

AN EXPLORATORY QUALITATIVE STUDY OF BRAND ASSOCIATIONS AS A MEANS FOR BRAND EXTENSIONS: PART 1

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Abstract

Brand extension has been regarded as a means to achieve growth by capitalising on the reputation of an established brand. However, the extent to which brand extensions can benefit from or even detract from the original brand, is determined by various factors. This study focuses on brand associations as means to extend the original brand. A qualitative study was used to elicit an unbiased picture of consumers' associations of a brand. The qualitative study, in contrast with the quantitative nature of most previous studies, enables further probing on the comments made by respondents. The study examined consumers' reactions to a variety of fictitious extensions for four different popular brands (Coca-Cola, Benetton, Yamaha, and Kellogg's). The main purpose of this study was to explore in what ways the associations consumers have with a brand name influence the way in which they evaluate brand extensions. Six propositions were investigated. Because of the considerable extent of the findings, the research is reported in two parts. The findings on three propositions are described in this first part of the reported research.

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1 Introduction

Much research on brand extensions has been done since Aaker and Keller published their breakthrough article on this topic in the *Journal of Marketing* (1990). Recently, Bottomley and Holden (2001) did a secondary analysis on eight studies that used the original Aaker and Keller model. All these studies were quantitative studies on brand extensions. The findings of this secondary analysis indicate that the results may vary per brand and per culture. In other words, the impact of the quality of the original brand, the fit between the parent and the extension categories, and the interaction of the two are not the same across brands and cultures when consumers evaluate brand extensions. We hold that this may partly be due to different brand

associations. Therefore, the focus in this study is on the impact of brand associations on brand extensions.

In this article a brief overview of the literature on brand extensions and brand associations is provided. A number of propositions, based on the overview, are formulated. Most of the research published on brand extensions is of a quantitative nature. A qualitative study was used to elicit an unbiased picture of a consumer's associations of a brand (Fournier, 1998). This approach enabled us to probe further on comments made by respondents. The qualitative study specifically enabled us to gain more insight into the underlying motivations, beliefs, attitudes and feelings respondents have towards brands and possible extensions thereof (Arken, 2002: 30).

Aaker (1991) defines brand associations as the category of a brand's assets and liabilities

that include anything “linked” in memory to a brand (Aaker, 1991). Keller (1998) defines brand associations as informational nodes linked to the brand node in memory that contains the meaning of the brand for consumers. Brand associations are important to marketers and to consumers. Marketers use brand associations in three ways, namely 1) to differentiate, position and extend brands, 2) to create positive attitudes and feelings toward brands, and 3) to suggest attributes or benefits of purchasing or using a specific brand. Consumers use brand associations to help process, organise, and retrieve information in memory and to aid them in making purchase decisions (Aaker, 1991: 109-13). Several research efforts have explored specific elements of brand associations (Gardner & Levy, 1955; Aaker, 1991, 1996a, 1996b; Aaker & Jacobson, 1994; Aaker, 1997; Keller, 1993).

We also found three associations in our study, namely product-specific associations, quality associations and symbolic associations. However, we found that the product-specific associations are twofold, namely associations with the core product and associations with the family image of the product.

2 Theoretical framework and propositions

A brand represents much more than simply the name of a product. Previous research has stressed the complexity of brands. Kasper, Van Helsingen and De Vries (1999) identified various different functions that a brand may perform, both for the consumer and for the product or service provider. Accordingly, a brand for example reduces risks, search cost, and time for the consumer (*reduction function*), and increases trust and security about the product quality (*security function*). For the product or service provider, a successful brand guarantees the continuity of the business (*continuity function*); while at the same time the brand facilitates the introduction of new products and services (*facilitation function*).

