

# **A Conceptual Analysis of the Effects of Product Prototypicality on Brand Resonance in Brand Extensions**

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## **Abstract**

Brand prototypicality is an area that has had limited research in the past. With brand extensions becoming more and more relevant in the market, it is important to know how prototypical brands can extend their brand. Further, there is a lack of research that examines brand resonance, specifically in regards to prototypicality. Thus, this study will examine the prototypicality on brand resonance of brand extensions. The study has three overriding research questions, as follows; 1) What impact does congruency of extension fit and parent brand prototypicality have on the enhancement or dilution of brand resonance, 2) To what extent does consumers' level of motivation processing moderate the enhancement or dilution of brand resonance, and 3) How does a functional (symbolic) parent brand influence the congruency of extension fit, parent brand prototypicality, and the moderating role of motivation processing on the enhancement or dilution of brand resonance.

## **Background**

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

A brand extension involves attaching "an existing brand name to a new product introduced in a different product category" (Swaminathan, Fox and Reddy 2001, p.1). According to the literature, an estimated 81-95% of new brands are some form of extension (Han 1998; Kalamas et al. 2006). There are numerous reasons for doing this; a major factor is cost. The cost estimates for developing a new brand have risen from \$150 million in the early nineties (Boush and Loken 1991) to one billion dollars nowadays (Kalamas et al. 2006).

Brand extensions succeed because they leverage brand equity and provide the all important familiarity and security to prospective consumers (Han 1998; Loken and Roedder John 1993; Tauber 1988). As such, an extension has a higher chance of success, as it builds upon the parent brand (Aaker and Keller 1990; Martínez and Pina 2003).

Tauber (1988) identifies seven different types of brand extensions; however, this study will focus on the two general approaches, line extensions and category extensions (Aaker and Keller 1990; Kalamas et al. 2006; Martínez and Pina 2003). When an existing brand name introduces a new product or service into the same product class, it is called a line extension. The line extension merely expands offerings within the same category. Coca Cola is a good example of pursuing line extensions, as along with the traditional Coke beverage, they also make Vanilla Coke, Diet Coke, Coke Zero, etc.

Category extensions are when an existing brand name enters a completely different product or service class. It is a larger undertaking to expand the brand. The Virgin group have mastered category extensions. Virgin started in the music industry, and has since expanded to other unrelated fields including airlines, financial services, and mobile phones to name a few. All the extensions have been under the same Virgin brand name, and the majority of these extensions have been very successful.

The proposed study has three overriding research questions:

1. What impact does congruency of extension fit and parent brand prototypicality have on the enhancement or dilution of brand resonance?
2. To what extent does consumers' level of motivation processing moderate the enhancement or dilution of brand resonance?
3. How does a functional (symbolic) parent brand influence the congruency of extension fit, parent brand prototypicality, and the moderating role of motivation processing on the enhancement or dilution of brand resonance?

The hypotheses presented in the next section will be tested separately for symbolic brands and functional brands in order for a comparison to be made.

A prototypical brand is one which is so strong in its core category, that when it introduces a brand extension the “product category attributes may inadvertently be transmitted with the extension” (Kalamas et al. 2006, p.194). Thus the ramifications for prototypical brands pursuing brand extensions become more complicated. It is important to note that within the literature the terms prototypicality and typicality are used interchangeably (and from here in) (Carson, Jewell and Joiner 2007; Loken and Roedder John 1993; Loken and Ward 1990).

The concept of typicality is in some ways similar to the fit construct, which has been examined thoroughly by researchers in this area. However, typicality also has a theoretical basis in psychological research, which may allow marketers to make more accurate predictions regarding the likely of brand extensions (Loken and Roedder John 1993). Further, often the brand that serves as the prototype of the product category becomes the prototypical brand (Carpenter and Nakamoto 1989; Carson, Jewell and Joiner 2007; Han 1998).

Previous literature has examined relationships between prototypicality and attitude (Loken and Ward 1990), brand name awareness, usage and liking (Nedungadi and Hutchinson 1985), product design evolutions (Carson, Jewell and Joiner 2007), congruency (Kalamas et al. 2006), and brand extension strategy (Boush and Loken 1991; Han 1998). However, a specific measure does not exist to test for prototypical brands (Gürhan-Canli and Maheswaran 1998; Kalamas et al. 2006; Loken and Ward 1990).

