flanker brands should not be influenced by mimic brands. As there is a lack of empirical research on flanker brands, there is no theoretical foundation from which to develop a research

model for testing, and thus this research adapts the research model employed by Kalamas et al. (2006) to the flanker brand context. Figure 8.1 illustrates the research model to be employed in this study.

Consumer attitudes toward the mimic brand; and perceptions of physical similarities between the mimic brand and flagship brand will be examined to ascertain if mimic brands have any influence on certain relationships. The proposed research model is illustrated in Figure 8.1 below.

Figure 8.1: Research Model



Building on the aforementioned discussion on attitude toward the brand, Aaker and Keller (1990) explain, the success of a brand extension is often contingent on: (1) The consumer holding positive beliefs and attitudes toward the parent brand; (2) These positive beliefs and attitudes helping to facilitate the formation of positive beliefs and attitudes toward the extension brand; and (3) Negative associations of the parent brand not being transferred to the extension brand. Drawing on the brand extension literature, it is argued that brand extensions often share similar features and benefits to the parent brand (Bhat and Reddy, 2001).

Through the categorisation process, consumers are likely to compare their knowledge and beliefs of the parent brand, and match it with the extension brand (Kalamas et al., 2006; Sheinin and Schmitt, 1994). This means that the brand extension has to exhibit signals that would trigger the relevant parent brand associations (anchor points) so that the consumer is more likely to categorise and evaluate the brand extension using the positive associations he/she might have of the parent brand (Erdem et al., 2006; Erdem and Swait, 1998). These signals help to reduce the potential for dilution effects, which might result in consumers not accepting the brand extension (Kim et al., 2001; Loken and John, 1993).

Applying this to the present study, a flanker brand is likely to appear as a mimic of the model brand, in this case, the flagship brand of the firm. It is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand, but is positioned

against competing mimic brands. In this sense, it is expected that, similar to the findings from brand extension research, a consumer's attitudes toward the flagship brand, would have a positive influence on their attitude toward the flanker brand.

Therefore, the following hypotheses are proposed:

H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

As discussed, consumers' attitudes are known to motivate consumer behaviours (Ajzen, 2001, 2002; Kalamas et al., 2006; Spears and Singh, 2004). Therefore, in the present context, it appears logical to suggest that a consumer who has a positive attitude toward the flanker brand, is more likely to positively evaluate the flanker brand and be motivated to purchase the flanker brand. as a significant and positive influence on a consumer's desire to purchase the extension. Therefore, the following hypothesis is proposed:

H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand

If the flanker brand is to be used as an effective measure against mimic brands, then consumer attitudes toward the mimic brand and perceptions of physical similarities between the mimic brand and flagship brand should not deter consumers' attitudes toward the flanker brand and the success of the flanker brand.

Therefore, the following moderation hypotheses are proposed:

H5a: *Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand* (Att_FlagshipBrand → Att_FlankerBrand)

H5b: *Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand* (Att_FlankerBrand → SuccessFlankerBrand)

H6a: *Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand* (Att_FlagshipBrand → Att_FlankerBrand)

H6b: *Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand* (Att_FlankerBrand → SuccessFlankerBrand)

Research Methodology

Sample & Data Collection

The data for this study was collected in Singapore using Qualtrics, an online survey software with panel data facilities. This method was chosen as it provided a more cost-effective and efficient way to collect the data required for the research. Data collection occurred between May and June 2016. A total of 800 responses were collected, and after screening, a total of 712 responses were deemed usable (DFB – 348, LFB – 364) for use with the study.

Survey Instrument

A self-administered questionnaire was employed as the survey instrument for each of the four studies. This study examines the research objectives and hypotheses in the context of luxury footwear, and uses the brands Bottega Veneta (flagship brand), Touché by Bottega Veneta (fictitious DFB), Touché (fictitious LFB), and Zara (real-world mimic brand). The stimulus design and fictitious brand names were determined by adapting the process employed by Phau and Cheong (2009a, 2009b); through a series of focus groups with young adults and industry experts. A sample of the final stimulus employed in this study is presented in Figure 8.2.

Figure 8.2: Sample Stimulus Used in Survey Instrument – Touché (LFB)



The questionnaire comprised of six sections:

- The first section asked respondents to view the stimulus relating to the flagship brand product (Bottega Veneta shoe), and answer questions about their attitude toward the flagship brand. The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The second section asked respondents questions about their attitude toward the flanker brand, in relation to the stimulus for the flanker brand product (DFB/LFB). The five items were also adapted from Spears and Singh's (2004) paper.
- The third section asked respondents questions about their evaluations of the flanker brand (DFB/LFB), in relation to the flagship brand (Bottega Veneta). The corresponding scale items relate to the success of the flanker brand (three items) which were adapted from Kalamas et al. (2006); and physical similarities of the flanker brand with flagship brand (four items) which were adapted from Teah (2013) and Teah and Phau (2011).
- The fourth section, was a section that asked respondents to view the stimulus relating to the mimic brand product (Zara shoe), and answer questions about their attitude toward the mimic brand. The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The fifth section asked respondents questions about their perceptions of physical similarities of the mimic brand (Zara) in relation to the flagship brand (Bottega Veneta). The corresponding scale items (four items) were adapted from Teah (2013) and Teah and Phau (2011). The five scale items employed here were adapted from Spears and Singh's (2004) paper.
- The final section related to demographic information of the respondent. All scale measures employed in this study, excluding the demographic section, were measured along a seven-point scale.

Given that this study makes comparisons between the flanker and mimic brands, there was a significant concern that the sequence in which the flanker brand and mimic brand stimulus was presented to the respondents, may inadvertently prime respondents' reactions to the various brands. Thus, to reduce the potential for respondent bias, the

sequence of presentation of the flanker and mimic brand stimuli; and corresponding questions, were alternated between questionnaires. A sample of the survey instrument employed in the present study is available in Appendix D.

Analyses & Results

First, a descriptive analysis was performed using SPSS 22 on the pooled sample, as well as the individual sample for the DFB and LFB manipulations. Overall, the sample profile for this study was deemed appropriate as majority of the respondents, approximately 75.3% for the DFB sample and 88.2% for the LFB sample, matched the targeted young adult segment – 18-35 years of age (Petry, 2002; Thach and Olsen, 2006). The distribution of respondents was also relatively even, with female respondents accounting for 54.1% of the DFB sample, and 45.9% of the LFB sample.

A breakdown of the sample profile for this study is detailed in Table 8.1

Table 8.1: Sample Profile

Sample Characteristic	Percentages		
	Pooled Sample (N=712)	DFB (N=348)	LFB (N=364)
Sex			
Male	45.1	45.9	44.9
Female	49.6	54.1	45.9
Age			
18 – 21 years	19.7	14.7	24.5
22 – 34 years	62.2	60.6	63.7
35 – 44 years	8.3	10.3	6.3
45 – 54 years	6.3	8.9	3.8
55 – 70 years	2.8	5.5	1.4
Marital Status			
Single	53.7	53.4	53.8
In a relationship	26.4	21.6	31.0
Married	17.7	22.1	13.5
Divorced	1.1	1.7	.5
Widow/Widower	.8	1.1	.5
Education			
Certificate	17.3	19.5	15.1
Advanced Diploma or Diploma	6.3	7.5	5.2
Bachelor Degree	46.2	50.9	41.8
Graduate Diploma or Graduate Certificate	10.8	11.5	10.2
Postgraduate Degree	9.1	7.8	10.4
Other	4.5	2.9	6.0
Income (Annual)			
\$0-\$25,000	39.0	35.9	42.0
\$25,001-\$50,000	8.8	12.4	5.5
\$50,001-\$75,000	5.3	6.3	4.4
\$75,001-\$100,000	2.5	3.2	1.9
\$100,001-\$125,000	2.0	2.9	1.1
\$125,001-\$150,000	1.5	2.6	.5
\$150,001-\$175,000	1.5	1.4	1.6
\$175,001-\$200,000	.8	.3	1.4
\$200,001 and above	1.8	3.2	.5
Prefer not to say	26.8	31.9	25.0

Note: Due to some instances of missing data, some statistics will not add up to 100%

Overall, the sample profile for this study was deemed appropriate as majority of the respondents, approximately 75.3% for the DFB sample and 88.2% for the LFB sample, matched the targeted young adult segment – 18-35 years of age (Petry, 2002; Thach and Olsen, 2006). The distribution of respondents was also fairly even, with female respondents accounting for 54.1% of the DFB sample, and 45.9% of the LFB sample.

Exploratory Factor Analysis – DFB & LFB Datasets

An Exploratory Factor Analysis (EFA) was conducted on all the constructs employed in the study, to ascertain the dimensionality of the relevant factors. Given that established scales were employed in this study, the Oblimin with Kaiser Normalisation rotation method was used in the EFA (Hair et al., 2010).

While conducting the EFA, one item for each “Attitude Towards the Flagship Brand” and “Attitude Towards the Flanker Brand” was removed due to poor factor loading. This was a similar case for “Perceived Fit of Flanker Brand with Flagship Brand” where one item was removed due to poor factor loading.

The results of the EFA for the DFB – Touché by Bottega Veneta, and the LFB – Touché are detailed in Table 8.2 and 8.3 respectively.

Table 8.2: EFA Results for DFB – Touché by Bottega Veneta

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Attitude Toward Flagship Brand				
		3.305	82.635	.928
This Bottega Veneta shoe is unappealing/appealing	.887			
This Bottega Veneta shoe is unpleasant/pleasant	.890			
This Bottega Veneta shoe is unfavourable/favourable	.934			
This Bottega Veneta shoe is unlikeable/likeable	.923			
This Bottega Veneta shoe is good/bad	Removed			
KMO MSA: .847, Bartlett's Test of Sphericity: .000				
Attitude Toward Flanker Brand (DFB)				
		3.435	85.874	.944
This Touché by Bottega Veneta shoe is unappealing/appealing	.905			
This Touché by Bottega Veneta shoe is unpleasant/pleasant	.926			
This Touché by Bottega Veneta shoe is unfavourable/favourable	.933			
This Touché by Bottega Veneta shoe is unlikeable/likeable	.943			
This Touché by Bottega Veneta shoe is good/bad	Removed			
KMO MSA: .865, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand				
		1.931	64.373	.719
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Touché by Bottega Veneta shoe were made, how would you rate its quality?	.745			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché by Bottega Veneta shoe	.839			
Factor 4: Success Attribute (Brand Name) (Single Item Measure)				
Touché by Bottega Veneta would be a good brand name for this shoe	.820			
KMO MSA: .662, Bartlett's Test of Sphericity: .000				
Attitude Toward Mimic Brand (Zara)				
		3.473	86.822	.949
This Zara shoe is unappealing/appealing	.912			
This Zara shoe is unpleasant/pleasant	.934			
This Zara shoe is unfavourable/favourable	.943			
This Zara shoe is unlikeable/likeable	.938			
This Zara shoe is good/bad	Removed			
KMO: .863, Bartlett's Test of Sphericity: .000				
Physical Similarities of Flanker Brand with Flagship Brand (DFB)				
		3.382	84.556	.939
The Touché by Bottega Veneta shoe shares similar looks to Bottega Veneta's shoe	.910			
The Touché by Bottega Veneta shoe shares similar designs to Bottega Veneta's shoe	.928			
The Touché by Bottega Veneta shoe shares similar physical appearance to Bottega Veneta's shoe	.940			
The Touché by Bottega Veneta shoe shares similar aesthetics to Bottega Veneta's shoe	.900			
KMO: .828, Bartlett's Test of Sphericity: .000				
Physical Similarities of Mimic Brand with Flagship Brand (Zara)				
		3.539	88.464	.956
The Zara shoe shares similar looks to Bottega Veneta's shoe	.922			
The Zara shoe shares similar designs to Bottega Veneta's shoe	.952			
The Zara shoe shares similar physical appearance to Bottega Veneta's shoe	.956			
The Zara shoe shares similar aesthetics to Bottega Veneta's shoe	.932			
KMO: .841, Bartlett's Test of Sphericity: .000				

Table 8.3: EFA Results for LFB – Touché

Constructs & Items	Factor Loading	Eigenvalue	Variance Explained (%)	Cronbach Alpha (α)
Attitude Toward Flagship Brand				
		3.219	80.473	.918
This Bottega Veneta shoe is unappealing/appealing	.851			
This Bottega Veneta shoe is unpleasant/pleasant	.884			
This Bottega Veneta shoe is unfavourable/favourable	.928			
This Bottega Veneta shoe is unlikeable/likeable	.923			
This Bottega Veneta shoe is good/bad	Removed			
KMO MSA: .844, Bartlett's Test of Sphericity: .000				
Attitude Toward Flanker Brand (LFB)				
		3.374	84.362	.937
This Touché shoe is unappealing/appealing	.887			
This Touché shoe is unpleasant/pleasant	.928			
This Touché shoe is unfavourable/favourable	.929			
This Touché shoe is unlikeable/likeable	.929			
This Touché shoe is good/bad	Removed			
KMO: .857, Bartlett's Test of Sphericity: .000				
Success of Flanker Brand				
		1.795	59.843	.646
Factor 1: Perceived Quality (Single Item Measure)				
Assuming this Touché by Bottega Veneta shoe were made, how would you rate its quality?	.783			
Factor 2: Purchase Intention (Single Item Measure)				
Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché by Bottega Veneta shoe	.802			
Factor 4: Success Attribute (Brand Name) (Single Item Measure)				
Touché by Bottega Veneta would be a good brand name for this shoe	.734			
KMO MSA: .652, Bartlett's Test of Sphericity: .000				
Attitude Toward Mimic Brand (Zara)				
		3.473	86.822	.949
This Zara shoe is unappealing/appealing	.912			
This Zara shoe is unpleasant/pleasant	.934			
This Zara shoe is unfavourable/favourable	.943			
This Zara shoe is unlikeable/likeable	.938			
This Zara shoe is good/bad	Removed			
KMO: .863, Bartlett's Test of Sphericity: .000				
Physical Similarities of Flanker Brand with Flagship Brand (LFB)				
		3.335	83.368	.933
The Touché shoe shares similar looks to Bottega Veneta's shoe	.900			
The Touché shoe shares similar designs to Bottega Veneta's shoe	.921			
The Touché shoe shares similar physical appearance to Bottega Veneta's shoe	.927			
The Touché shoe shares similar aesthetics to Bottega Veneta's shoe	.904			
KMO: .847, Bartlett's Test of Sphericity: .000				
Physical Similarities of Mimic Brand with Flagship Brand (Zara)				
		3.382	84.547	.939
The Zara shoe shares similar looks to Bottega Veneta's shoe	.890			
The Zara shoe shares similar designs to Bottega Veneta's shoe	.942			
The Zara shoe shares similar physical appearance to Bottega Veneta's shoe	.935			
The Zara shoe shares similar aesthetics to Bottega Veneta's shoe	.910			
KMO: .863, Bartlett's Test of Sphericity: .000				

Hypothesis Testing

Prior to testing hypotheses H1 and H2, consumer attitudes toward the mimic brand (Zara), perceptions of physical similarities to the flagship brand (Zara), and perceptions of quality were compared to ensure that there were no significant differences in these perceptions between the DFB and LFB datasets so that a more even evaluation could be made when testing the hypotheses. The independent samples t-tests showed that, there was a significant difference in attitudes toward the mimic brand (Zara) for both the DFB and LFB datasets. Despite this, the results were accepted, and testing continued because the mean difference was small (.227), and the mimic brand was evaluated similarly for both the DFB and LFB datasets. The independent samples t-tests showed that, as predicted, there were no significant differences in perceptions of physical similarities of the mimic brand (Zara) with the flagship brand. The results are presented in Table 8.4.

Table 8.4: Variable Means & Independent Samples T-Test for the Mimic Brand (Zara)

Brand	Zara Mimic (DFB Dataset)	Zara Mimic (LFB Dataset)
Attitude (Mean)	4.547	4.319
<i>t-value</i>		2.339*
<i>d.f.</i>		710
<i>Mean Diff.</i>		.227
<i>95% CI</i>		[.037, .418]
Physical Similarities (Mean)	3.637	3.661
<i>t-value</i>		-.240
<i>d.f.</i>		710
<i>Mean Diff.</i>		-.024
<i>95% CI</i>		[-.223, .174]

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$ and refer to sig. (2-tailed)

Hypothesis Testing – H1 to H4

Independent samples and paired samples t-tests were conducted to analyse the data for H1 and H2. H1a and H2a employed the independent samples t-test while H1b, H1c, H2b, H2c employed the paired samples t-test. The results of the t-tests are presented in Table 8.5.

Table 8.5: Variable Means & Paired Samples T-Test for the Mimic Brand (Zara)

Brand	Independent Samples T-Test		Paired Samples T-Test			
	Touché by Bottega Veneta (DFB)	Touché (LFB)	Touché by Bottega Veneta (DFB)	Zara (Mimic)	Touché (LFB)	Zara (Mimic)
Attitude (Mean)	4.267	4.046	4.267	4.547	4.046	4.319
<i>t-value</i>	2.265*		-4.089***		-4.062**	
<i>d.f.</i>	710		347		363	
<i>Mean Diff.</i>	.221		-.279		-.273	
95% CI	[.039, .413]		[-.414, -.145]		[-.406, -.141]	
Physical Similarities (Mean)	3.963	3.853	3.963	3.637	3.853	3.661
<i>t-value</i>	1.147		4.811***		2.893**	
<i>d.f.</i>	710		347		363	
<i>Mean Diff.</i>	.110		.326		.192	
95% CI	[-.078, .297]		[.193, .459]		[.062, .323]	

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$ and refer to sig. (2-tailed)

H1a: *There is a significant difference in consumer's attitude toward the brand when comparing the DFB and LFB*

The results showed that there is a significant difference between the mean attitude toward the flanker brand when comparing the DFB and LFB. Therefore, H1a is supported. Also, the mean attitude toward the DFB (4.267) is significantly greater than the mean attitude toward the LFB (4.046).