A further function forwarded by Kasper *et al.* (1999), which is of specific importance in the context of this study, is a brand’s *associative function* for the consumer. Various brand signals and symbols lead to the recollection of associations in the consumer’s mind. Thus, a consumer may hear the name *Mercedes* and immediately associate it with concepts such as *safety, performance, speed*, etc. Exploring such product attributes or characteristics is one of the most used devices in marketing to position products or services. Consumers might associate brands with a use situation, a type of user, a certain product class, a place, etc. (Aaker & Keller, 1990). With various associations attached to a brand, the brand can easily develop a form of personality. Brand personality is defined as the “set of meanings which describe the ‘inner characteristics’, or human feature of a brand” (Kasper *et al.*, 1999: 506). In the context of brand personality, research has found that the greater congruity between the human characteristics that consistently and distinctively describe a person’s actual or ideal self and those that describe a brand, the stronger the person’s preference for the brand (Aaker, 1997).

Consumers nowadays also want to identify with a brand in a particular way and use the brand and its common associations as a tool of self-expression. A marketer has to bear this in mind when extending a specific brand. Previous research suggests that specific brand associations may be transferred to brand extensions (Aaker & Keller, 1990; Park, Milberg & Lawson, 1991; Broniarczyk & Alba, 1994). Aaker and Keller (1990) further assume that ideally, associations with the original brand can be helpful for the brand extension; the impact of brand associations may, however, also be harmful to the extension.

To test this notion empirically, this study examines subjects’ associations with four major brands – Coca-Cola, Benetton, Yamaha and Kellogg’s – and explores to what extent and in what way brand associations play a role in the evaluation of brand extensions. We assume that consumers have very diverse associations with the brands examined in this study.

As these associations are attached to the brand name in the consumer’s mind, they will also

influence the way a consumer evaluates a certain extension of that brand. If a particular association with a brand name corresponds well with the characteristics of a brand extension (physical or psychological), the association may have a positive effect on the success of the extension. Conversely, if brand associations are at odds with how consumers perceive a certain extension of the brand, the success of this extension may be rendered more difficult as a direct result of the association. For example, if a consumer associates Levi's clothing with ruggedness, pioneering in fashion, and with comfort, these associations may have a positive effect on the way consumers evaluate an extension of Levi's into sportswear. The reason is that consumers are likely to value brand characteristics such as ruggedness, pioneering in fashion, and comfort in relation to sportswear. On the contrary, if Levi's tried to extend its brand into bridal wear, associations with ruggedness and comfort are probably less valued, if not undesired. A woman might want her bridal wear to be elegant rather than rugged and comfortable, and she may doubt that these aspects go well together.

The above example illustrates how brand associations can impact on the way consumers evaluate brand extensions. Based on this notion, the following proposition is offered.

P1: Associations and beliefs which consumers have about a brand, may be transferred to a new brand extension. As a result, associations can be either helpful to the success of the extension, or hinder its success.

Assuming that a crucial relation exists between a consumer's associations with an original brand and his or her perception of a specific brand extension, it is important for a marketer to understand under what circumstances brand associations actually do have a positive or a negative effect on the brand extension evaluation. A clear understanding of a brand name's psychological impact gives a brand manager the possibility of exploiting the value of a brand and strongly facilitate the success of the extension. At the same time, knowing a brand and its associations may help avoid the failure of an extension and avoid the

damage such failure may cause in form of brand dilution. Various researchers have tried to determine factors that influence people's evaluation of brand extensions. Previous literature on the subject of brand extension evaluation has revealed that seemingly the most important factor influencing a consumer is the perception of how well the original brand and the extension in some way fit together (Aaker & Keller, 1990; Park *et al.*, 1991; Broniarczyk & Alba, 1994; Milewicz & Herbig, 1994; Van Riel, Lemmink & Ouwersloot, 2001). It makes sense to believe that a consumer will favour a new product carrying a familiar, trustworthy brand name over any other product in the specific category if he or she can relate the brand extension in some way to the brand's core product, i.e. if the two products share certain associations. If the two products fit, the consumer can rely on his or her associations with the original products, and can trust that the extension product will satisfy his or her needs as well as the original product. This assumption leads to our second proposition that we want to understand in a qualitative way.

P2: In general, the higher the perceived fit between the original product and the brand extension, the greater the trust amongst consumers, and thus the greater the acceptance of the brand extension.