Given this background, it is theorised that a prototypical brand is more likely to achieve a higher state of brand resonance. A study by Matthiesen and Phau (2005) found typicality to influence brand personality, and extant literature has also found typicality to influence brand name dilution and enhancement effects of extensions (Loken and Roedder John 1993), thus exploring resonance in relation to prototypicality hopes to further advance the theory.

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

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

A brand with a good resonance allows consumers to feel that they are part of the brand itself, and they can identify with the brand (Keller 2003). The literature notes that very few brands actually achieve complete brand resonance (Keller 2003, 2008). Harley Davidson is the only brand that has been measured to date that rates very highly on all the four measures. A brand does not have to rate well on all of the four measures to achieve a good resonance though. Even a brand that rates well on only one of the four measures still has the ability to resonate with its consumers. There have been calls for more research on whether prototypical brands can undertake brand extensions (Aaker and Keller 1990; Han 1998; Kalamas et al. 2006), but there is a lack of literature looking at prototypicality and brand resonance.

The brand congruency literature also builds upon the brand extension literature, as brand congruency relates to how well matched the brand extension information is with the parent brand expectations. The majority of studies that have investigated congruency have defined it in two ways, congruent and incongruent. However numerous studies have also itemised congruency as three measures (congruent / moderately congruent / incongruent) (e.g. Kalamas et al. 2006; Lau and Phau 2007; Meyers-Levy and Tybout 1989). Yet there is limited research that investigates prototypical brand extensions with varying levels of congruency (Han 1998; Kalamas et al. 2006).

A congruent brand extension will match the parent brand schema, and thus will result in brand name enhancement (A schema is a framework that allows incoming information to be related to past experience in the consumers mind, thus represent expectations about a domain) (Aggarwal and McGill 2007; Ahluwalia and Gürhan-Canli 2000; Lau and Phau 2007). Alternatively, an incongruent brand extension has attributes that mismatch the parent brand schema, and thus result in brand name dilution (Gürhan-Canli and Maheswaran 1998; Lau and Phau 2007; Roedder John, Loken and Joiner 1998). A need exists to examine the effect of prototypicality and congruency on brand resonance (Matthiesen and Phau 2005; Meyers-Levy and Tybout 1989).

Motivation processing has the ability to enhance or dilute brand name and brand personality, as shown by previous literature (Gürhan-Canli and Maheswaran 1998; Matthiesen and Phau 2005). Motivation processing refers to how much effort consumers are willing to expend to process new information (Gürhan-Canli and Maheswaran 1998). Under high motivation conditions, it is expected that consumers will process all the information that is available to them. Alternatively, consumers with low motivation would rely more so on peripheral cues (or heuristic processing), and only process a subset of information (Gürhan-Canli and Maheswaran 1998; Lau and Phau 2007; Matthiesen and Phau 2005).

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

Further theories are required to understand the complexities of the combination of these constructs. The Bookkeeping model states that regardless of the level of typicality, every piece of new information will

cause a change in the schema (Gürhan-Canli and Maheswaran 1998). Greater modification (dilution of brand belief) will occur at higher levels of incongruity (Gürhan-Canli and Maheswaran 1998; Kalamas et al. 2006; Loken and Roedder John 1993). This leads to the development of hypothesis 1a; H<sub>1a</sub>: The bookkeeping model will be supported in high-motivation conditions. Brand resonance [(a) loyalty, (b) attachment, (c) engagement, (d) community] enhancement (dilution) will occur in response to incongruent and positive (negative) information, and evaluations will be equivalent across the typicality conditions.