H1b: *There is a significant difference in consumer's attitude toward the brand when comparing the mimic brand and the DFB*

The results showed that there is a significant difference between the mean attitude toward the flanker brand when comparing the mimic brand and DFB. Therefore, H1b is supported. Also, the mean attitude toward the mimic brand (4.547) is significantly greater than the mean attitude toward the DFB (4.267).

H1c: There is no significant difference in consumer's attitude toward the brand when comparing the mimic brand and the LFB

The results showed that there is a significant difference between the mean attitude toward the flanker brand when comparing the mimic brand and LFB. Therefore, H1c is not supported. Also, the mean attitude toward the mimic brand (4.343) is significantly greater than the mean attitude toward the LFB (4.046).

H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB

The results showed that there is no significant difference between the mean perception of physical similarities with the flagship brand between the DFB and the LFB. Therefore, H2a is supported.

H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB.

The results showed that there is a significant difference between the mean perception of physical similarities with the flagship brand between the mimic brand and the DFB. Therefore, H2b is supported. Also, the mean attitude toward the DFB (3.963) is significantly greater than the mean attitude toward the mimic brand (3.637).

H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the LFB.

The results showed that there is a significant difference between the mean perception of physical similarities with the flagship brand between the mimic brand and the DFB. Therefore, H2c is not supported. Also, the mean attitude toward the LFB (3.853) is significantly greater than the mean attitude toward the mimic brand (3.661).

Regression analysis in SPSS 22 was used to evaluate H3a, H3b and H4. The variables were mean-centred prior to running the regressions to reduce the potential for multicollinearity in the analyses (Wilcox et al., 2009).

H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand

H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand

Table 8.6: Att_FlagshipBrand→Att_FlankerBrand

Variables	B [95% CI]	S.E.	β	Adj. R ²	t-value	Sig.
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand→Att_FlankerBrand	.729 [.650, .807]	.040	.700	.488	18.228	.000***
Latent Flanker Brand (LFB)						
Att_FlagshipBrand→Att_FlankerBrand	.531 [.442, .619]	.045	.526	.274	11.756	.000***

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 8.6, the results for the hypothesis testing for H3a (DFB) reveal that attitude toward flagship brand does have a significant and positive influence on attitude toward the flanker brand (DFB) ($p < .001$, $\beta = .700$, $t = 18.228$). Thus, H3a is supported. The results for the hypothesis testing for H3b (DFB), however, reveal that attitude toward the flagship brand also has a significant and positive influence on attitude toward the flanker brand (LFB) ($p < .001$, $\beta = .526$, $t = 11.756$). This runs contrary to the hypothesis, and thus, H3b is not supported.

H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand

Table 8.7: Att_FlankerBrand→Success_FlankerBrand

Variables	B [95% CI]	S.E.	β	Adj. R ²	t-value	Sig.
Distinct Flanker Brand (DFB)						
Att_FlankerBrand→Success_FlankerBrand	.457 [.391, .523]	.034	.590	.346	13.580	.000***
Latent Flanker Brand (LFB)						
Att_FlankerBrand→Success_FlankerBrand	.403 [.331, .476]	.037	.498	.246	10.932	.000***

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 8.7, the results for the hypothesis testing for H4 for both the DFB and LFB reveal that attitude toward flanker brand does have a significant and positive

influence on the success of the flanker brand (DFB: $p < .001$, $\beta = .590$, $t = 13.580$); LFB: $p < .001$, $\beta = .498$, $t = 10.932$). Thus, H4 is supported for both the DFB and LFB.

Moderation Analyses

Having established these relationships, moderation analyses were conducted to evaluate the influence of attitude toward the mimic brand (H5), and perceptions of physical similarities with the flagship brand (H6), on these relationships. The relationships relevant to the moderation analyses are illustrated in Figure 8.1 above.

The moderation analyses were conducted using the PROCESS SPSS macro developed by Hayes (2012), and applied the approach proposed by Anderson (1986) and Baron and Kenny (1986):

1. Regress the dependent variable (Y) on the independent variable (X), to ensure that the relationship is significant.
2. Regress the dependent variable (Y) on the independent variable (X), and moderator variable (Z) to obtain the R^2 – Model 1.
3. Centering of the independent variable (X) and the moderator variable (Z) by subtracting the mean score from all the values so that the mean score is zero.
4. Multiplying of the centred independent variable (X) and the centered moderator variable (Z) to create an interaction term (I).
5. Regress the dependent variable (Y) on the independent variable (X), the moderator variable (Z), and the interaction term (I), to obtain the R^2 – Model 2.
6. Compare the change in R^2 ($R^2 \Delta$) between models 1 and 2 to ascertain if there is a significant moderation effect.
 - a. If the $R^2 \Delta$ is not significant, then the moderator variable (Z) does not moderate the relationship.
 - b. If the $R^2 \Delta$ is significant, then the moderator variable (Z) moderates the relationship.
7. If the $R^2 \Delta$ is significant, conduct a simple slopes analysis to ascertain the effect of the moderator (Z) on the relationship between independent variable (X) and dependent variable (Y).

H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

Table 8.8: Att_MimicBrand on Att_FlagshipBrand→Att_FlankerBrand

Independent Variables	R ²	F	df	R ² Δ	FΔ	df
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand + Att_MimicBrand + Interaction Term	.537	134.886***	3,344	.002	1.446	1,344
Latent Flanker Brand (LFB)						
Att_FlagshipBrand + Att_MimicBrand + Interaction Term	.368	58.425***	3,360	.003	.888	1,360

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 8.8, for both the DFB and LFB, the results of the hypothesis testing of H5a reveal that attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand. Therefore, H5a is supported for both the DFB and LFB.

H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

Table 8.9: Att_MimicBrand on Att_FlankerBrand→SuccessFlankerBrand

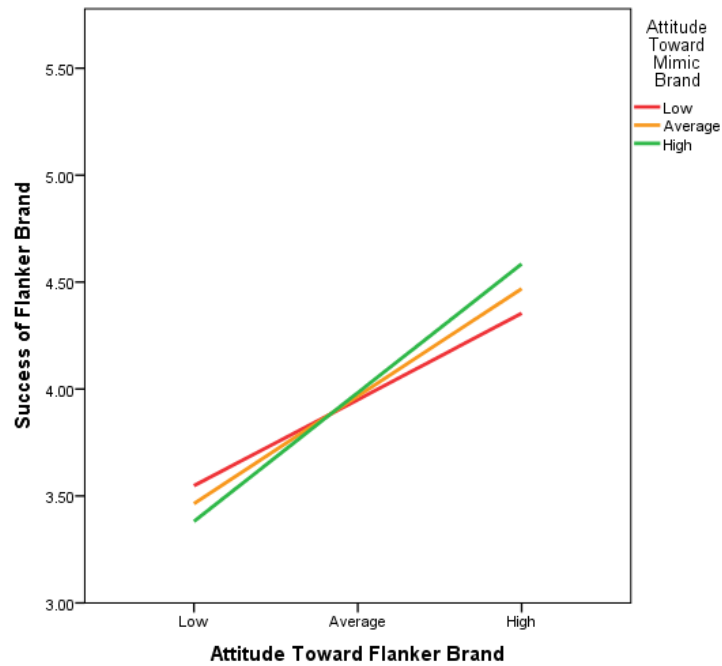
Independent Variables	R ²	F	df	R ² Δ	FΔ	df
Distinct Flanker Brand (DFB)						
Att_FlankerBrand + Att_MimicBrand + Interaction Term	.349	37.734***	3,344	.001	.173	1,344
Latent Flanker Brand (LFB)						
Att_FlankerBrand + Att_MimicBrand + Interaction Term	.263	33,456***	3,360	.015	4.539*	1,360

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 8.9, for the DFB, attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. Therefore, H5b is supported for the DFB.

For the LFB, the results reveal that attitude toward the mimic brand has a moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. A subsequent analysis of the moderation effect revealed that, attitude toward the mimic brand enhances this relationship. This is illustrated in Figure 8.3.

Figure 8.3: LFB – Att_MimicBrand on Att_FlankerBrand→SuccessFlankerBrand



As seen in Figure 8.3, for consumers with a low positive attitude toward the mimic brand, $b=.323$, $t(344)=5.104$, $p=.000$. For consumers with an average attitude toward the mimic brand, $b=.403$, $t(344)=8.190$, $p=.000$. For consumers with a high positive attitude toward the mimic brand, $b=.482$, $t(344)=8.019$, $p=.000$.

Overall, H5b is supported for the DFB and not supported for the LFB.

H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)

Table 8.10: MimicBrand_PhysChar on Att_FlagshipBrand→Att_FlankerBrand

Independent Variables	R^2	F	df	$R^2 \Delta$	$F\Delta$	df
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand + MimicBrand_PhysChar + Interaction Term	.496	86.176***	3,344	.002	.953	1,344
Latent Flanker Brand (LFB)						
Att_FlagshipBrand + MimicBrand_PhysChar + Interaction Term	.279	25.553***	3,360	.001	.254	1,360

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 8.10, for both the DFB and LFB, the results of the hypothesis testing of H6a reveal that physical similarities of the mimic brand with flagship brand have no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand. Therefore, H6a is supported for both the DFB and LFB.

H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlankerBrand → SuccessFlankerBrand)

Table 8.11: MimicBrand_PhysChar on Att_FlankerBrand→SuccessFlankerBrand

Independent Variables	Bottega Veneta Shoe					
	R^2	F	df	$R^2 \Delta$	$F\Delta$	df
Distinct Flanker Brand (DFB)						
Att_FlagshipBrand + MimicBrand_PhysChar + Interaction Term	.419	51.551***	3,344	.006	1.745	1,344
Latent Flanker Brand (LFB)						
Att_FlagshipBrand + MimicBrand_PhysChar + Interaction Term	.297	37.292***	3,360	.000	.041	1,360

Note: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

As seen in Table 8.11, for both the DFB and LFB, the results of the hypothesis testing of H6b reveal that physical similarities of the mimic brand with flagship brand have no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. Therefore, H6b is supported for both the DFB and LFB.

Results Discussion

This study has sought to investigate the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace. To this end, this study has addressed the following sub-objectives: (1) evaluate and compare consumer attitudes toward flanker brands and mimic brands; (2) evaluate and compare consumer perceptions of physical characteristics of flanker brands and mimic brands, and their similarity to the flagship brand; (3) determine how attitudes toward mimic brands affect (if at all) the attitudes toward flanker brands and their success; and (4) determine how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success.

A consolidation of the results from this study is presented in Table 8.12.

Table 8.12: Summary of Findings

Hypothesis	Avant by Bottega Veneta (DFB)	Avant (LFB)
H1a: There is a significant difference in consumer's attitude toward the brand when comparing the DFB and LFB	<i>Supported</i> Attitude toward the DFB is greater than attitude toward the LFB	
H1b: There is a significant difference in consumer's attitude toward the brand when comparing the mimic brand and the DFB	<i>Supported</i> Attitude toward the mimic brand is greater than attitude toward the DFB	<i>n/a</i>
H1c: There is no significant difference in consumer's attitude toward the brand when comparing the mimic brand and the LFB	<i>n/a</i>	<i>Not Supported</i> Attitude toward the mimic brand is significantly greater than attitude toward the LFB
H2a: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB	<i>Supported</i>	
H2b: There is a significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB	<i>Supported</i> Perceptions of physical similarities for the DFB is significantly greater than the mimic brand	<i>n/a</i>
H2c: There is no significant difference in consumer's perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with flagship brand for the LFB	<i>n/a</i>	<i>Not Supported</i> Perceptions of physical similarities for the LFB is significantly greater than the mimic brand
H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Supported</i>	<i>n/a</i>
H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>n/a</i>	<i>Not Supported</i> Attitude toward the flagship brand has a positive influence on attitude toward the flanker brand
H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Supported</i>
H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Supported</i>	<i>Supported</i>
H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Not Supported</i> Attitude toward the mimic brand enhances the relationship

Hypothesis	Avant by Bottega Veneta (DFB)	Avant (LFB)
H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Supported</i>	<i>Supported</i>
H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Supported</i>

Discussion – Comparison of Attitudes & Perceptions of Physical Characteristics

Hypotheses H1 and H2 make comparisons on consumer attitudes and perceptions of physical similarities with the flagship brand, between the flagship brand, DFB, LFB, and mimic brand.

For H1a, a significant difference in attitudes toward the DFB and LFB was observed. Consumers' attitude toward the DFB were found to be more positive than attitudes toward the LFB. This is in line with expectations on attitudes toward the DFB and LFB, as the DFB signals a clear association with the flagship brand through cues such as the brand name (Touché by **Bottega Veneta**). Therefore, as is discussed in the branding literature, consumers are likely to make evaluations about the flanker brand based on their associations and beliefs of the flagship brand, and extend this onto the DFB (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007). By contrast, the LFB does not have any clear link to the flagship brand (Touché), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation. This also means that positive associations with the flagship brand might not be transferred onto the LFB. This, as seen in H1a, results in consumers having a more positive attitude toward the DFB, when compared to the LFB.

Moving onto H1b and H1c, attitudes toward the respective flanker brands are compared against attitudes toward the mimic brand. The analysis results showed that in both cases, respondents had a more positive attitude toward the mimic brand Zara, compared to the DFB and LFB. There are a number of possible explanations for this:

1. The DFB and LFB employed in this study are both fictitious brands (Touché by Bottega Veneta and Touché), compared to the mimic brand which is a real-world brand (Zara). This creates a difference in familiarity between the flanker brands and the mimic brands; which may have resulted in consumers responding better to the mimic brand. Indeed, research has shown that varying levels of brand familiarity can affect the way a consumer evaluates a particular brand (Kim et al., 2016; Kronrod and Lowrey, 2016; Siu et al., 2016). A lack of familiarity with the flanker brands, coupled with greater familiarity with the mimic brand may mean that respondents were more critical or uncertain of the flanker brands.
2. A potential limitation that may have caused these results could be with the stimulus. This study used a print advertisement, making judgements of the brand

in terms of quality difficult to ascertain. The lack of information on the branding and pricing of the flanker brands makes it difficult to make attitudinal comparisons against the mimic brand. This being said, however, the mean difference in the responses were both subjectively small (<1). This suggests that while the mimic brand was better received, the flanker brands were not completely disregarded. Therefore, with the appropriate market positioning and promotion, the flanker brands may prove to be a useful tactic against mimic brands.

For H2a, there was no significant difference in respondents' perceptions of physical similarities of the flanker brands with the flagship brand. This is as expected, as the flanker brand should be a "mimic" of the flagship brand, and thus should possess physical characteristics that echo that of the flagship brand. This implies that both the DFB and LFB are perceived to be almost equally similar to the flagship brand in terms of the physical characteristics; and serves as a useful baseline from which to make comparisons with the mimic brand as seen in the subsequent hypotheses.

Examining the results for H2b and H2c, it is observed that perceptions of physical similarity between the flanker brand and flagship brand were, in both cases (DFB and LFB), more positive than perceptions of physical similarity between the mimic brand and the flagship brand. A possible explanation for this is that respondents may be quite familiar with the Zara brand (mimic brand), and the products they make. This could suggest respondents are more knowledgeable about the nuances that are unique to the mimic brand, and thus they do not perceive the mimic brand to be physically similar to the flagship brand. Indeed, while a direct comparison cannot be made, the mean scores for perceptions of physical similarities of the mimic brand with flagship brand (DFB dataset: 3.637; LFB dataset: 3.661) are both subjectively low and below the median score of 4 (responses were measured on a seven-point scale). This suggests that the mimic brand is perceived to be somewhat dissimilar to the flagship brand.

Thus, there are two takeaways from this result. First, this suggests, that future research should consider the influence of consumer brand familiarity and consumer knowledge on evaluations of the mimic brand and the flagship brand to see if there are any correlations in the results. If brand familiarity and knowledge do indeed influence consumer perceptions of physical similarities, then brand managers will need to take this into consideration and decide which flanker brand classification would be more effective against the target mimic brand. Second, the present result lends credence to

the notion that the flanker brand can be used as an effective tactic against the mimic brand. As an in-house developed brand, the flanker brand should be a better “mimic” of the flagship brand than competing mimic brands. Thus, as the results for H2b and H2c show, for both the DFB and LFB, the flanker brands are perceived to be more similar to the flagship brand than the mimic brand.

Discussion – Influence of Mimic Brands on Flanker Brand Evaluations

Hypothesis H3 and H4 were aimed at establishing key relationships for the moderation analyses to be conducted. Hypothesis H3 examines the influence of consumer attitudes toward the flagship brand on attitudes toward the flanker brands (Att_FlagshipBrand → Att_FlankerBrand) (DFB:H3a/LFB:H3b). The analysis results for H3 show that for the DFB, attitude toward the flagship brand does indeed have a significant and positive influence on attitude toward the flanker brand.

This is in line with the expected outcome for a DFB – that similar to the findings from brand extension research (e.g. Kalamas et al., 2006; Kim et al., 2001); consumers are likely to draw on the brand signals link the DFB to the flagship brand, and categorise the DFB based on their pre-existing knowledge and associations of the flagship brand (Erdem et al., 2006). For the LFB however, contrary to the hypothesis (H3b), attitude toward the flagship brand also had a positive influence on attitude toward the flanker brand. This finding lends support to the notion that in the absence of branding cues (e.g. brand name), consumers will look for other signals that may help them to categorise the information that they are presented with (Langan et al., 2016; Zeithaml, 1988). So, in this case, it is possible that consumers are relying on the physical characteristics of the flanker brand to help them categorise and evaluate the flanker brand. Linking this to brand mimicry: mimic brands simulate the signal properties of the flagship brand, in terms of design and concept (Teah, 2013); and given that a flanker brand is in a way a “mimic” of the flagship brand, the physical characteristics might serve as cues for consumers to draw links to the flagship brand.