In order to clarify the rather vague concept of "fit" between two products, one has to know which aspects of the new product and the existing brand category the consumer will compare. Whereas perceived fit may be conceptualised and measured simply as a function of physical product similarity, previous research studies have indicated that fit may actually go beyond the mere physical aspects of products. The purpose of this study is to explore in more depth what consumers actually think of in this respect.

Aaker and Keller (1990) for example examined the importance of fit between a brand and its extension in relation to consumers' attitude towards the extension. They identified three dimensions of fit: (1) *complement* (the degree to which the consumer views two product classes as complementary); (2)

substitute (the extent to which the consumer views two product classes as substitutes); and (3) *transfer* (the perceived ability of a firm operating in the first product class to make a product in the second product class). Similarly, Park *et al.* (1991) suggested that the degree of perceived fit between an extension product and the brand name is a function of two factors: *product-feature-similarity* and *brand-concept-consistency*. Brand concepts here are defined as “brand-unique abstract meanings (e.g. high status) that typically originate from a particular configuration of product features (e.g. high price, expensive looking design, etc) and a firm’s effort to create meanings from these arrangements” (Park *et al.*, 1991: 186). Hence, the authors stressed that two products may fit together not only if they own similar physical product features, but also if they portray similar brand concepts in the consumer’s mind. Broniarczyk and Alba (1994) asserted Park’s (*et al.*, 1991) findings in a study revealing that “brand-specific associations moderate the role of product-category similarity in brand extension judgments such that a brand extension is more preferred in a dissimilar category that values its association than in a similar category that does not value its association” (Broniarczyk & Alba, 1994: 227).

A further study conducted by Milewicz and Herbig emphasises the necessity of *transferable technological fit* between the core brand and the brand extension (1994). Accordingly, if this technological fit is not given, consumers might question the technical competence of the firm to produce a high-quality product in the extension category. In essence, a company would enter a new market with no credible reputation to construct the product (Milewicz & Herbig, 1994).

In accordance with previous research findings, and again based on the belief that the psychological or symbolic associations consumers have with brand names can be just as strong or even stronger than the impact of mere physical characteristics of a product, we arrive at the third proposition to be investigated in this study:

P3: “Fit” between a core brand and a brand extension is not limited to physical product-similarity. Two products can also fit on a symbolic level.

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Overview of the method of the study

This study examined consumers’ reactions to a variety of fictitious extensions for four different popular brands (Coca-Cola; Benetton; Yamaha; Kellogg’s). The main purpose of this study was to explore in what ways the associations consumers have with a brand name influence the way in which they evaluate brand extensions. We were further interested in the issue of brand stretching, i.e. in finding out to what extent a brand extension can differ from the original core product and still be accepted by consumers. We have chosen to do a qualitative study instead of quantitative because our study is of exploratory nature. Furthermore, the questions put to the respondents lend themselves to probing and follow-up interviews to uncover and probe underlying motivations, beliefs, attitudes and feelings.

Brand stretching may be defined as transferring a successful brand name to quite different products and markets. Marketers use an established brand name to enter new markets, which might be completely unrelated to the original product market (Doyle, 1994). We decided that qualitative data collected through a questionnaire with mostly open-ended questions was most suitable for this study. The reason why a smaller sample producing detailed customer information was preferred over a large sample of quantitative data was that this method gave us the opportunity to explore consumer sentiments in much more depth than would have been possible with quantitative data. In the context of this study, subjects’ explanations of what they thought of the various products was crucial and helped us gain knowledge about the psychological factors influencing consumers’ evaluations of brand extensions.

In order to get a deeper understanding of the actual factors underlying consumers’ reactions to brand stretching, subjects were first asked to

freely express all sorts of associations they had with a specific brand name. Subjects were then introduced to different fictitious extensions of the brand and had to say how likely they were to buy the product, and give reasons why they would or would not buy the product. In addition to this, the problem of brand dilution as a potential pitfall of brand extensions was addressed by asking subjects whether the extension would change their attitude toward the original brand, and if so, in what way (positive or negative).