Alternatively, the Subtyping model posits that any piece of incongruent information is categorized as a subtype, and viewed as an exception (Gürhan-Canli and Maheswaran 1998). Therefore the effect on the schema will be limited if a subcategory is formed to market an incongruent product (Gürhan-Canli and Maheswaran 1998; Matthiesen and Phau 2005). This leads to the development of hypothesis 1b; H<sub>1b</sub>: The subtyping model will be supported in low motivation conditions. Brand resonance [(a) loyalty, (b) attachment, (c) engagement, (d) community] enhancement (dilution) will occur in response to incongruent and positive (negative) information. Evaluations will be more extreme for high- (versus low-) typicality conditions.

Based on the literature review and the gaps outlined above, hypothesis 2 was developed. Drawing on the similarities from Gürhan-Canli and Maheswaran's (1998) work, it is posited that for incongruent product extensions, the level of thought processing will vary according to the motivation conditions applied.

H<sub>2a</sub>: For incongruent extensions, more attribute-related thoughts will be generated with high (versus low) motivation. Attribute-related thoughts will not vary as a function of typicality.

H<sub>2b</sub>: For incongruent extensions, more category-based and simple evaluative thoughts will be generated with low (versus high) motivation.

H<sub>2c</sub>: More subtyping thoughts will be generated with low (versus high) motivation in the low- (versus high-) typicality condition in response to incongruent information.

Hypothesis 3 draws on the relationship between brand resonance and congruent and positive information, and it is foreseen that enhancement will occur regardless of the typicality level.

H<sub>3</sub>: Brand resonance [(a) loyalty, (b) attachment, (c) engagement, (d) community] enhancement (dilution) will occur in response to congruent and positive (negative) information, regardless of typicality in high- (versus low-) motivation conditions.

The aim of the final set of hypotheses is to examine congruent extensions, and similarly to hypothesis 2, investigate the level of thought processing depending on the motivation conditions, as such;

H<sub>4a</sub>: For congruent extensions, more attribute-related thoughts will be generated in high- (versus low-) motivation conditions.

H<sub>4b</sub>: For congruent extensions, more category-based and simple evaluative thoughts will be generated in low- (versus high-) motivation conditions.

There is a lack of studies showing the differences between extensions for symbolic and functional brands and their effect on prototypicality (Kalamas et al. 2006; Park, Milberg and Lawson 1991) and brand resonance (Bhat and Reddy 1998). A brand type can be classified as functional or symbolic. Functional brands usually correspond to product attributes, and satisfy immediate and practical needs, whereas Symbolic brands relate to needs for social approval, personal expression and prestige, and their practical use is only incidental (Bhat and Reddy 1998; Orth and De Marchi 2007).

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

## **Research Methods**

The study will be an experimental study, and will consist of a 3 (congruency) x 2 (typicality) x 2 (motivation) x 2 (brand type) factorial design, giving 24 groups. The study will use one product category with four brands (6 groups per brand). All the brands will be real with a noticeable presence in the chosen product category. The brand extensions to be chosen will all be fictitious with as little correlation to actual brand extensions as possible. The research will be limited to an Australian context only.

## **Significance**

The proposed study will make a number of core contributions, specifically on a theoretical basis. Firstly, the investigation of the relationship between brand resonance and prototypical brands. As noted in the literature review, there has been a lack of research in both these areas. Having a study to look at both of these important concepts may open new areas of research. Further, the study will combine a number of important concepts in order to determine the differences between High/Low typicality of brands of products, High/Low motivation processing, Congruent/Incongruent brand extensions, and Symbolic/Functional parent brands, all in relation to brand resonance in brand extensions.

Methodologically, the significance of the study will be the examination of each measure of the brand resonance scale simultaneously, something that previous literature has yet to investigate. Additionally, the use of real brands to test the research model will contribute to the methodological significance.

The key managerial contributions are to supply evidence to support level of congruency fit when extending a brand. The study will provide evidence to guide decision making processes when looking to extend a brand, especially a prototypical brand. It will also provide a measurement tool for the concept of prototypicality that will allow brand managers to periodically monitor the progress of their brand.

## **Limitations and Future Directions**

This proposal will only examine one product category, which will limit its generalisability. Therefore future research should look into studying product categories with differing involvement levels. Further, future research should differentiate product categories by way of service, durables, consumables etc. Potential research should also investigate prototypical brands extensions influence on other branding concepts, such as brand personality and brand identity.

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