This could help explain why, in the case of the LFB, attitudes toward the flagship brand have a positive influence on attitudes toward the flanker brand; because consumers who have favourable evaluations of the flagship brand, but who are unable to afford the flagship brand’s products, may purchase a mimic brand instead (Shenkar, 2010, 2012; Teah, 2013; Yoo and Lee, 2012).

Hypothesis H4 proposes that attitude toward the flanker brand has a positive influence on the success of the flanker brand ($\text{Att_FlankerBrand} \rightarrow \text{Success_FlankerBrand}$). This was supported for both the DFB and LFB. This reinforces prior research on how attitudes motivate consumer behaviours toward the brand (e.g. Kalamas et al., 2006; Spears and Singh, 2004); and suggests that for the DFB and LFB, it is imperative that the DFB and LFB be branded and marketed effectively to the target audience.

Hypothesis H5 examines the moderating influence of attitude toward the mimic brand on the relationship between attitude toward the flagship brand and attitude toward the flanker brand ($\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$) (H5a); and attitude toward the flanker brand and success of the flanker brand ($\text{Att_FlankerBrand} \rightarrow \text{Success_FlankerBrand}$) (H5b).

Examining the results for H5a and H5b show that for the DFB, attitudes toward the mimic brand had no influence on $\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$; or $\text{Att_FlankerBrand} \rightarrow \text{Success_FlankerBrand}$. Therefore, H5a and H5b are supported for the DFB. These results are in line with the intended purpose of a flanker brand – to compete effectively against mimic brands. Thus, the present results where attitudes toward the mimic brand do not affect these relationships indicate that the DFB can be used as an effective tactical tool to compete against mimic brands in this luxury footwear context.

Examining the results for H5a and H5b for the LFB yielded some interesting findings. Testing H5a for the LFB showed that attitude toward the mimic brand has no moderating effect on the $\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$ relationship. Therefore, H5a is supported for the LFB. What is interesting to note, is the result for H5b, where attitude toward the mimic brand was found to enhance the $\text{Att_FlankerBrand} \rightarrow \text{Success_FlankerBrand}$ relationship. This result means that H5b is not supported, but it does not mean that this is a bad result for the LFB. The results of H5b indicate that as consumer attitudes toward the mimic brand improve, the $\text{Att_FlankerBrand} \rightarrow \text{Success_FlankerBrand}$ improves. This indicates that consumers are more likely to have a favourable attitude toward the LFB, and thus be more likely to purchase the LFB.

As previously discussed, mimic brands can provide consumers with viable alternatives to luxury brand products they might otherwise not be able to afford (Hemphill and

Suk, 2009; Nia and Zaichkowsky, 2000; Teah, 2013). Further, they may also help stimulate demand for certain products and in doing so, spur business growth and innovation (Hilton et al., 2004; Teah and Phau, 2010; Yoo and Lee, 2012). Based on this understanding, some possible explanations are offered for the LFB findings for H5b:

The defining characteristic of the LFB when compared to the DFB is that it lacks any clear association with the flagship brand. The LFB tested here is simply named “Touché”, while the DFB is named “Touché by Bottega Veneta”. For the LFB, this lack of a clear association with the flagship brand may serve as an advantage, as it is more likely to be perceived by the consumer as another mimic brand. So, in this instance, given that mimic brands are presented as alternatives to the flagship brand, the LFB in this case is also viewed as an alternative to the flagship brand. After all, flanker brands are usually positioned as lower-priced, lower-quality alternatives to the flagship brand (Quelch and Harding, 1996). Thus, although the LFB was evaluated with less favourable attitudes than the mimic brand (H1c); consumers who had positive attitudes toward the mimic brand may view the LFB as a viable alternative to both the mimic brand and flagship brand. However, this definitely requires further enquiry to better understand this result, and to identify other possible factors that have influenced this result.

Overall, comparing the findings for H5 against the characteristic differences between the DFB and LFB – association with the flagship brand (DFB), and disassociation with the flagship brand (LFB). Comparing this, it is postulated that in the context of luxury footwear, the distinction between DFB and LFB, bears less importance, with both flanker brands having similar effectiveness against mimic brands.

Hypothesis H6 examines the moderating influence of perceptions of physical similarities with the flagship brand on the relationship between Att_FlagshipBrand → Att_FlankerBrand (H6a); and Att_FlankerBrand → Success_FlankerBrand (H6b).

For both the DFB and LFB, examining the results for H6a and H6b show that, perceptions of physical similarities of the mimic brand with the flagship brand did not influence either of the relationships examined. Therefore, H6a and H6b are supported for the DFB and LFB. Consumer evaluations and intentions toward either the DFB or LFB are unaffected by a mimic brand competitor, no matter the physical similarities

of the mimic brand with the flagship brand. Comparing this against the findings for H5, this suggests that overall, in the context of luxury footwear, either the DFB or LFB may be a useful tactical tool for brand managers to engage mimic brands in the luxury footwear market.

Concluding Comments

The present study makes several key contributions to the literature on flanker brands. The main impetus for this study is to examine the managerial implications of flanker brands, and ascertain their effectiveness as strategic tools against an increasingly common competitor strategy – mimic brands. Given the lack of empirical research in this area, this was addressed through a number of identified objectives: (1) Evaluate and compare consumer attitudes toward flanker brands and mimic brands; (2) Evaluate and compare consumer perceptions of physical characteristics of flanker brands and mimic brands, and their similarity to the flagship brand; (3) Determine how attitudes toward mimic brands affect (if at all) the attitudes toward flanker brands and their success; and (4) Determine how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success.

Theoretical Contributions

From a theoretical perspective, this study develops a better understanding of flanker brands by developing a clear concept of flanker brands; and introducing two classifications of flanker brands. This addresses a key gap in the literature on flanker brands – the lack of clarity on what flanker brands are. The present study puts forward a concept of flanker brands, and empirically evaluates the proposed classifications. This would help serve as a foundation from this area of marketing can be further developed, both from an academic perspective and from an industry perspective.

Methodological Contributions

The main methodological contribution with this study is with the approach taken for the stimulus design and choice of fictitious brand name for the flanker brand. This study helps to expand the applicability of the method used by Phau and Cheong (2009a, 2009b) for selecting fictitious brand names. Further, as this study makes comparisons between mimic brands and flanker brands, it necessitated the alternating of the mimic brand and flanker brand stimuli and corresponding survey questions between respondents. This was done to help reduce the potential bias and priming that a fixed survey structure may introduce. While this is not something that can be explicitly validated, it is a detail that future research in this area should consider this as part of the research methodology.

Managerial Contributions

First, the findings show that attitudes toward the DFB were significantly more positive than attitudes toward the LFB. This reinforces a characteristic advantage of the DFB over the LFB. Knowing this, brand managers could leverage the positive associations that consumers may have of the flagship brand, when combating mimic brands, through the use of a DFB. When comparing attitudes toward the DFB and LFB against the mimic brand, this study found that attitudes toward the mimic brand was significantly more positive than attitudes toward the respective flanker brands. As discussed, this could be due to the fact that fictitious brand names were used for the flanker brands; while a real-world mimic brand (Zara) was used. This means that there is an inherent difference in familiarity between the flanker brand and mimic brand. This could be why the mimic brand was better perceived, when compared to the DFB and LFB. This means, that for the brand manager, should a DFB or LFB be launched, it is imperative that flanker brands be effectively communicated and marketed to the consumer to ensure that they are favourably compared against the intended mimic brand competitors.

When comparing the perceptions of physical similarity to the flagship brand across the DFB, LFB and mimic brand, the results show that perceptions of physical similarities with the flagship brand were consistently greater for the flanker brands than for the mimic brands. As mentioned, one possible explanation could have been that respondents may be quite familiar with the Zara brand (mimic brand), and the products they make. This could suggest respondents are more knowledgeable about the nuances that are unique to the mimic brand, and thus they do not perceive the mimic brand to be physically similar to the flagship brand. However, this gives rise to the consideration that brand managers may be able to leverage the physical aspects of their products to ensure that the flanker brand is perceived to be a better “mimic” of the flagship brand than the competing mimic brand. In particular, when targeting consumers whose attitudes serve a social-adjustive function, a closer match with the flagship brand’s physical characteristics may potentially help ensure the success of the flanker brand over the mimic brand.

The moderation analyses showed that overall, in the context of luxury footwear, both the DFB and LFB may be effective tactical tools to be used against mimic brands. The moderation results showed that throughout testing, consumer attitudes toward the

mimic brand; and perceptions of physical similarities of the mimic brand with flagship brand had no detrimental effect on either the DFB or LFB. The decision to use the DFB or LFB then comes down to whether or not brand managers wish to leverage the flagship brand's market image and brand equity in the deployment of the flanker brand.

Overall, brand managers need to be clear about what kind of competition they intend to use the flanking strategy against, and the kind of consumer they intend to engage. This will then help narrow down, which classification of flanker brand to deploy in the marketplace.

Limitations & Future Research Directions

This study, is not without its limitations. First, the proposed concept of flanker brands has only been examined in the context of luxury fashion, and specifically in the context of luxury footwear. As mentioned, flanker brands exist in a multitude of industries. Therefore, the findings from the present study may limit the validity of the present concept of flanker brands when examined in other industries. The validity and application of the present concept and classifications of flanker brands should be further examined in a different product category or industry, to improve the ecological validity of this concept.

Second, this research makes a number of assumptions in order to focus on the key manipulations. For example, the provenance of a flanker brand is highly unclear and can vary significantly. A flanker brand can be a conversion of an existing brand (Keller, 2013; McNallen, 1958), a new brand developed for the specific purpose (e.g. Berman, 2015; Clow and Baack, 2005; Giddens, 2010; De Menezes, 2014), a brand-extension with the strategic intent of flanking (e.g. Bessman, 2000; Johnson, 1992; Rothenberg, 1989), a "me-too" brand (Verhoef et al., 2002), or through a multitude of other means. To manage this, the present research makes the assumption that the flanker brand is a newly developed brand by the firm, for the sole purpose of executing the flanking strategy. While this allows for the evaluation of consumer responses to the respective flanker brands, it limits the evaluation of the strategic implications of flanker brands. Future research could address this, and examine consumer evaluations of flanker brands that have been, for example, converted from an existing brand, or through the repositioning of an existing brand extension.

Further, the flanker brands being tested are distinguished using only two manipulations – brand name and physical characteristics. It is widely understood that in the context of branding, there are a multitude of brand elements that can be employed in the branding of a product. However, introducing too many elements would limit the validity of the findings in this research. Future research should consider the effect that other brand elements may have on the use of flanker brands.

Overall, this study has attempted to expand the current knowledge on flanker brands through the investigation of the applicability of flanker brands as a tactical tool to be used against mimic brand competitors in the marketplace. The results from this study present some interesting findings, and it is hoped that the findings from this research will help inspire future research into this dynamic and constantly changing area of marketing.

Chapter 9

Conclusion

Introduction

With the completion of the four studies – *Study 1* to *Study 4*, this chapter presents a consolidated review of the present research. It highlights key contributions to the literature on flanking and flanker brands and identifies future research directions for this area.

This chapter begins with a recap of the research objectives addressed in this research, and a summary of how each of the objectives has been achieved. Next, the research findings from *Study 1 & Study 2*; and *Study 3 & Study 4* are consolidated and summarised. This is followed by a presentation of the theoretical, methodological, and managerial implications of the study. Finally, the results the limitations of the study and future directions are discussed.

Review of Research Objectives

The research objectives addressed in this research, as detailed in Chapter 3, are:

RO1: *To develop a clear understanding of the flanking strategy in the business context, using Manoeuvre Theory as the foundational theory, and supported by Sun Tzu's Art of War. [Gap 1]*

RO2: *To develop a concept flanker brands, to better understand the business applications of flanker brands. [Gap 2]*

RO3: *To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand classifications. [Gap 3]*

RO4: *To evaluate consumer perceptions and attitudes toward flanker brands, specifically, in the context of luxury fashion brands. [Gap 3]*

RO5: *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands. [Gap 4]*

In addition, **RO5** was comprised of four sub-objectives:

RO5-1. Comparing consumer attitudes toward flanker brands against mimic brands

RO5-2. Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand

RO5-3. Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success

RO5-4. Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

Overall Review of Results

The following sections present a consolidated discussion of the studies conducted in this research – *Study 1 & Study 2*, which address **RO3** and **RO4**; and *Study 3 & Study 4*, which address **RO5**.

Consolidation of Results – Study 1 & Study 2

The objectives of *Study 1* and *Study 2* are twofold: First, it seeks to empirically test the research model proposed in Chapter 3 [**RO3**]; and second, it seeks to evaluate consumer perceptions and attitudes towards luxury flanker brands [**RO4**]. Specifically, for **RO4**, this is examined in terms of the role that social identity functions of attitude play in influencing consumer responses to the DFB and LFB. While *Study 1* was conducted in the context of luxury bags, and employed the brands Prada (flagship brand), Avant by Prada (fictitious DFB), and Avant (fictitious LFB); *Study 2* was conducted in the context of luxury footwear, and employed the brands Bottega Veneta (flagship brand), Touché by Bottega Veneta (fictitious DFB), and Touché (fictitious LFB).

The following discussion on the findings makes comparisons between *Study 1* and *Study 2*. The findings for both studies, therefore, are summarised in Table 9.1.

Table 9.1: Consolidation of Results for Study 1 & Study 2

Study	<i>Study 1</i> Prada Bags	<i>Study 2</i> Bottega Veneta Shoes
Hypotheses	Distinct Flanker Brand N=437	Distinct Flanker Brand N=348
H1a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand	<i>Supported</i>	<i>Supported</i>
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand	<i>Supported</i>	<i>Supported</i>
H3a: For DFB, attitude toward the flagship brand has a positive influence on perceptual fit of the flanker brand with flagship brand	<i>Supported</i>	<i>Supported</i>
H4a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on attitude toward the flanker brand	<i>Supported</i>	<i>Supported</i>
H5a: For DFB, perceptual fit of the flanker brand with flagship brand has a positive influence on success of the flanker brand	<i>Supported</i>	<i>Supported</i>
Hypotheses	Latent Flanker Brand N=434	Latent Flanker Brand N=363
H1b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on attitude toward the flanker brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on attitude toward the flanker brand
H2: Attitude toward the flanker brand has a positive influence on success of the flanker brand	<i>Supported</i>	<i>Not Supported</i> Attitude toward the flanker brand has no significant influence on success of the flanker brand
H3b: For LFB, attitude toward the flagship brand has no significant influence on perceptual fit of the flanker brand with flagship brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on perceptual fit of the flanker brand with flagship brand	<i>Not Supported</i> Attitude toward the flagship brand has a positive and significant influence on perceptual fit of the flanker brand with flagship brand
H4b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on attitude toward the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on attitude toward the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on attitude toward the flanker brand

H5b: For LFB, perceptual fit of the flanker brand with flagship brand has no significant influence on success of the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on success of the flanker brand	<i>Not Supported</i> Perceptual fit of the flanker brand with flagship brand has a positive and significant influence on success of the flanker brand
Role of Social Identity Functions	Study 1 Prada Bags	Study 2 Bottega Veneta Shoes
H6a: Consumers' attitude toward a Distinct Flanker Brand is greater when their attitude towards luxury brands serve a social-adjustive function more than a value-expressive function	<i>Supported</i>	<i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced attitude toward the DFB
H6b: Consumers' attitude toward a Latent Flanker Brand is greater when their attitude towards luxury brands serve a value-expressive function more than a social-adjustive function	<i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced attitude toward the LFB	<i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced attitude toward the LFB
H7a: The success of a Distinct Flanker Brand is greater when consumers' attitude towards luxury brands serve a social-adjustive function more than a value-expressive function	<i>Supported</i>	<i>Not Supported</i> The value-expressive function of attitude had a positive effect on success of the DFB instead of the social-adjustive function
H7b: The success of a LFB is greater when consumers' attitude towards luxury brands serve a value-expressive function more than a social-adjustive function	<i>Not Supported</i> Neither the value-expressive nor social-adjustive functions of attitude influenced success of the LFB	<i>Supported</i>
H8a: For DFB, the social-adjustive function enhances the relationship between attitude toward flagship brand and attitude toward the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → Att_FlankerBrand)	<i>Not Supported</i> Contrary to hypothesis, social-adjustive function does not moderate the relationship; but in line with hypothesis, value-expressive function does not moderate the relationship	<i>Not Supported</i> Contrary to hypothesis, social-adjustive function does not moderate the relationship; but in line with hypothesis, value-expressive function does not moderate the relationship
H8b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flagship brand and attitude toward the flanker brand, while no moderation should occur with the social-adjustive function	<i>Not Supported</i> Contrary to hypothesis, value-expressive function dampens the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship.	<i>Not Supported</i> Contrary to hypothesis, value-expressive function does not moderate the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship.

<p>H9a: For DFB, the social-adjustive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the value-expressive function (Att_FlagshipBrand → SuccessFlankerBrand)</p>	<p><i>Partially Supported</i> Social-adjustive function was found to enhance the relationship; but value-expressive function was also found to enhance the relationship</p>	<p><i>Not Supported</i> Contrary to hypothesis, social-adjustive function does not moderate the relationship; but in line with hypothesis, value-expressive function does not moderate the relationship</p>
<p>H9b: For LFB, the value-expressive function of attitude enhances the relationship between attitude toward the flanker brand and success of the flanker brand, while no moderation should occur with the social-adjustive function (Att_FlankerBrand → SuccessFlankerBrand)</p>	<p><i>Not Supported</i> Contrary to hypothesis, value-expressive function does not moderate the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship</p>	<p><i>Not Supported</i> Contrary to hypothesis, value-expressive function does not moderate the relationship; but in line with the hypothesis, social-adjustive function does not moderate the relationship.</p>

Study 1 & Study 2 Discussion – Research Model Testing

As seen in Table 9.1, the hypothesis testing for H1 to H5 yielded very similar results to those obtained in both *Study 1* and *Study 2*. Overall, this speaks to the reliability of the model employed in this research, despite the changes in product category. This suggests that the research model proposed in Chapter 3 may be a good reference point for future empirical research on flanker brands.

One noteworthy finding for the research model testing across both studies, is with the results for hypothesis H2. Hypothesis H2 proposes that attitude toward the flanker brand has a positive influence on the success of the flanker brand. In *Study 1*, this was supported for both the DFB and LFB. As discussed in *Study 1* (Chapter 5), this reinforces prior research on how attitudes motivate consumer behaviours toward the brand (e.g. Kalamas et al., 2006; Spears and Singh, 2004); and suggests that for the DFB and LFB, it is imperative that the DFB and LFB be branded and marketed effectively to the target audience. For *Study 2*, hypothesis H2 was supported for the DFB, echoing the findings in *Study 1*; but surprisingly, was not supported for the LFB. As discussed in the previous chapters, one possible reason could be with the issue of gender. In *Study 1*, the product category employed was luxury bags, and the stimulus uses tote bags as the product. This could have meant that the luxury tote bag is inherently oriented to a female audience. In *Study 2*, the product category was luxury footwear, and the product employed is a slip-on shoe that could be inherently oriented to a male audience. Thus, when running the analysis on the whole dataset, the results

may not be as clear, as it does not account for differences in gender. To better understand this discrepancy, the structural model for the LFB in *Study 2*, was run again using multi-group analysis to observe if there were any differences in results between male and female respondents. However, this preliminary assessment of the structural model revealed no differences in responses between male and female respondents. Despite this, the issue of gender may still be something to consider for future research. Overall, the hypothesis testing for the research model demonstrate that the model is applicable for evaluating flanker brands. The findings from both *Study 1* and *Study 2* are consistent, with the exception of H2 when tested with the LFB manipulation in *Study 2*. However, it is noted that the research model is not as effective a means of distinguishing consumer perceptions of the DFB and LFB. The results for the LFB in both studies, make it difficult to empirically evaluate consumer responses to the LFB classification. The fact that consumers reacted to the LFB in similar ways to the DFB, suggests that there are other factors that need to be considered to make this research model an effective tool for researchers and brand managers to distinguish consumer perceptions of the DFB and LFB; so that a clear assessment of which flanker brand to deploy can be made.

Study 1 & Study 2 Discussion – The Role of Social Identity Functions

Hypotheses H6 to H9 were aimed at examining the role that social identity functions play in consumer evaluations of the DFB and LFB.

Hypothesis H6 and H7 examine how the different social identity functions influence consumer attitudes toward the flanker brands. For the DFB, it was proposed that it appeals more to consumers whose attitudes toward luxury fashion brands serve a social-adjustive function instead of a value-expressive function (H6a/H7a). For the LFB, the opposite is proposed, where the LFB appeals more to consumers whose attitudes toward luxury fashion brands serve a value-expressive function more than a social-adjustive function (H6b/H7b).

For H6 and H7, the results for *Study 1*, are contradicted by the findings in *Study 2*. First, examining the DFB (H6a/H7a): For H6a, the results for *Study 1* showed that H6a was supported, where consumers whose attitudes serve a social-adjustive function more than a value-expressive function were inclined to have positive attitudes toward the DFB. However, for *Study 2*, the results showed that neither the value-expressive

nor social-adjustive functions had any influence on consumer attitudes toward the DFB (H6a). For H7a, on the success of the flanker brand, the results from *Study 1* support the hypothesis; but for *Study 2*, H7a was not supported. It was found that the DFB was more successful with consumers whose attitudes toward luxury brands serve a value-expressive function, instead of the social-adjustive function.

For the DFB, these results for H6a and H7a show a distinct difference when comparing *Study 1* and *Study 2*. A number suggestions for this discrepancy is proposed:

1. For H6a and H7a, the different product categories (bags versus footwear) might trigger different decision making processes for the consumer. Despite attempts to limit the manipulation to brand name, luxury bags versus luxury footwear clearly appeal to different functions of attitude with each consumer (e.g. Schade et al., 2016; Wilcox et al., 2009).

For example, in *Study 1*, the success of the DFB was influenced by consumers' social-adjustive functions of attitude; while in *Study 2*, it was the value-expressive function of attitude that influenced the success of the DFB. This difference may be due to differing perceptions about the social function that each product might serve. The greater prominence and accessibility of luxury bags (Han et al., 2010) many mean that they are more often used as a means of communicating status (Sherman, 2016). Footwear is a fast growing luxury category, but at the moment, is still slightly behind bags in terms of sales (Sherman, 2016). Therefore, footwear may be a less prominent means of communicating status, and thus, those who do choose to purchase luxury footwear may be doing so to fulfil the expression of their individual self-concept.

While this certainly requires expansion on with further research, the takeaway here is that in choosing to deploy a flanker brand, brand managers need also account for other benefits that the product provides consumers; so that the right decision can be made regarding which flanker brand type to introduce to consumers.

2. Looking at the sample profile for *Study 1* and *Study 2*, both datasets were collected in Singapore. Perhaps this discrepancy in the findings could be explained in terms of the popularity of each luxury product category. Most literature shows that luxury bags and footwear are at similar levels of popularity (D'Arpizio et al., 2015a, 2015b; *Global Powers of Luxury Goods 2015: Engaging the Future Luxury*

Consumer, 2015), and carry similar symbolic benefits like status (Mullen, 2015; Osborne, 2012). This would suggest that consumer responses to both categories should be somewhat similar; however, there is also argument that luxury bags may be more popular due to the fact that bags do not require sizing, making bags more accessible and prominent among consumers (Han et al., 2010; Mehra et al., 2013). Further, there is some evidence to suggest that there is a greater emphasis on luxury watches and bags in Singapore (Chadha and Husband, 2010). This might help explain the discrepancy in the findings when comparing the results from *Study 1* and *Study 2*. This is far from a definitive reason, but it may be something that should be looked into in more detail. Further, it lends credence to the notion that not all product categories can leverage the flanking strategy and launch flanker brands (e.g. Ritson, 2009).

For the LFB, the hypothesis testing for H6 and H7 also revealed results that vary between *Study 1* and *Study 2*. The results for H6b were similar for both studies, in that for the LFB, neither the value-expressive nor social-adjustive functions had any influence on consumer attitudes toward the LFB (H6b). The results for H7b however were different between *Study 1* and *Study 2*, with the hypothesis not supported in *Study 1*; but supported in *Study 2* – the LFB is more successful with consumers' whose attitudes toward luxury brands serve a value-expressive function than a social-adjustive function.

For H6b, the proposed explanation for *Study 1* and *Study 2* are similar. The result could be due to the lack of clarity on which function of attitude the LFB appeals to. This could be a result of consumers not being as knowledgeable or familiar with the LFB. This notion, as discussed in the previous chapters, is supported with research showing that varying levels of brand familiarity can affect the way a consumer evaluates a particular brand (Kim et al., 2016; Kronrod and Lowrey, 2016; Siu et al., 2016). This makes judgements about how the LFB will fulfil their social identity functions difficult to determine.

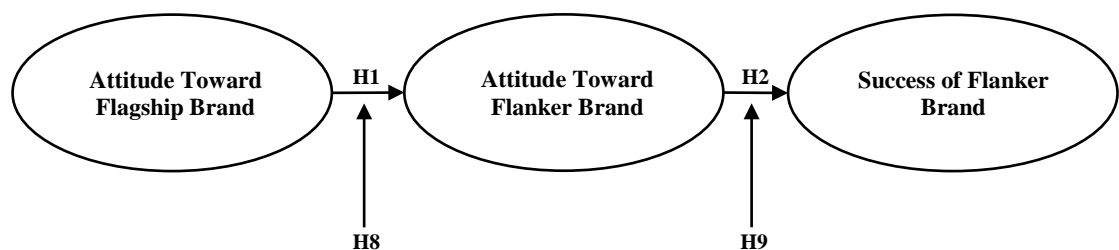
Examining H7b, the results for *Study 1* do not support the hypothesis, but are supported in *Study 2*. As discussed in Chapter 3, research has shown that consumers whose attitudes towards luxury brands serve a more value-expressive function tend to seek luxury brands that possess attributes and features that reflect their core values and beliefs (Bian and Forsythe, 2012; Wilcox et al., 2009). Thus, the success of the LFB

in the case of luxury footwear, could be due to the LFB being better at reflecting the values and beliefs that the consumer holds. This being said, it is important for future research to examine why there is this discrepancy in the results between *Study 1* and *Study 2*, when comparing the LFB between product categories. Perhaps, there may be other factors at play, that could help give clarity to this discrepancy.

The results for H6 and H7 indicate that further research on consumer evaluations of the LFB need to be conducted to gain a clearer understanding of how consumers evaluate the LFB, and what functions of attitude it resonates with. Also, the product category appears to play a role in the effectiveness of either flanker brand. In varying the product category (luxury bags versus footwear), the hypotheses testing results differ significantly. This indicates that certainly, for both *Study 1* and *Study 2*, the general takeaway is that brand managers need to be precise and clear about the choice of product category in which to launch a flanker brand; and also, be aware of branding and positioning of their flanker brands, so that consumers are not confused about its value proposition.

Moving onto the moderation analyses for *Study 1* and *Study 2*. Hypotheses H8 and H9 examine the social identity functions in terms of the moderating role they may play on consumer evaluations of the flanker brand. To recap, two relationships extracted from the research model were examined. These are illustrated in Figure 9.1.

Figure 9.1: Social Identity Functions of Attitude – Relationships Examined in Moderation Analysis



Comparing the results for H8 and H9 between *Study 1* and *Study 2*, some discrepancies were observed. Unlike *Study 1*, the results for hypothesis testing of H8 and H9 in *Study 2* showed that, for the luxury footwear category, the social identity functions of attitude had no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (H8); and attitude toward the flanker brand and success of the flanker brand (H9).

Beginning with H8a, for the DFB, the social-adjustive function of attitude was found to have no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand. It should also be noted that the value-expressive function also had no effect on the relationship. These findings are the same as *Study 1*, and while the hypothesis is not supported, the pattern is similar and thus it can be suggested that for the DFB classification, the social identity functions do not have any influence on this relationship (Att_FlagshipBrand → Att_FlankerBrand). This suggests that other possible factors need to be considered. One possible explanation could be that due to the nature of the DFB, having a clear link to the flagship brand, consumers are relying primarily on their attitudes and associations of the flagship brand, and perhaps the level of perceived fit between the flagship brand and the flanker brand (e.g. Kalamas et al., 2006). Therefore, in this instance, the social identity functions of attitude have no effect on this relationship (Att_FlagshipBrand → Att_FlankerBrand).

For H8b, for the LFB, the results for *Study 1* and *Study 2* were both not supported, but differ on the reasons why. For *Study 1*, the value-expressive function was found to have a dampening effect on the Att_FlagshipBrand → Att_FlankerBrand relationship; while the social-adjustive function did not have any influence. As discussed in Chapter 5, this is a rather interesting finding. The literature explains that consumers whose attitudes serve a value-expressive function, are motivated to consume certain products as a form of self-expression (Gooner and Nadler, 2012; Wilcox et al., 2009). Matching this with the results for H8b, it was postulated that consumers, whose attitudes toward luxury brands serve a value-expressive function, may perceive the LFB to have a more social-adjustive appeal; and were therefore less likely to form positive attitudes toward the LFB. Examining the results for *Study 2*, both the value-expressive and social-adjustive function of attitudes were found to have no moderating effect on the relationship between attitude toward the flagship brand and success of the flanker brand. These findings are somewhat bewildering, as they differ from the findings in *Study 1*, and do so in a different manner. Perhaps, in this instance, the product category difference may have influenced the results. Thus, future research needs to consider testing in more product categories to identify a clearer pattern.

Moving onto the results for H9a, testing the moderating effect of social identity functions on the Att_FlagshipBrand → SuccessFlankerBrand relationship for the

DFB. The results for the hypotheses testing showed that for *Study 1* both the social-adjustive and value-expressive functions were found to enhance the Att_FlagshipBrand → SuccessFlankerBrand relationship. This is in contrast to the results for *Study 2*, where there was no moderating effect detected for either social identity function of attitude. Overall, is an interesting result, as there is strong suggestion that the choice of product category in which to launch the DFB is an important consideration for brand managers, as it can affect the success rate of the DFB when targeting these consumer segments (social-adjustive versus value-expressive).

Comparing this against the results for the LFB (H9b), the findings showed that across both product categories, the social identity functions had no moderating effect on the Att_FlagshipBrand → SuccessFlankerBrand relationship. Comparing this against, the prior findings for the DFB, it is postulated that in addition to the product category considerations for the DFB, the DFB/LFB classifications are also something to consider. In this instance, the LFB appears to be more resilient to changes in product category, despite the fact that neither function of attitude had significant moderating effects on the Att_FlagshipBrand → SuccessFlankerBrand relationship.

The main takeaway from the results for H8 and H9, is that for the brand manager, if a decision is made to launch and flanker brand, part of the decision needs to consider the characteristic differences between the DFB and LFB. Leveraging the association with the flagship brand through the DFB may be useful in certain situations and for certain product categories; while in other situations the LFB may be a more prudent choice. Regarding the influence of social identity functions, future research needs to be conducted to explore this in more detail to ascertain what other factors might influence consumer assessments of the DFB versus LFB.

Overall, *Study 1* and *Study 2* have helped to ascertain that the proposed research model is applicable for evaluating flanker brands; and the testing across two product categories helps toward generalising the use of the research model across different product categories. However, the two studies also reveal that the research model, is not as effective in helping to distinguish consumer perceptions of the DFB and LFB. Consequently, there is room for future research to refine the model, and for testing across multiple product categories. The hypothesis testing on the role that social identity functions of attitude play, revealed significant differences on the influence

these functions of attitudes have on consumer preferences of the DFB and LFB. This again, reinforces the importance of ensuring that there is a good match between the flanker brand class and product category, so that the flanker brand can be effectively deployed in the marketplace. Comparing the results from *Study 1* and *Study 2*, it is clear that the product category can make a difference in the way consumers evaluate the two classifications of flanker brands. This means that brand managers do need to consider which product category they should launch the flanker brand in, as it can affect the way consumers respond to the flanker brand. Further, preliminary assessments of gender differences in response to the flanker brand yielded little change in the responses. This could mean that brand managers need not be too concerned about alienating either group when launching a flanker brand, and can focus on targeting the flanker brand at the relevant opponent.

Consolidation of Results – Study 3 & Study 4

The focus for *Study 1* and *Study 2* leaned toward developing the theoretical implications of this research through an empirical understanding of consumer perceptions and attitudes toward flanker brands. *Study 3* and *Study 4*, places greater emphasis on the managerial implications of this research, and achieves this by addressing **RO5** – *To assess the effectiveness of flanker brands as a tactic to compete against mimic brands*. In addition, a number of sub-objectives were addressed:

RO5-1. Comparing consumer attitudes toward flanker brands against mimic brands

RO5-2. Comparing consumer perceptions of physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand

RO5-3. Determining how attitudes toward mimic brands affect (if at all), the attitudes toward flanker brands, and their success

RO5-4. Determining how perceptions of physical similarities with the flagship brand affect (if at all), the attitudes toward flanker brands, and their success

While *Study 3* was conducted in the context of luxury bags, and employed the brands Prada (flagship brand), Avant by Prada (fictitious DFB), and Avant (fictitious LFB); *Study 4* was conducted in the context of luxury footwear, and employed the brands Bottega Veneta (flagship brand), Touché by Bottega Veneta (fictitious DFB), and Touché (fictitious LFB).

The following discussion on the findings makes comparisons between *Study 1* and *Study 2*. The findings for both studies, therefore, are summarised in Table 9.2.

Table 9.2: Consolidation of Results for Study 3 & Study 4

Hypothesis	Study 3		Study 4	
	Avant by Prada (DFB)	Avant (LFB)	Avant by Bottega Veneta (DFB)	Avant (LFB)
H1a: There is a significant difference in consumer’s attitude toward the brand when comparing the DFB and LFB	<i>Supported</i> Attitude toward the DFB is greater than attitude toward the LFB		<i>Supported</i> Attitude toward the DFB is greater than attitude toward the LFB	
H1b: There is a significant difference in consumer’s attitude toward the brand when comparing the mimic brand and the DFB	<i>Supported</i> Attitude toward the mimic brand is greater than attitude toward the DFB	<i>n/a</i>	<i>Supported</i> Attitude toward the mimic brand is greater than attitude toward the DFB	<i>n/a</i>
H1c: There is no significant difference in consumer’s attitude toward the brand when comparing the mimic brand and the LFB	<i>n/a</i>	<i>Not Supported</i> Attitude toward the mimic brand is significantly greater than attitude toward the LFB	<i>n/a</i>	<i>Not Supported</i> Attitude toward the mimic brand is significantly greater than attitude toward the LFB
H2a: There is no significant difference in consumer’s perceptions of physical similarities of the flanker brand with flagship brand when comparing the DFB and LFB	<i>Supported</i>		<i>Supported</i>	
H2b: There is a significant difference in consumer’s perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with the flagship brand for the DFB	<i>Supported</i> Perceptions of physical similarities for the DFB is significantly greater than the mimic brand	<i>n/a</i>	<i>Supported</i> Perceptions of physical similarities for the DFB is significantly greater than the mimic brand	<i>n/a</i>
H2c: There is no significant difference in consumer’s perceptions of physical similarities of the flanker brand with flagship brand; and perceptions of physical similarities of the mimic brand with flagship brand for the LFB	<i>n/a</i>	<i>Not Supported</i> Perceptions of physical similarities for the LFB is significantly greater than the mimic brand	<i>n/a</i>	<i>Not Supported</i> Perceptions of physical similarities for the LFB is significantly greater than the mimic brand
H3a: For DFB, attitude toward the flagship brand has a positive influence on attitude toward the flanker brand (Att FlagshipBrand → Att FlankerBrand)	<i>Supported</i>	<i>n/a</i>	<i>Supported</i>	<i>n/a</i>

Hypothesis	Study 3		Study 4	
	Avant by Prada (DFB)	Avant (LFB)	Avant by Bottega Veneta (DFB)	Avant (LFB)
H3b: For LFB, attitude toward the flagship brand has no significant influence on attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>n/a</i>	<i>Not Supported</i> Attitude toward the flagship brand had a positive influence on attitude toward the flanker brand	<i>n/a</i>	<i>Not Supported</i> Attitude toward the flagship brand has a positive influence on attitude toward the flanker brand
H4: Attitude toward the flanker brand has a positive influence on success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>
H5a: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flagship brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Not Supported</i> Attitude toward the mimic brand dampens the relationship	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>
H5b: Consumers' attitude toward the mimic brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>	<i>Not Supported</i> Attitude toward the mimic brand enhances the relationship
H6a: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and attitude toward the flanker brand (Att_FlagshipBrand → Att_FlankerBrand)	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>
H6b: Consumers' perceptions of physical similarities of the mimic brand with the flagship brand has no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand (Att_FlagshipBrand → SuccessFlankerBrand)	<i>Not Supported</i> Perceptions of physical similarities of the mimic brand with flagship brand dampens the relationship	<i>Supported</i>	<i>Supported</i>	<i>Supported</i>

Study 3 & Study 4 Discussion – Comparison of Attitudes & Perceptions of Physical Characteristics

Hypotheses H1 and H2 were aimed at developing a baseline understanding of the variables to be evaluated, and identify any significant discrepancies between the DFB and LFB datasets. Hypotheses H1a, H1b, and H1c relate to comparisons on consumer attitudes toward the DFB, LFB and mimic brand. Hypotheses H2a, H2b, and H2c related to comparisons on consumer perceptions of physical similarities of the DFB, LFB and mimic brand, with the flagship brand. The hypotheses testing results indicate that for DFB and LFB, the pattern of results was the same for both *Study 3* and *Study 4*. While a direct, statistically significant, comparison cannot be made between studies, it does at least indicate that consumers in each study are reacting in a similar manner to the DFB and LFB. This suggests that the DFB and LFB characteristics, and consumer reactions to them, are fairly consistent across product categories.

For example, for H1a, attitudes toward the DFB were significantly greater than attitudes toward the LFB. This is expected, as the DFB signals a clear association with the flagship brand through cues such as the brand name (Avant by **Prada**). Consumers are likely to make evaluations about the flanker brand based on their associations and beliefs of the flagship brand, and extend this onto the DFB (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007). By contrast, the LFB does not have any clear link to the flagship brand (Avant), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation (e.g. Erdem et al., 2006; Kalamas et al., 2006; Malhotra et al., 2015). This also means that positive associations with the flagship brand might not be transferred onto the LFB, and this is evident from the results in H1a.

For H1b and H1c, while the patterns are similar across both *Study 3* and *Study 4*, in both cases, attitudes toward the mimic brand were significantly greater than attitudes toward the DFB (H1b), and LFB (H1c). Two potential explanations were discussed in Chapter 7 and Chapter 8:

1. The DFB and LFB employed in this study are both fictitious brands (Avant by Prada and Avant), compared to the mimic brand which is a real-world brand (Zara). Indeed, research has shown that varying levels of brand familiarity can affect the way a consumer evaluates a particular brand (Kim et al., 2016; Kronrod and Lowrey, 2016; Siu et al., 2016). A lack of familiarity with the flanker brands,

coupled with greater familiarity with the mimic brand may mean that respondents were more critical or uncertain of the flanker brands.

2. A potential limitation that may have caused these results could be with the stimulus. This study used a print advertisement, making judgements of the brand in terms of quality difficult to ascertain. The lack of information on the branding and pricing of the flanker brands makes it difficult to make attitudinal comparisons against the mimic brand.

Examining H2a, across both *Study 3* and *Study 4*, there was no significant difference observed between the DFB and LFB in terms of their similarity to the flagship brand. This is expected, as it was noted that a flanker brand can be developed as a “mimic” of the flagship brand, it is likely to carry similar design characteristics, aesthetics, and appeal as the flagship brand. Therefore, while there may be design differences between the flanker brand and flagship brand, they should not be too significant for the consumer to perceive the flanker brand as distinctly different from the flagship brand.

For H2b and H2c, across both *Study 3* and *Study 4*, the result was that perceptions of physical similarities with the flagship brand were greater for the DFB and LFB than for the mimic brand. As discussed in the previous chapters, a possible explanation for this is that respondents may be quite familiar with the Zara brand (mimic brand), and the products they make. This could mean that respondents are more knowledgeable about the nuances that are unique to the mimic brand, and thus they do not perceive the mimic brand to be physically similar to the flagship brand. Two takeaways from this result were identified. First, future research should consider the influence of consumer brand familiarity and consumer knowledge on evaluations of the mimic brand and the flagship brand to see if there are any correlations in the results. If brand familiarity and knowledge do indeed influence consumer perceptions of physical similarities, then brand managers will need to take this into consideration and decide which flanker brand classification would be more effective against the target mimic brand. Second, the present result lends credence to the notion that the flanker brand can be used as an effective tactic against the mimic brand. As an in-house developed brand, the flanker brand should be a better “mimic” of the flagship brand than competing mimic brands. Thus, as the results for H2b and H2c show, for both the DFB

and LFB, the flanker brands are perceived to be more similar to the flagship brand than the mimic brand.

Study 3 & Study 4 Discussion – Influence of Mimic Brands on Flanker Brand Evaluations

Hypotheses H3 and H4 were aimed at establishing key relationships for the moderations analyses to be conducted. The results of which were discussed in the preceding chapters, and summarised in Table 9.2 above.

Hypothesis H5 examines the moderating influence of attitude toward the mimic brand on the relationship between attitude toward the flagship brand and attitude toward the flanker brand ($\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$) (H5a); and attitude toward the flanker brand and success of the flanker brand ($\text{Att_FlagshipBrand} \rightarrow \text{SuccessFlankerBrand}$) (H5b). Hypothesis H6 examines the moderating influence of perceptions of physical similarities with the flagship brand on the relationship $\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$ (H6a); and $\text{Att_FlagshipBrand} \rightarrow \text{SuccessFlankerBrand}$ (H6b).

Comparing the results for H5 and H6 across *Study 3* and *Study 4*, two things become apparent. First, the LFB appears to be more stable when evaluated against mimic brands. Second, the product category in which the flanker brand, either DFB or LFB, is launched, does appear to influence the success rate of the flanker brand as a tactical tool against mimic brands.

Across H5 and H6, for both *Study 3* and *Study 4*, the LFB is largely unaffected by consumers' attitude toward the mimic brand (H5a/H6a); and their perceptions of physical similarities of the mimic brand with flagship brand (H5b/H6b). In fact, the testing showed that for H5b, the perceptions of physical similarities of the mimic brand with flagship brand actually helped to enhance the $\text{Att_FlagshipBrand} \rightarrow \text{SuccessFlankerBrand}$ relationship for the luxury footwear product category (*Study 4*).

In contrast, the DFB is more susceptible to being affected, with the presence of the mimic brand dampening some of the evaluated relationships. While the DFB was unaffected on all accounts in the testing conducted in *Study 4*, the same cannot be said for *Study 3*. In *Study 3*, for H5a, attitude toward the mimic brand had a dampening effect on the $\text{Att_FlagshipBrand} \rightarrow \text{Att_FlankerBrand}$ relationship. One explanation, proposed in the preceding chapters, is that if a consumer already has a strong positive

attitude toward the mimic brand, then the mimic brand may be used as another anchor point for evaluating the DFB. This use of anchor points is reflected in other branding research (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007). The result, is that the mimic brand may appear to be a better alternative to the DFB, which then erodes the positive associations between the flagship brand and DFB. What is interesting to note however, is that despite this result for H5a, attitudes toward the mimic brand do not appear to have significant effects on the Att_FlagshipBrand → SuccessFlankerBrand (H5b). This suggests, that for the DFB, brand managers who wish to launch a DFB, need to carefully brand and position the DFB to engage consumers in such a way that the positive associations the flagship brand are clearly and effectively transferred to the DFB. This would then strengthen the likelihood that consumers are receptive to the DFB and willing to purchase it.

Staying with *Study 3*, and examining H6, it is noted that perceptions of physical similarities of the mimic brand with flagship brand do not influence the Att_FlagshipBrand → Att_FlankerBrand (H6a) relationship; but dampen the Att_FlagshipBrand → SuccessFlankerBrand (H6b) relationship. As discussed in Chapter 5, one possible explanation for this may lie with the consumers' social-identity functions of attitude. As discussed, attitudes can serve social functions (Wilcox et al., 2009). Thus, consumers whose attitudes serve a more social-adjustive function may be less likely to purchase and own the DFB, despite having positive attitudes toward it. For a consumer, whose attitudes serve a social-adjustive function, purchasing the DFB may have the social benefit of being able to be associated with consumers of the flagship brand (Wilcox et al., 2009). Assuming this is the case, and the consumer is purchasing the DFB to serve a social-adjustive function; the strong similarity between the mimic brand and flagship brand may lead the consumer to believe that the DFB is positioned at the same level as the mimic brand. This may negate the social benefits of purchasing the DFB as the consumer may determine that purchasing the DFB is no more socially beneficial than purchasing the mimic brand. This presents brand managers with a conundrum that needs to be carefully considered when developing a DFB.

This leads into the second takeaway from H5 and H6, for both *Study 3* and *Study 4*: the consideration of the product category in which the flanker brand is launched. Comparing the findings for aforementioned H5a and H6b between *Study 3* and *Study*

4, it is noted that for the luxury footwear product category, the DFB is unaffected by attitudes toward the mimic brand, and perceptions of physical similarities of the mimic brand and flagship brand; while for the luxury bags product category, the DFB is affected.

This highlights the notion that careful consideration of the product category is important in deciding which flanker brand class to launch. Luxury bags are commonly purchased luxury goods (D'Arpizio et al., 2015a; *Global Powers of Luxury Goods 2014: In the Hands of the Consumer*, 2014), and are among the most recognisable, and relatable, products of luxury brands given that they contribute significantly to a luxury brand's image (Solca, 2015). Thus, it may be that consumers are much more familiar with the design nuances and image of the luxury bags tested in this research. This, could be what resulted in the luxury bag DFB in being affected by the presence of mimic brands. In contrast, luxury footwear is a growing market (D'Arpizio et al., 2014, 2015b), and thus luxury footwear may not be as ubiquitous or recognisable when compared to bags. This may be a reason why the DFB performed well in the context of luxury footwear during testing.

Overall, *Study 3* and *Study 4* have helped shed light on how consumers evaluate the DFB and LFB, in comparison to mimic brands. In doing so, **RO5** is addressed. Summarising the findings, there are some commonalities between *Study 3* and *Study 4*. First, attitudes toward the DFB are consistently more positive than attitudes toward the LFB. Second, in both studies, attitude toward the mimic brand was consistently more positive than attitude toward the DFB and LFB. Third, regarding perceptions of physical similarities to the flagship brand, both the DFB and LFB were perceived to be more physically similar to the flagship brand than the mimic brand. Fourth, it appears that the effectiveness of flanker brands as a tactical tool to compete against mimic brands, is influenced by the product category. For the DFB, in the luxury bags category (*Study 1*), attitude toward the mimic brand and physical similarities of the mimic brand with flagship brand were found to weaken consumer attitudes toward the DFB and the success of the DFB. This was not the case with luxury footwear (*Study 4*), where consumer attitudes toward the DFB and the success of the DFB were not influenced by the mimic brand. For the LFB however, it appears that for both the luxury bags and luxury footwear categories, this is the more effective approach to take when considering the flanking strategy. This is because in both *Study 3* and *Study 4*,

the LFB was unaffected by the mimic brand. These findings provide insight on how brand managers may be able to use flanker brands as an effective tactical tool against competing mimic brands in the marketplace.

Research Contributions

The previous sections presented a consolidated discussion of the studies conducted in this research – *Study 1 & Study 2*, which address **RO3** and **RO4**; and *Study 3 & Study 4*, which address **RO5**. Following this, the theoretical, methodological, and managerial contributions are discussed. Table 9.3 presents an overview of the contributions from this research.

Table 9.3: Summary of Key Research Contributions

Research Objectives	Contributions
RO1: <i>To develop a clear understanding of the flanking strategy in the business context, using Manoeuvre Theory as the foundational theory, and supported by Sun Tzu’s Art of War [Gap 1]</i>	<p>Theoretical Contributions</p> <ul style="list-style-type: none"> • Manoeuvre theory was introduced as a foundational theory for the development of a clear understanding of flanking in business. From this, seven principles of manoeuvre were identified • Lessons from Sun Tzu’s Art of War were compared with the seven principles of manoeuvre. The parallels drawn from East and West, helped balance and support the use of manoeuvre theory as a foundation for the concept of flanking in business
RO2: <i>To develop a concept flanker brands, to better understand the business applications of flanker brands [Gap 2]</i>	<p>Theoretical Contributions</p> <ul style="list-style-type: none"> • Drawing on the prior understanding of flanking in business, and through a thorough review of the present literature on flanker brands, a clear concept of flanker brands is introduced • Two classifications of flanker brands are also proposed – <i>Distinct</i> and <i>Latent</i> flanker brands
RO3: <i>To develop a research framework for the empirical testing of the concept of flanker brands, and the two flanker brand classifications [Gap 3]</i>	<p>Methodological Contributions</p> <ul style="list-style-type: none"> • A research framework – research model and testing methodology was introduced, to empirically assess consumer evaluations of flanker brands. • The proposed research model was evaluated across two product categories in <i>Study 1</i> and <i>Study 2</i>. • The testing methodology employed in this research helps validate certain research methods for use in flanker brand research: the selection of fictitious brand names, approach to stimulus design; and survey instrument structure
RO4: <i>To evaluate consumer perceptions and attitudes toward flanker brands, specifically, in the context of luxury fashion brands [Gap 3]</i>	<p>Theoretical Contributions</p> <ul style="list-style-type: none"> • The testing conducted in <i>Study 1</i> to <i>Study 4</i>, has helped validate the proposed concept of flanker brands, and the two classifications <p>Managerial Contributions</p> <ul style="list-style-type: none"> • The testing across <i>Study 1</i> to <i>Study 4</i> has helped shed light on consumer evaluations of the two flanker brand classifications, in the context of luxury fashion • The testing conducted in <i>Study 1</i> and <i>Study 2</i>, has helped develop an understanding of how each

Research Objectives	Contributions
<p><i>RO5: To assess the effectiveness of flanker brands as a tactic to compete against mimic brands [Gap 4]</i></p>	<p>flanker brand classification may be used to target different consumer segments in luxury fashion. Specifically, this research examines the social identity functions that each flanker brand appeals to</p> <p>Managerial Contributions</p> <ul style="list-style-type: none"> • The testing conducted in <i>Study 3</i> and <i>Study 4</i> has helped to provide an assessment of how consumers react to flanker brands, in the presence of mimic brands. This develops insight on how flanker brands may be used as a tactical tool against mimic brand competitors

Theoretical Contributions

The primary contribution of this research is the conceptualisation of flanker brands. This research makes two key theoretical contributions to the literature on the flanking strategy, and flanker brands:

1. Introducing manoeuvre theory as a foundational theory for the concept of flanking in business [*ROI – Gap 1*]

Through a review of the present literature on flanking and flanker brands. It was apparent that flanking, as discussed in business, appears to lack a clear foundational theory from which the concept is built. Only a handful of papers (e.g. Pech and Durden, 2003, 2004; Pech and Slade, 2003) make attempts to link the concept of flanking to a foundational theory. This was the reason *Gap 1* and the corresponding *ROI* were identified as a focus for this research.

The present research has contributed to the theoretical understanding of flanking in business, by employing manoeuvre theory as a foundation for the concept of flanking [*ROI – Gap 1*]. Since the present literature on the concept of flanking in business makes consistent references to the military (e.g. Crittenden, 2010; Keller, 2013; De Menezes, 2014), it was befitting to use a military warfare theory as the foundation for the present research. The teachings from Sun Tzu's Art of War were also incorporated to the development of the concept of flanking in business. The rationale for this was that Sun Tzu's Art of War has often been used as foundational philosophy to provide a strategic perspective on business. From strategy to management and marketing, Sun Tzu's Art of War is a common point of reference across a multitude of industries (e.g. Ho, 1997; Lee et al., 1994; Macdonald and Neupert, 2005; Michaelson, 2001; O'Dowd and Waldron, 1991; Rarick, 1996; Sheetz-Runkle, 2014; Tremayne, 2008). Sun Tzu's Art of War serves as an alternative, perspective to manoeuvre warfare, from which parallels can be drawn to manoeuvre theory. Seven key principles of manoeuvre were distilled from the literature on manoeuvre theory, and were matched against lessons on manoeuvre from Sun Tzu's Art of War. This provides a more balanced view of manoeuvre theory, serving to strengthen the foundation from which the concept of flanking in business was developed.

Flanking, as is discussed in business literature, often overlooks the fact that the act of flanking is but one of the possible strategies that can be deployed in manoeuvre warfare

(Field, 2012; Leonhard, 1991; Lind, 1985). Through the review of the literature on manoeuvre warfare, a clearer understanding of the concept of flanking could be applied to the business context. This served as a foundation from which a clear concept of flanker brands [**RO2 – Gap 2**] could be developed. This is a crucial contribution as a clear concept of flanker brands would aid in both academic and industry oriented research, as it serves as a common foundation from which flanker brand research can be conducted. This helps to reduce the confusion and potential misinterpretation of flanker brands in business, and in research.

2. Development of a clear concept of flanker brands, and the introduction of two classifications of flanker brands – *Distinct* and *Latent* flanker brands [**RO2 – Gap 2**]

This research contributes to the literature on flanker brands by developing a clear concept of flanker brands, and proposing two classifications of flanker brands – *Distinct* and *Latent* flanker brands. As discussed in the preceding chapters, there is a lack of clarity on what flanker brands are. In some cases they are termed as “fighter brands”, in other cases, they are termed “flanker brands” (e.g. Berman, 2015; Boone and Kurtz, 2015; Harleman, 2015; Jost, 2014; Keller, 2013; Ritson, 2009; Sheen, 2014; Stevens et al., 2014). There were also differences identified in terms of the provenance of flanker brands (new brand or existing brand converted to a flanker brand?), and the strategic intent (market growth or defence?). For flanker brands to be effectively employed in market strategies, and for a clear research directions to be pursued, the notion of flanker brands needed to be clearly conceptualised.

A review of the literature on flanker brands was conducted, and six common and prominent characteristics of flanker brands were identified. From this, a concept of flanker brands was proposed. The proposed concept of flanker brands synthesises the seven key principles of manoeuvre and the six common characteristics of flanker brands:

*Flanker brands are **new brands** that are **swiftly positioned** in a **similar category and market** as the **flagship brand**, through **stealth and deception**, for the purpose of **attacking and/or defending against competitors**; **without risking** the **flagship brand’s established market position** by competing head-on*

Alongside this, through the review of the present literature on flanker brands, two classifications of flanker brands were proposed:

Distinct Flanker Brand (DFB): A new brand is introduced, but a link is drawn between the flagship brand and the new brand, for the flanker brand to leverage the positive brand associations consumers have of the flagship brand; and

Latent Flanker Brand (LFB): A new brand is introduced but a link with the parent brand not drawn; a deliberate dissociation between the flanker brand and flagship brand helps deviate attention away from the flagship brand, preserving its image and equity.

The studies conducted (*Study 1* to *Study 4*), were then used to evaluate these classifications of flanker brands [**RO3 – Gap 3; RO 4 – Gap 3; RO5 – Gap 4**]. It is hoped, that with this research, the concept of flanking in business is better understood, and the two classifications of flanker brands would help serve as a foundation from which this area of marketing can be further developed.

Methodological Contributions

In terms of methodological contributions, this research provides the following contributions to help kick-start further research on flanking and flanker brands:

1. Introducing a research framework – research model and testing methodology, to empirically assess consumer evaluations of flanker brands [**RO 3 – Gap 3**]

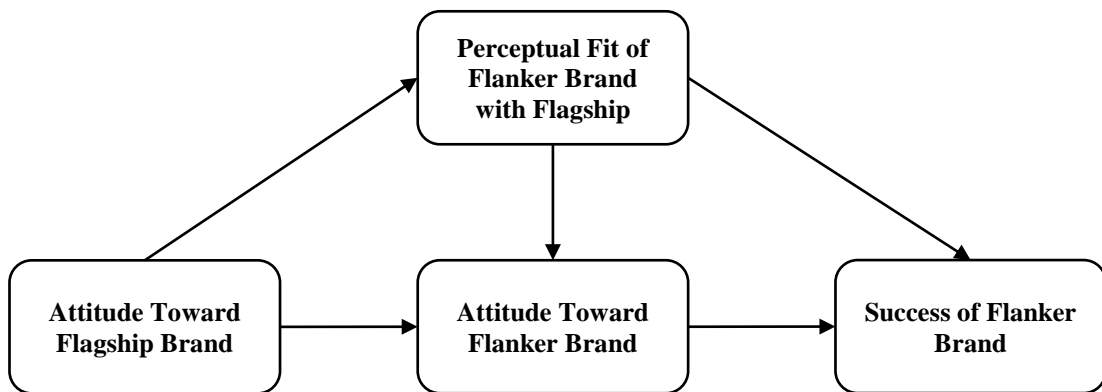
To date, there has been no known attempt at an empirical examination of flanker brands. Throughout the literature on flanker brands reviewed in this research, there have been discussions on what flanker brands are, how they can be used as a business tactic against competitor firms, and the characteristics of flanker brands; but none have supported these discussions with empirical evidence. This is where the present research has sought to fill in the blanks.

The first methodological contribution is with the research model. As there is a lack of empirical research on flanker brands, there is no theoretical foundation from which to develop a research model for testing. The present research has adapted the research model employed by Kalamas et al. (2006). It was noted in the preceding chapters that Kalamas et al.'s (2006) research model is applied in the brand extension context. However, given that flanker brands are a tactical outcome of the flanking strategy, the

crucial difference between brand extensions and flanker brands is in the strategic intent, as discussed in Chapter 2. Therefore, while flanker brands may appear to the consumer, to behave like brand extensions, their purpose is strategically different.

Further, as the present research is examining flanker brands from a consumer perspective, whom ought to be “blind” to the strategic intent behind the brand they are presented with. Figure 9.2 illustrates the research model developed and evaluated in this research.

Figure 9.2: Research Model



This research model was used to assess consumer reactions and evaluations of the two classifications of flanker brands – DFB and LFB. The results of the analyses showed that the research model is applicable for assessing consumer evaluations of the two flanker brands. However, it is not effective as a means of distinguishing between consumer perceptions of the DFB and LFB. The fact that consumers reacted to the LFB in similar ways to the DFB suggests that there are other factors that need to be considered to make this research model an effective tool for researchers and brand managers to distinguish consumer perceptions of the DFB and LFB, so that as assessment of which flanker brand to deploy can be made. While not a flawless methodological contribution, this research model represents a first step toward a better understanding of flanker brands in the marketplace.

2. Provides validation for a number of research methods – fictitious brand name selection; approach to stimulus design; and survey instrument structure [**RO 3 – Gap 3**]

The second methodological contribution is with the approach to this research in terms of the choice of brand name and the stimulus design. First, this research helps validate and expand the applicability of the method used by Phau and Cheong (2009a, 2009b)

for selecting fictitious brand names. Second, through the focus groups conducted, a better understanding of how the flanker brands should be presented in the stimuli was achieved. Thus, the process discussed in Chapter 4, on the stimulus design could serve as a reference for future research on flanker brands. Finally, as this research makes comparisons between mimic brands and flanker brands (*Study 3* and *Study 4*), it necessitated the alternating of the mimic brand and flanker brand stimuli and corresponding survey questions between respondents. This was done to help reduce the potential bias and priming that a fixed survey structure may introduce. While this is not something that can be explicitly validated, it is a detail that future research in this area should consider this as part of the research methodology.

Managerial Contributions

Overall, this research makes significant contributions to the development and management of flanker brands as a tactical tool against mimic brands. The clarification of the concept of flanking in business, and the development of a clear concept of flanker brands will aid brand managers avoid further confusion on the strategic implications of flanker brands, and properly execute the flanking strategy.

Specific to the present research, several insights were made on the consumer perceptions of flanker brands, which could aid in targeting specific consumer segments:

1. Developed an understanding of consumer evaluations of the two flanker brand classifications in the context of luxury fashion [*RO4 – Gap 3*]

The research findings from *Study 1* and *Study 2* showed that for the DFB, consumer attitudes toward the flanker brand were positively influenced by their attitudes toward the flagship brand. Further, the perceptual fit between the flanker brand and flagship brand also had a positive influence on attitudes toward the DFB and its subsequent success. This indicates that for brand managers looking to employ a DFB as part of their flanking strategy, leveraging the equity provided by the flagship brand would give the DFB a significant edge in being embraced by consumers.

For example, in the earlier chapters, the Apple iPhone 5c was cited as an example of a flanker brand to the iPhone 5s (Johansson and Carlson, 2014; Ribeiro, 2015). In this instance, the iPhone 5c functions as a DFB, leveraging the “Apple” brand name, and the “iPhone” moniker to signal the lineage between the iPhone 5c and iPhone 5s,

trigger consumers' positive associations of the flagship brand, and encourage consumers to transfer these associations onto the flanker brand. Further, the iPhone 5c pays homage to the iPhone 5s with physical characteristics that mimic the iPhone 5s (see Figure 9.3). This enhances the perceived fit between the iPhone 5c and iPhone 5s, again strengthening consumers attitudes toward the iPhone 5c flanker brand.

Figure 9.3: Apple iPhone 5c & iPhone 5s



Image Sources: (“Identify Your iPhone Model”, 2016)

The use of the iPhone 5c as a DFB worked to great effect for Apple and the iPhone 5c, which provided Apple with significant profits (Spence, 2014), all whilst allowing Apple to retain the high-end positioning of the flagship iPhone 5s.

Conversely, the LFB is characterised by the deliberate dissociation with the flagship brand. This lack of a clear link between the LFB and the flagship brand allows the LFB to deviate attention away from the flagship brand, and avoid any potential issues of the LFB damaging the flagship brand's market position and equity. However, for the LFB, the findings showed that, contrary to the hypothesised relationship, consumer attitudes toward the flanker brand were positively influenced by their attitudes toward the flagship brand. The perceptual fit between the flanker brand and flagship brand also had a positive influence on attitudes toward the LFB and its subsequent success; again, contradicting the hypothesised relationships. One possible argument for these results may lie in brand mimicry. As the LFB has a deliberate dissociation with the flagship brand, consumers may evaluate the LFB as “another mimic brand”. As discussed, brand mimicry “involves a brand (the mimic) which simulates the signal propert[ies] of a second brand (the model)” (Teah, 2013). Therefore, consumers may evaluate the LFB, using the flagship brand as the “model”. Further, given that there is research to suggest that mimic brands can serve as alternatives to luxury brand products that consumers might not otherwise be able to afford (Hemphill and Suk, 2009; Nia and

Zaichkowsky, 2000; Teah, 2013), the result could be that consumer evaluations of the LFB are thus contingent on consumer attitudes toward the flagship brand, and perceived similarity to the flagship brand.

As discussed in Chapter 5 and 6, an initial concern was that, because the stimulus used in *Study 1* was oriented more toward females, and the stimulus used in *Study 2* was oriented more to males; gender may have been an issue that resulted in the hypotheses not being supported. However, it was determined that this was not the case. Therefore, for both the luxury bags and luxury footwear context, gender does not appear to play a significant role in influencing consumer attitudes toward the LFB, or its success.

Despite this, the findings from *Study 1* and *Study 2* do suggest that should consumers know that the LFB is in some way linked to the flagship brand, it may not necessarily be detrimental to the flanker brand's success. In both studies, consumer attitudes toward the flagship brand had a positive influence on attitudes toward the flanker brand; and the perceptual fit between the flanker brand and flagship brand also had positive influences on attitudes toward the flanker brand and its success. The only difference in these results for the LFB was that attitude toward the flanker brand did not have a significant influence on the success of the flanker brand for the luxury footwear category. This is something that warrants further consideration and research to ascertain if the results of this relationship changes with other product categories.

The findings from *Study 3* and *Study 4* indicate that overall, consumers' attitude toward the DFB is generally more positive than their attitudes toward the LFB. As discussed, this is likely due to consumers making evaluations about the flanker brand based on their associations and beliefs of the flagship brand; which are then extended onto the DFB (e.g. Aaker and Keller, 1990; Kalamas et al., 2006; Lau and Phau, 2007). By contrast, the LFB does not have any clear link to the flagship brand (Avant), and thus, there is no clear signal which consumers can use as an anchor point for categorisation and evaluation (e.g. Erdem et al., 2006; Kalamas et al., 2006; Malhotra et al., 2015). This means that positive associations with the flagship brand might not be transferred onto the LFB, and thus consumers evaluate the LFB from a more neutral baseline, which could explain why attitudes toward the LFB appear less positive than attitudes toward the DFB.

An additional aspect of **RO4 [Gap 3]** is the investigation of the role that social identity functions of attitude play in consumer evaluations of the DFB and LFB (*Study 1* and *Study 2*). Prior research has demonstrated that consumers' attitudes toward luxury brands may serve certain social functions (e.g. Bian and Forsythe, 2012; Shavitt, 1989b; Wilcox et al., 2009). By assessing which flanker brand classification appeals more to which social identity function of attitude, this research sheds light on how consumers react differently to the DFB and LFB, depending on the social identity function their attitudes serve. This could prove useful for brand managers to enhance the appeal of the flanker brand, and target specific consumer segments.

2. Developed an understanding of how each flanker brand classification can be used to target specific consumer segments in luxury fashion; in terms of the social identity functions that each flanker brand appeals to [**RO4 – Gap 3**]

The findings from *Study 1* and *Study 2* clearly indicate that a change in the product category can make a difference in the way consumers evaluate the DFB and LFB, even if the only manipulation is with the brand name. For the DFB, consumers whose attitudes toward luxury brands served a social-adjustive function were more likely to have a positive attitude toward the DFB in the luxury bag context but not the luxury footwear context. For the luxury footwear context, neither function of attitude assessed had any influence. Similarly, the DFB was found to be more successful with consumers whose attitudes toward luxury brands served a social-adjustive function in the luxury bag context; while for the luxury footwear context, it was the value-expressive function that was found to influence the success of the DFB.

For the LFB, it was found that neither function of attitude appeared to have any significant impact on consumer attitudes toward the LFB, or the success of the LFB. The only exception was with the luxury footwear category, where the LFB was found to be more successful with consumers whose attitudes serve a value-expressive function. As discussed, a possible explanation for why the social-identity functions had little influence, could be a result of consumers not being as knowledgeable or familiar with the LFB, thus making judgements about how the LFB will fulfil their social identity functions difficult to determine. As discussed in Chapter 3, research has shown that consumers whose attitudes towards luxury brands serve a more value-expressive function tend to seek luxury brands that possess attributes and features that reflect their core values and beliefs (Bian and Forsythe, 2012; Wilcox et al., 2009).

Thus, the success of the LFB in the context of luxury footwear, could be due to the LFB being better at reflecting the values and beliefs that the consumer holds.

Overall, this means that in both product categories, it is difficult to state with certainty that the DFB appeals to the social-adjustive function of attitude, and the LFB appeals to the value-expressive function of attitude. Therefore, when considering to launch either a DFB or LFB, brand managers need to account for other potential factors that may influence consumer attitudes toward the flanker brands, and their success.

RO5 [Gap 4] was proposed to examine the effectiveness of flanker brands as a tactical tool against mimic brands. Given the lack of empirical research in this area, **RO5** was addressed by assessing how consumers' attitudes toward the flanker brands, and the success of the flanker brands, are influenced by the presence of mimic brands. Specifically, it examined how consumer attitudes toward the mimic brand; and their perception of physical similarities of the mimic brand with flagship brand, affects consumer attitudes toward the flanker brand, and the success of the flanker brand.

3. Provided an assessment of how flanker brands can be used as a tactical tool against mimic brand competitors in the context of luxury fashion [**RO5 – Gap 4**]

Two sub-objectives addressed in **RO5** relate to the comparison of consumer attitudes toward flanker brands against mimic brands [**RO5-1**]; and the comparison of consumer perceptions of the physical characteristics of flanker brands and mimic brands, and how similar they are to the flagship brand [**RO5-2**].

The findings from *Study 3* and *Study 4* show that attitudes toward the DFB were more positive than attitudes toward the LFB, across both product categories. This is in line with expectations on attitudes toward the DFB and LFB, as the DFB signals a clear association with the flagship brand through cues such as the brand name (e.g. Touché by **Bottega Veneta**). This reinforces the characteristic advantage of the DFB over the LFB. Knowing this, brand managers could leverage the positive associations that consumers may have of the flagship brand, when combating mimic brands, through the use of a DFB. This is used to great effect in the fragrance industry. With a multitude of fragrance flankers in the marketplace (Boone and Kurtz, 2015; Gabbert, 2013), perfume brands often leverage the flagship brand name to “cut through the noise” and engage the consumer. For example, Christian Dior’s Hypnotic Poison and Pure Poison serve as flankers to the original Christian Dior Poison fragrance, and Givenchy’s

Organza Indecence is a “vampy little sister” (Robin, 2016), a flanker, to the Givenchy Organza (Robin, 2016) (See Figure 9.4).

Figure 9.4: Fragrance Flankers



Image Sources: (“Hypnotic Poison Perfume by Christian Dior”, n.d., “Organza Indecence Perfume by Givenchy”, n.d., “Organza Perfume by Givenchy”, n.d., “Poison Perfume by Christian Dior”, n.d., “Pure Poison Perfume by Christian Dior”, n.d.)

In each example, the flanker fragrance leverages the flagship brand’s name (e.g. Givenchy Organza, and Christian Dior Poison); and to reinforce the associations, the flanker brands carry design cues that mimic the flagship brand (e.g. bottle and packaging design). The use of the flagship brand name is characteristic of the DFB, and the design similarities strengthen the linkage to the flagship brand, allowing the flanker brands to leverage any positive associations consumers might have of the flagship brand.

When comparing the DFB and LFB against the mimic brands, the present research found that, across both product categories, attitudes toward the mimic brand were significantly more positive than the respective flanker brands. As discussed in the preceding chapters, this could be due to the fact that fictitious brand names were used for the flanker brands; while a real-world mimic brand (Zara) was used. This means that there is an inherent difference in familiarity between the flanker brand and mimic

brand. This could be why the mimic brand was better perceived in both product categories. This means, that for the brand manager, should a DFB or LFB be launched, it is imperative that flanker brands be effectively marketed to the consumer to ensure that they are favourably compared against the intended mimic brand competitors.

Moving on to *RO5-2*, The findings from *Study 3* and *Study 4* show that for both the DFB and LFB, and across the two product categories, perceptions of physical similarities with the flagship brand were greater than the corresponding mimic brand. As mentioned in the preceding chapters one possible explanation could have been that respondents may be quite familiar with the Zara brand (mimic brand), and the products they make. Online forums and blogs illustrate just how intense consumer interest and knowledge in various brand and products can be. For example, various blogs discuss the similarities and differences between Zara's products and products made by luxury fashion houses (e.g. Julia, 2013; Moore, 2013). This suggests that respondents in this research could be more knowledgeable about the nuances that are unique to the mimic brand, and thus they do not perceive the mimic brand to be physically similar to the flagship brand.

However, there is also the consideration that brand managers can leverage the physical aspects of their products to ensure that the flanker brand is perceived to be a better "mimic" of the flagship brand than the competing mimic brand. In particular, when targeting consumers whose attitudes serve a social-adjustive function, a closer match with the flagship brand's physical characteristics could help ensure the success of the flanker brand over the mimic brand. Alternatively, brand managers could leverage the quality aspect of the product, and ensure that the flanker brand is made to higher quality standards than mimic competitors. This could help improve consumer perceptions and acceptance of the flanker brand, over the mimic brand.

RO5-3 and *RO5-4* were focused on determining how attitudes toward the mimic brand [*RO5-3*]; and perceptions of physical similarities of the mimic brand with flagship brand [*RO5-4*], would affect consumer attitudes toward the flanker brand and its success.

Overall, the findings from *Study 3* and *Study 4* show that in contrast to the DFB, the LFB is more resilient against mimic brands, when tested across multiple product categories. Throughout testing, consumer attitudes toward the mimic brand and

perceptions of physical similarities of the mimic brand with flagship brand had no detrimental effect on consumer attitudes toward the LFB, or its success. This, as discussed, could be due to the dissociation of the LFB with the flagship brand. The lack of the flagship brand name meant that consumer associations of the flagship brand were less likely to be triggered. This meant that the LFB could be evaluated from a more neutral perspective, and more like another “mimic” brand. In addition to reducing the potential for damaging the flagship brand’s image and equity, the LFB may appear as a less direct move by the firm to compete against mimic brands. Therefore, from the consumers’ perspective, since the LFB appears to be another mimic brand, they might be more willing to consider the LFB as an alternative to the competing mimic brands.

This does not mean however, that the DFB has no place in the flanking strategy. The findings from *Study 3* show that in the luxury bags context, attitudes toward the mimic brand; and perceptions of physical similarities of the mimic brand with flagship brand were found to dampen the relationship between attitude toward the flagship brand and attitude toward the flanker brand. However, these variables had no moderating effect on the relationship between attitude toward the flanker brand and success of the flanker brand. This suggests that should brand managers be effective in their marketing of the DFB, consumers who desire to own a product from the flagship brand, but who may be otherwise be unable to, may be an ideal target for the DFB.

For *Study 4*, the findings showed that the DFB was resilient to against mimic brands, with no moderating effects found. This suggests that careful consideration of the product in which the DFB is intended for launch is important for the effective deployment of the DFB.

Overall, brand managers need to be clear about what kind of competition they intend to use the flanking strategy against, and the kind of consumer they intend to engage. This will then help narrow down, which classification of flanker brand to deploy in the marketplace.

Limitations and Future Research Directions

The present research has sought to address the identified research gaps by employing manoeuvre theory as a foundation for understanding flanking in business, and for the development of the concept of flanker brands and the two classifications – DFB and

LFB. It has also addressed the issue with the lack of empirical research on flanker brands by examining these classifications of flanker brands in the context of luxury fashion. As a first step into the empirical examination of flanker brands however, this research is not without its limitations.

The proposed concept of flanker brands and corresponding classifications have only been examined in the context of luxury fashion, and only in two product categories (luxury bags and luxury footwear). This may limit the validity of the present concept of flanker brands, and the respective findings, to the luxury fashion context. Future research should consider evaluating the proposed concept of flanker brands in other industries and product categories to improve this concept of flanker brands.

This research makes a few assumptions across the four studies in order to focus on the key manipulations. First, this research only examines flanker brands as part of a defensive tactic against lower-priced competitors, specifically, mimic brands. This means that the present research does not account for the potential of using the flanking strategy in an offensive, market growth, manoeuvre. Further, the present research does not account for the possibility of lower-priced competing brands employing the flanking strategy against more established brands in the marketplace. This limits the applicability of the present research findings to a certain scope, and future research could consider expanding this scope, to validate the proposed concept of flanker brands in other strategic contexts.

Next, this research only employs the use of established and mature luxury fashion brands in the marketplace. This was necessary, to frame the research scope in accordance with the aforementioned defensive tactic against lower-priced competitors. Future research should against consider expanding this to other industries and product categories.

In addition, as postulated in the previous discussions, the use of an well-known mimic brand – Zara, may help explain why some of the findings contradicted the hypothesised relationships. Consumer knowledge may play a significant role in the successful implementation of flanker brands. This is something that future research could investigate.

As discussed in Chapter 2, the provenance of a flanker brand is highly unclear, and can vary significantly. A flanker brand can be a conversion of an existing brand

(Keller, 2013; McNallen, 1958), a new brand developed for the specific purpose (e.g. Berman, 2015; Clow and Baack, 2005; Giddens, 2010; De Menezes, 2014), a brand-extension with the strategic intent of flanking (e.g. Bessman, 2000; Johnson, 1992; Rothenberg, 1989), a “me-too” brand (Verhoef et al., 2002), or through a multitude of other means. To manage this, the present research makes the assumption that the flanker brand is a newly developed brand by the firm, for the sole purpose of executing the flanking strategy. While this allows for the evaluation of consumer responses to the respective flanker brands, it limits the evaluation of the strategic implications of flanker brands.

Future research could examine the influence of flanker brand provenance on the success of flanker brands in the marketplace, and their effectiveness as tactical tools against brand mimics. For example, in 2015 and 2016, a number of massive acquisitions occurred. One example is in the hotel industry, with Marriott International acquiring Starwood Hotels & Resorts Worldwide (“Marriott Buys Starwood, Becoming World’s Largest Hotel Chain”, 2016). Assuming that Marriott’s acquisition considers the option of using this acquisition as part of a flanking strategy, Marriott will now be able to use Starwood’s brands like Sheraton and St. Regis, to serve as flankers to its own brands like Marriott and Ritz Carlton. This strengthens Marriott International’s market position, against competitors like Hilton Worldwide Holdings and Hyatt Hotels Corporation (Matthews, 2016). Further, flanking through acquisition could have significant advantages for the firm; one of which is less risk and costs involved, given that the acquired brand would already have an established market position and customer base.

Another perspective to this, is the use of “acquired” flanker brands to break into new markets. As discussed in Chapter 2, but not explored in this research, flanker brands may also be used as part of a growth strategy. L’Oreal has a keen focus on the Chinese market (“L’Oréal 2015: Focus on China”, 2015), and acquired Chinese cosmetic brand Yue Sai in 2004. In 2012, L’Oreal positioned Yue Sai as the only luxury brand with a “Chinese perspective on beauty” (Yang, 2015) (See Figure 9.5). Leveraging Yue Sai’s Chinese image, heritage, and positioning, L’Oreal was able to use Yue Sai as a “localised” flanker brand to their own product offerings. This illustrates another use situation for flanker brands, and how the provenance of the flanker brand may assist

with its success. Thus examining the provenance of flanker brands could help develop insight on how flanker brands could and should be developed.

Figure 9.5: L’Oreal & Yue Sai



L’Oreal Advertisement

Yue Sai Advertisement

Image Source: (“Brand focus: L’Oreal China”, 2015)

Next, the flanker brands tested in this research are distinguished using only two manipulations – brand name and physical characteristics. It is widely understood that in the context of branding, there are a multitude of brand elements that can be employed in the branding of a product. However, introducing too many elements would limit the validity of the findings in this research. Future research should consider the effect that other brand elements may have on the use of flanker brands. For example, future research could examine how promotion strategies and product features could be used to communicate the positioning of flanker brands to consumers. For example, Proctor & Gamble’s (P&G) Head & Shoulders, and Wash & Go shampoos serve as flanker brands to Pantene (Baines and Fill, 2014), defending the Pantene brand from competition like Tresemmé and Suave (Wong, 2008). Head & Shoulders, and Wash & Go each have their own unique product features, but share sufficient parity with the Pantene brand that allows P&G to position them as flankers. Examining how brand elements affect the relationship dynamics between the flanker and flagship brands would help develop a greater understanding of how to employ flanker brands effectively.

Based on the analysis of the findings from *Study 1* to *Study 4*, there were a number of limitations and future research directions identified. First, the flanker brand products were oriented toward different genders. In the luxury bag context, the products used

were tote bags, which would likely appeal more to a female audience. In the luxury footwear context, the product used was a slip-on shoe, which appears to be oriented more toward a male audience. While preliminary testing revealed that the effect of gender may not have a significant influence on the findings, it is something to consider in future. Future research could examine across multiple product categories, how gender differences may affect the effectiveness of either the DFB or LFB in the marketplace.

Finally, there is the potential issue of brand familiarity. While every effort was made to employ real-world brands and products, the flanker brand names were fictitious. This meant that during hypothesis testing, the results may have been affected by consumers' lack of familiarity with the flanker brand names. Future research could consider the use of real-world flanker brands to make a more ecologically valid assessment of consumer evaluations of flanker brands.

Conclusion

In closing, the present research has attempted to expand the current knowledge on the flanking strategy in business. It has conceptualised the flanking strategy using manoeuvre theory and has proposed a clear concept of flanker brands, along with two classifications. It is hoped that the findings from this research will help spur future investigations into this highly dynamic and adaptive branding strategy.

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Appendices

Appendix A.1:

Study 1 Survey Instrument – DFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

The following statements relate to your **general attitude towards luxury fashion brands**. For each of the following statements, please select the value that most closely represents your views.

A1		Strongly Disagree	Strongly Agree
1	Luxury fashion brands reflect the kind of person I see myself to be	1 2 3 4 5 6 7	
2	Luxury fashion brands help me communicate my self-identity	1 2 3 4 5 6 7	
3	Luxury fashion brands help me express myself	1 2 3 4 5 6 7	
4	Luxury fashion brands help me define myself	1 2 3 4 5 6 7	
5	Luxury fashion brands are a symbol of social status	1 2 3 4 5 6 7	
6	Luxury fashion brands help me fit into important social situations	1 2 3 4 5 6 7	
7	I like to be seen wearing luxury fashion brands	1 2 3 4 5 6 7	
8	I enjoy it when people know I am wearing a luxury brand	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION B

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Prada bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

C1	This Avant by Prada bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

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SECTION D

The following statements examine your **evaluations of Avant by Prada**. For each of the following statements, please select the value that most closely represents your views.

D1			
1	Prada is considering introducing this brand (Avant by Prada) into the market. Please indicate how well this new brand relates to Prada's existing product line	Extremely poorly related	Extremely well related
		1 2 3 4 5 6 7	
2	Do you see Avant by Prada as a good <u>substitute</u> for Prada ? (meaning that you can use one instead of the other)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
3	Do you see Avant by Prada as a good <u>complement</u> to Prada ? (meaning that you can use both together)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
4	Using their current technology, how easy/difficult would it be for Prada to manufacture the Avant by Prada bags?	Very Difficult	Very Easy
		1 2 3 4 5 6 7	
5	Assuming this Avant by Prada bag were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4 5 6 7	
6	Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant by Prada bag	Very Unlikely	Very Likely
		1 2 3 4 5 6 7	
7	Avant by Prada would be a good brand name for this bag	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	

For the following questions, please indicate how strongly you agree or disagree with the statements.

D2		Strongly Disagree	Strongly Agree
1	The Avant by Prada bag shares similar looks to Prada's bag	1 2 3 4 5 6 7	
2	The Avant by Prada bag shares similar designs to Prada's bag	1 2 3 4 5 6 7	
3	The Avant by Prada bag shares similar physical appearance to Prada's bag	1 2 3 4 5 6 7	
4	The Avant by Prada bag shares similar aesthetics to Prada's bag	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION E

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

E1 What is your gender?			
[1]	Male	[2]	Female

E2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

E3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married	[4]	Divorced
[5]	Widow/Widower	[6]	

E5 What is the level of your post-secondary school qualifications?			
[1]	Certificate	[2]	Bachelor Degree
[3]	Advanced Diploma or Diploma	[4]	Graduate Diploma or Graduate Certificate
[5]	Postgraduate Degree	[6]	Other (Please specify)

E6 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix A.2:

Study 1 Survey Instrument – LFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

The following statements relate to your **general attitude towards luxury fashion brands**. For each of the following statements, please select the value that most closely represents your views.

A1		Strongly Disagree						Strongly Agree
1	Luxury fashion brands reflect the kind of person I see myself to be	1	2	3	4	5	6	7
2	Luxury fashion brands help me communicate my self-identity	1	2	3	4	5	6	7
3	Luxury fashion brands help me express myself	1	2	3	4	5	6	7
4	Luxury fashion brands help me define myself	1	2	3	4	5	6	7
5	Luxury fashion brands are a symbol of social status	1	2	3	4	5	6	7
6	Luxury fashion brands help me fit into important social situations	1	2	3	4	5	6	7
7	I like to be seen wearing luxury fashion brands	1	2	3	4	5	6	7
8	I enjoy it when people know I am wearing a luxury brand	1	2	3	4	5	6	7

~Continue on Next Page~

SECTION B

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Prada bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

C1	This Avant bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION D

The following statements examine your **evaluations of Avant**. For each of the following statements, please select the value that most closely represents your views.

D1			
1	Prada is considering introducing this brand (Avant) into the market. Please indicate how well this new brand relates to Prada's existing product line	Extremely poorly related	Extremely well related
		1 2 3 4 5 6 7	
2	Do you see Avant as a good <u>substitute</u> for Prada ? (meaning that you can use one instead of the other)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
3	Do you see Avant as a good <u>complement</u> to Prada ? (meaning that you can use both together)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
4	Using their current technology, how easy/difficult would it be for Prada to manufacture the Avant bags?	Very Difficult	Very Easy
		1 2 3 4 5 6 7	
5	Assuming this Avant bag were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4 5 6 7	
6	Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant bag	Very Unlikely	Very Likely
		1 2 3 4 5 6 7	
7	Avant would be a good brand name for this bag	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	

For the following questions, please indicate how strongly you agree or disagree with the statements.

D2		Strongly Disagree	Strongly Agree
1	The Avant bag shares similar looks to Prada's bag	1 2 3 4 5 6 7	
2	The Avant bag shares similar designs to Prada's bag	1 2 3 4 5 6 7	
3	The Avant bag shares similar physical appearance to Prada's bag	1 2 3 4 5 6 7	
4	The Avant bag shares similar aesthetics to Prada's bag	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION E

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

E1 What is your gender?			
[1]	Male	[2]	Female

E2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

E3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married	[4]	Divorced
[5]	Widow/Widower	[6]	

E5 What is the level of your post-secondary school qualifications?			
[1]	Certificate	[2]	Bachelor Degree
[3]	Advanced Diploma or Diploma	[4]	Graduate Diploma or Graduate Certificate
[5]	Postgraduate Degree	[6]	Other (Please specify)

E6 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix B.1:

Study 2 Survey Instrument – DFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

The following statements relate to your **general attitude towards luxury fashion brands**. For each of the following statements, please select the value that most closely represents your views.

A1		Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
1	Luxury fashion brands reflect the kind of person I see myself to be	1	2	3	4	5	6	7		
2	Luxury fashion brands help me communicate my self-identity	1	2	3	4	5	6	7		
3	Luxury fashion brands help me express myself	1	2	3	4	5	6	7		
4	Luxury fashion brands help me define myself	1	2	3	4	5	6	7		
5	Luxury fashion brands are a symbol of social status	1	2	3	4	5	6	7		
6	Luxury fashion brands help me fit into important social situations	1	2	3	4	5	6	7		
7	I like to be seen wearing luxury fashion brands	1	2	3	4	5	6	7		
8	I enjoy it when people know I am wearing a luxury brand	1	2	3	4	5	6	7		

~Continue on Next Page~

SECTION B

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Bottega Veneta shoe is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

C1	This Touché by Bottega Veneta shoe is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION D

The following statements examine your **evaluations of Touché by Bottega Veneta**. For each of the following statements, please select the value that most closely represents your views.

D1			
1	Bottega Veneta is considering introducing this brand (Touché by Bottega Veneta) into the market. Please indicate how well this new brand relates to Bottega Veneta's existing product line	Extremely poorly related	Extremely well related
		1 2 3 4 5 6 7	
2	Do you see Touché by Bottega Veneta as a good <u>substitute</u> for Bottega Veneta ? (meaning that you can use one instead of the other)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
3	Do you see Touché by Bottega Veneta as a good <u>complement</u> to Bottega Veneta ? (meaning that you can use both together)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
4	Using their current technology, how easy/difficult would it be for Bottega Veneta to manufacture the Touché by Bottega Veneta shoes?	Very Difficult	Very Easy
		1 2 3 4 5 6 7	
5	Assuming this Touché by Bottega Veneta shoe were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4 5 6 7	
6	Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché by Bottega Veneta shoe	Very Unlikely	Very Likely
		1 2 3 4 5 6 7	
7	Touché by Bottega Veneta would be a good brand name for this shoe	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	

For the following questions, please indicate how strongly you agree or disagree with the statements.

D2		Strongly Disagree	Strongly Agree
1	The Touché by Bottega Veneta shoe shares similar looks to Bottega Veneta's shoe	1 2 3 4 5 6 7	
2	The Touché by Bottega Veneta shoe shares similar designs to Bottega Veneta's shoe	1 2 3 4 5 6 7	
3	The Touché by Bottega Veneta shoe shares similar physical appearance to Bottega Veneta's shoe	1 2 3 4 5 6 7	
4	The Touché by Bottega Veneta shoe shares similar aesthetics to Bottega Veneta's shoe	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION E

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

E1 What is your gender?			
	[1]	Male	[2] Female

E2 What year were you born? Please indicate in the text box below (e.g. 1975)	
	[1]

E3 What is your current marital status?					
	[1]	Single	[2]	In a relationship	[3] Married
	[4]	Divorced	[5]	Widow/Widower	

E5 What is the level of your post-secondary school qualifications?					
	[1]	Certificate	[2]	Bachelor Degree	[3] Advanced Diploma or Diploma
	[4]	Graduate Diploma or Graduate Certificate	[5]	Postgraduate Degree	[6] Other (Please specify)

E6 Approximately, how much is your annual salary in AUD dollars?					
	[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3] \$50,001-\$75,000
	[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6] \$125,001-\$150,000
	[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9] \$200,001 and above
	[10]	I prefer not to say			

~ Thank you for your time! ☺ ~

Appendix B.2:

Study 2 Survey Instrument – LFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

The following statements relate to your **general attitude towards luxury fashion brands**. For each of the following statements, please select the value that most closely represents your views.

A1		Strongly Disagree					Strongly Agree
1	Luxury fashion brands reflect the kind of person I see myself to be	1	2	3	4	5	6 7
2	Luxury fashion brands help me communicate my self-identity	1	2	3	4	5	6 7
3	Luxury fashion brands help me express myself	1	2	3	4	5	6 7
4	Luxury fashion brands help me define myself	1	2	3	4	5	6 7
5	Luxury fashion brands are a symbol of social status	1	2	3	4	5	6 7
6	Luxury fashion brands help me fit into important social situations	1	2	3	4	5	6 7
7	I like to be seen wearing luxury fashion brands	1	2	3	4	5	6 7
8	I enjoy it when people know I am wearing a luxury brand	1	2	3	4	5	6 7

~Continue on Next Page~

SECTION B

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Bottega Veneta shoe is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

C1	This Touché shoe is:									
1	Unappealing	1	2	3	4	5	6	7	Appealing	
2	Good	1	2	3	4	5	6	7	Bad	
3	Unpleasant	1	2	3	4	5	6	7	Pleasant	
4	Unfavourable	1	2	3	4	5	6	7	Favourable	
5	Unlikeable	1	2	3	4	5	6	7	Likeable	

~Continue on Next Page~

SECTION D

The following statements examine your **evaluations of Touché** . For each of the following statements, please select the value that most closely represents your views.

D1			
1	Bottega Veneta is considering introducing this brand (Touché) into the market. Please indicate how well this new brand relates to Bottega Veneta's existing product line	Extremely poorly related	Extremely well related
		1 2 3 4 5 6 7	
2	Do you see Touché as a good <u>substitute</u> for Bottega Veneta ? (meaning that you can use one instead of the other)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
3	Do you see Touché as a good <u>complement</u> to Bottega Veneta ? (meaning that you can use both together)	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
4	Using their current technology, how easy/difficult would it be for Bottega Veneta to manufacture the Touché shoes?	Very Difficult	Very Easy
		1 2 3 4 5 6 7	
5	Assuming this Touché shoe were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4 5 6 7	
6	Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché shoe	Very Unlikely	Very Likely
		1 2 3 4 5 6 7	
7	Touché would be a good brand name for this shoe	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	

For the following questions, please indicate how strongly you agree or disagree with the statements.

D2		Strongly Disagree	Strongly Agree
1	The Touché shoe shares similar looks to Bottega Veneta's shoe	1 2 3 4 5 6 7	
2	The Touché shoe shares similar designs to Bottega Veneta's shoe	1 2 3 4 5 6 7	
3	The Touché shoe shares similar physical appearance to Bottega Veneta's shoe	1 2 3 4 5 6 7	
4	The Touché shoe shares similar aesthetics to Bottega Veneta's shoe	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION E

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

E1 What is your gender?			
[1]	Male	[2]	Female

E2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

E3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married		
[4]	Divorced	[5]	Widow/Widower

E5 What is the level of your post-secondary school qualifications?			
[1]	Certificate	[2]	Bachelor Degree
[3]	Advanced Diploma or Diploma		
[4]	Graduate Diploma or Graduate Certificate	[5]	Postgraduate Degree
[6]	Other (Please specify)		

E6 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix C.1:

Study 3 Survey Instrument – DFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

A1	This Prada bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION B

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Avant by Prada bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION C

The following statements examine your **evaluations of Avant by Prada**. For each of the following statements, please select the value that most closely represents your views.

C1			
1	Assuming this Avant by Prada bag were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4 5 6 7	
2	Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant by Prada bag	Very Unlikely	Very Likely
		1 2 3 4 5 6 7	
3	Avant by Prada would be a good brand name for this bag	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	
4	Avant by Prada would be a good brand name for this bag	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	

For the following questions, please indicate how strongly you agree or disagree with the statements.

C2		Strongly Disagree	Strongly Agree
1	The Avant by Prada bag shares similar looks to Prada's bag	1 2 3 4 5 6 7	
2	The Avant by Prada bag shares similar designs to Prada's bag	1 2 3 4 5 6 7	
3	The Avant by Prada bag shares similar physical appearance to Prada's bag	1 2 3 4 5 6 7	
4	The Avant by Prada bag shares similar aesthetics to Prada's bag	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

D1	This Zara bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION E

For the following questions, please indicate how strongly you agree or disagree with the statements.

E2		Strongly Disagree						Strongly Agree
1	The Zara bag shares similar looks to Prada's bag	1	2	3	4	5	6	7
2	The Zara bag shares similar designs to Prada's bag	1	2	3	4	5	6	7
3	The Zara bag shares similar physical appearance to Prada's bag	1	2	3	4	5	6	7
4	The Zara bag shares similar aesthetics to Prada's bag	1	2	3	4	5	6	7

~Continue on Next Page~

SECTION F

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

F1 What is your gender?			
[1]	Male	[2]	Female

F2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

F3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married	[4]	Divorced
[5]	Widow/Widower	[6]	

F4 What is the level of your post-secondary school qualifications?			
[1]	Certificate	[2]	Bachelor Degree
[3]	Advanced Diploma or Diploma	[4]	Graduate Diploma or Graduate Certificate
[5]	Postgraduate Degree	[6]	Other (Please specify)

F5 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix C.2:

Study 3 Survey Instrument – LFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

A1	This Prada bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION B

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Avant bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION C

The following statements examine your **evaluations of Avant**. For each of the following statements, please select the value that most closely represents your views.

C1			
1	Assuming this Avant bag were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4	5 6 7
2	Assuming that you were planning to make a purchase from this product category (luxury bag), please indicate your likelihood of buying this Avant bag	Very Unlikely	Very Likely
		1 2 3 4	5 6 7
3	Avant by Prada would be a good brand name for this bag	Strongly Disagree	Strongly Agree
		1 2 3 4	5 6 7

For the following questions, please indicate how strongly you agree or disagree with the statements.

C2		Strongly Disagree	Strongly Agree
1	The Avant bag shares similar looks to Prada's bag	1 2 3 4	5 6 7
2	The Avant bag shares similar designs to Prada's bag	1 2 3 4	5 6 7
3	The Avant bag shares similar physical appearance to Prada's bag	1 2 3 4	5 6 7
4	The Avant bag shares similar aesthetics to Prada's bag	1 2 3 4	5 6 7

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

D1	This Zara bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION E

For the following questions, please indicate how strongly you agree or disagree with the statements.

E2		Strongly Disagree						Strongly Agree
1	The Zara bag shares similar looks to Prada's bag	1	2	3	4	5	6	7
2	The Zara bag shares similar designs to Prada's bag	1	2	3	4	5	6	7
3	The Zara bag shares similar physical appearance to Prada's bag	1	2	3	4	5	6	7
4	The Zara bag shares similar aesthetics to Prada's bag	1	2	3	4	5	6	7

~Continue on Next Page~

SECTION F

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

F1 What is your gender?			
[1]	Male	[2]	Female

F2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

F3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married	[4]	Divorced
[5]	Widow/Widower	[6]	

F4 What is the level of your post-secondary school qualifications?			
[1]	Certificate	[2]	Bachelor Degree
[3]	Advanced Diploma or Diploma	[4]	Graduate Diploma or Graduate Certificate
[5]	Postgraduate Degree	[6]	Other (Please specify)

F5 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix D.1:

Study 4 Survey Instrument – DFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

A1	This Bottega Veneta shoe is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION B

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Touché by Bottega Veneta shoe is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION C

The following statements examine your **evaluations of Touché by Bottega Veneta**. For each of the following statements, please select the value that most closely represents your views.

C1			
1	Assuming this Touché by Bottega Veneta shoe were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4 5 6 7	
2	Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché by Bottega Veneta shoe	Very Unlikely	Very Likely
		1 2 3 4 5 6 7	
3	Touché by Bottega Veneta would be a good brand name for this shoe	Strongly Disagree	Strongly Agree
		1 2 3 4 5 6 7	

For the following questions, please indicate how strongly you agree or disagree with the statements.

C2		Strongly Disagree	Strongly Agree
1	The Touché by Bottega Veneta shoe shares similar looks to Bottega Veneta's shoe	1 2 3 4 5 6 7	
2	The Touché by Bottega Veneta shoe shares similar designs to Bottega Veneta's shoe	1 2 3 4 5 6 7	
3	The Touché by Bottega Veneta shoe shares similar physical appearance to Bottega Veneta's shoe	1 2 3 4 5 6 7	
4	The Touché by Bottega Veneta shoe shares similar aesthetics to Bottega Veneta's shoe	1 2 3 4 5 6 7	

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

D1	This Zara bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION E

For the following questions, please indicate how strongly you agree or disagree with the statements.

E2		Strongly Disagree						Strongly Agree
1	The Zara bag shares similar looks to Prada's bag	1	2	3	4	5	6	7
2	The Zara bag shares similar designs to Prada's bag	1	2	3	4	5	6	7
3	The Zara bag shares similar physical appearance to Prada's bag	1	2	3	4	5	6	7
4	The Zara bag shares similar aesthetics to Prada's bag	1	2	3	4	5	6	7

~Continue on Next Page~

SECTION F

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

F1 What is your gender?			
[1]	Male	[2]	Female

F2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

F3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married	[4]	Divorced
[5]	Widow/Widower	[6]	

F4 What is the level of your post-secondary school qualifications?			
[1]	Certificate	[2]	Bachelor Degree
[3]	Advanced Diploma or Diploma	[4]	Graduate Diploma or Graduate Certificate
[5]	Postgraduate Degree	[6]	Other (Please specify)

F5 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix D.2:

Study 4 Survey Instrument – LFB

Note: This questionnaire has been reformatted to fit the margins of the thesis. This has resulted in smaller font sizes than the actual survey employed.

SECTION A

Please look through the advertisement below.



Based on the **advertisement above**, please select the value that most closely represents your views.

A1	This Bottega Veneta shoe is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION B

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

B1	This Touché shoe is:									
1	Unappealing	1	2	3	4	5	6	7	Appealing	
2	Good	1	2	3	4	5	6	7	Bad	
3	Unpleasant	1	2	3	4	5	6	7	Pleasant	
4	Unfavourable	1	2	3	4	5	6	7	Favourable	
5	Unlikeable	1	2	3	4	5	6	7	Likeable	

~Continue on Next Page~

SECTION C

The following statements examine your **evaluations of Touché** . For each of the following statements, please select the value that most closely represents your views.

C1			
1	Assuming this Touché shoe were made, how would you rate its quality?	Extremely Poor Quality	Extremely Good Quality
		1 2 3 4	5 6 7
2	Assuming that you were planning to make a purchase from this product category (luxury shoe), please indicate your likelihood of buying this Touché shoe	Very Unlikely	Very Likely
		1 2 3 4	5 6 7
3	Touché would be a good brand name for this shoe	Strongly Disagree	Strongly Agree
		1 2 3 4	5 6 7

For the following questions, please indicate how strongly you agree or disagree with the statements.

C2		Strongly Disagree	Strongly Agree
1	The Touché shoe shares similar looks to Bottega Veneta's shoe	1 2 3 4	5 6 7
2	The Touché shoe shares similar designs to Bottega Veneta's shoe	1 2 3 4	5 6 7
3	The Touché shoe shares similar physical appearance to Bottega Veneta's shoe	1 2 3 4	5 6 7
4	The Touché shoe shares similar aesthetics to Bottega Veneta's shoe	1 2 3 4	5 6 7

~Continue on Next Page~

SECTION D

Please look through the advertisement below



Based on the **advertisement above**, please select the value that most closely represents your views.

D1	This Zara bag is:								
1	Unappealing	1	2	3	4	5	6	7	Appealing
2	Good	1	2	3	4	5	6	7	Bad
3	Unpleasant	1	2	3	4	5	6	7	Pleasant
4	Unfavourable	1	2	3	4	5	6	7	Favourable
5	Unlikeable	1	2	3	4	5	6	7	Likeable

~Continue on Next Page~

SECTION E

For the following questions, please indicate how strongly you agree or disagree with the statements.

E2		Strongly Disagree						Strongly Agree
1	The Zara bag shares similar looks to Prada's bag	1	2	3	4	5	6	7
2	The Zara bag shares similar designs to Prada's bag	1	2	3	4	5	6	7
3	The Zara bag shares similar physical appearance to Prada's bag	1	2	3	4	5	6	7
4	The Zara bag shares similar aesthetics to Prada's bag	1	2	3	4	5	6	7

~Continue on Next Page~

SECTION F

The following section contains **demographic** questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential.

F1 What is your gender?			
[1]	Male	[2]	Female

F2 What year were you born? Please indicate in the text box below (e.g. 1975)	
[1]	

F3 What is your current marital status?			
[1]	Single	[2]	In a relationship
[3]	Married	[4]	Divorced
[5]	Widow/Widower	[6]	

F4 What is the level of your post-secondary school qualifications?					
[1]	Certificate	[2]	Bachelor Degree	[3]	Advanced Diploma or Diploma
[4]	Graduate Diploma or Graduate Certificate	[5]	Postgraduate Degree	[6]	Other (Please specify)

F5 Approximately, how much is your annual salary in AUD dollars?					
[1]	\$0-\$25,000	[2]	\$25,001-\$50,000	[3]	\$50,001-\$75,000
[4]	\$75,001-\$100,000	[5]	\$100,001-\$125,000	[6]	\$125,001-\$150,000
[7]	\$150,001-\$175,000	[8]	\$175,001-\$200,000	[9]	\$200,001 and above
[10]	I prefer not to say				

~ Thank you for your time! ☺ ~

Appendix E:
List of Scale Measures

Scale	No. of Items	α	Reference
Value-Expressive Function of Attitude	4	.890	Wilcox, Kim & Sen (2009)
1. Luxury fashion brands reflect the kind of person I see myself to be 2. Luxury fashion brands help me communicate my self-identity 3. Luxury fashion brands help me express myself 4. Luxury fashion brands help me define myself { Strongly Disagree/Strongly Agree }			
Value-Expressive Function of Attitude	4	.880	Wilcox, Kim & Sen (2009)
1. Luxury fashion brands are a symbol of social status 2. Luxury fashion brands help me fit into important social situations 3. I like to be seen wearing luxury fashion brands 4. I enjoy it when people know I am wearing a luxury brand { Strongly Disagree/Strongly Agree }			
Attitude Toward the Brand	5	.825	Spears and Singh (2004)
This [Brand X] is: 1. Unappealing/Appealing 2. Bad/Good 3. Unpleasant/Pleasant 4. Unfavourable/Favourable 5. Unlikeable/Likeable			
Perceived Fit of Flanker Brand with Flagship Brand	4	.899	Kalamas et al. (2006)
1. [Flagship Brand X] is considering introducing this brand (Flanker Brand X) into the market. Please indicate how well this new brand relates to [Flagship Brand X] existing product line { Extremely Poorly Related/Extremely Well Related } 2. Do you see [Flanker Brand X] as a good substitute for [Flagship Brand X]? (meaning that you can use one instead of the other) { Strongly Disagree/Strongly Agree } 3. Do you see [Flanker Brand X] as a good complement to [Flagship Brand X]? (meaning that you can use both together) { Strongly Disagree/Strongly Agree } 4. Using their current technology, how easy/difficult would it be for [Flagship Brand X] to manufacture the [Flanker Brand Product X]? { Very Difficult/Very Easy }			
Perceived Quality of Flanker Brand	1	.933	Kalamas et al. (2006)
1. Assuming this [Flanker Brand Product X] were made, how would you rate its quality? { Extremely Poor Quality/Extremely Good Quality }			

Purchase Intention	1	.901	Kalamas et al. (2006)
1. Assuming that you were planning to make a purchase from this product category (Product Category), please indicate your likelihood of buying this [Flanker Brand Product X] {Very Unlikely/Very Likely}			
Success Attribute – Brand Name	1	n/a	Kalamas et al. (2006)
1. [Flanker Brand X] would be a good name for this [Product] {Strongly Disagree/Strongly Agree}			
Physical Similarities (Brand Mimicry)	4	.898	Teah (2013); Teah & Phau (2011)
1. The [Flanker Brand Product X] shares similar looks to [Flagship Brand Product X] 2. The [Flanker Brand Product X] shares similar designs to [Flagship Brand Product X] 3. The [Flanker Brand Product X] shares similar physical appearance to [Flagship Brand Product X] 4. The [Flanker Brand Product X] shares similar aesthetics to [Flagship Brand Product X] {Strongly Disagree/Strongly Agree}			

Appendix F:
Ethics Approval
Ethics Approval

MEMORANDUM



To:	Professor Ian Phau School of Marketing
CC:	Lim Shan Ming Aaron
From	Pamela Lee, Ethics Support Officer (Business)
Subject	Annual report acknowledgement Approval number: SOM2013002
Date	22-Jan-16

Office of Research and
Development
Human Research Ethics Office
TELEPHONE 9266 2784
FACSIMILE 9266 3793
EMAIL hrec@curtin.edu.au

Thank you for submitting an annual report to the Human Research Ethics Office for the project:

SOM2013002	Conceptualising Flanker Brands: A categorisation and schema theory approach for luxury brands
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The annual report was approved by the Ethics Office on 22/01/2016

The Human Research Ethics Office acknowledges the project is ongoing and approval will remain current until 28-Feb-17

Please ensure that all data are stored in accordance with WAUSDA and Curtin University Policy.

Yours sincerely,

Pamela Lee
Ethics Support Officer, Research Integrity