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Study participants

In this study, a convenience sample of postgraduate students was used. A total number of 38 students took part in this study, 15 of whom were South Africans (from Stellenbosch University) and 23 Europeans (from various universities in Europe). The idea was to have an international sample group that represented opinions and attitudes of both South African and European students. The age of the students ranged from 18 to 30 years, and the students were involved in various fields of study. The questionnaires were answered either during personal interviews or were completed independently and returned by e-mail. Personal interviews were done with all South African students and some European international students present at Stellenbosch University, whereas those students living in Europe sent their answers via mail. Since the scope of the full questionnaire – with all four brands – was very large, students were given the option of selecting the brands they wished to give their opinions about. In total, the following number of questionnaires was received for the four brands, which are well known all over the world:

Coca-Cola: 25 respondents

Benetton: 22 respondents

Yamaha: 21 respondents

Kellogg's: 21 respondents

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Motivation for the brands selected for the study

The four brands used in this study – Coca-Cola; Benetton; Yamaha; Kellogg's - were selected on the criteria of being well known and/or consumed or used by the respondents. Also, both South African and European subjects were expected to be familiar with the brands. Furthermore, it was expected that the brands could elicit relatively specific associations as they are all well established and have been on the market for a long time. An additional criterion was that the four brands belong to diverse product categories in order to gain more general results.

Out of the four brands, we considered Coca-Cola and Benetton to be primarily symbolic brands. Coca-Cola soft drinks certainly satisfy a functional need of drinking and quenching thirst. In addition to that, however, the company has created an image around the name Coca-Cola that symbolises a certain lifestyle and feeling related to being young and having a good time. Benetton in contrast, produces clothes, thereby satisfying a crucial functional need of consumers. But at the same time, the company is renowned for its marketing campaigns that are a symbol for controversy and provocation. For these reasons, Coca-Cola and Benetton are regarded as rather symbolic brands in this study.

Yamaha and Kellogg's were originally chosen to represent primarily functional brands. In general, people buy Yamaha products because they expect good value for money, and because they rely on the quality of the products. People who want to express themselves or who wish to convey a certain lifestyle, would rather buy a Harley Davidson motorbike than a Yamaha motorbike.

Whereas we were rather sure about classifying Yamaha as a functional brand, the case of Kellogg's was less clear. On the one hand, one may argue that Kellogg's cereals satisfy more functional needs than symbolic needs like self-expression or prestige, and that the main reason for buying and consuming the cereals is the taste, wholesomeness and quality of Kellogg's

products. On the other hand, consumers might associate several feelings with the brand name, such as memories of their childhood. These associations give a very emotional image to the Kellogg's brand, and could well be a more important reason for customers to buy Kellogg's cereals than the mere quality or functionality of the product. Due to this ambiguity, we finally considered Kellogg's as partly functional, partly symbolic. In other words, Kellogg's in this study represented a brand that has both strong symbolic as well as dominant functional values.

Finally, Yamaha was selected since the brand has been broadly extended in the past, whereas the previous extensions of the other three brands have been more limited. The motivation behind this selection is to determine whether it is easier to stretch a brand that already has an extensive product portfolio than to stretch a brand that has a small product portfolio.

The 12 fictitious brand extensions were

selected on various criteria. Three extensions were introduced for each brand. Some of the extensions had to be reasonable and not illogical, but they had to provide diversity with regards to their fit with the original brand. In other words, extensions were chosen so that some were more "fitting" than others in the opinion of the authors. The purpose of this was to get results that provide a certain guideline as to how far a brand can really be stretched. Intentionally, other extensions were chosen that have absolutely no link to the brand's original product, and therefore seem far-fetched at first sight. The reason is to find out how consumers react to these brand extensions. In order to categorise the 12 extensions in terms of their degree of fit with the core brand, we differentiated between three types of fit, ranging from 'good fit' to 'moderate fit', to 'no fit'. Table 1 lists the selected brands and extensions.

Table 1
Selected brands and extensions suggested to participants

		Brand extension		
		Good fit	Moderate fit	No fit
Original brand	Degree of fit			
	Coca-Cola	Beer	Airline	Computer hardware
	Benetton	Magazine		Electronic devices Chewing gum
	Yamaha		Furniture Internet shop	Sunscreen
	Kellogg's	Microwave dinners	Hotel chain	Bicycle

* Based on the authors' perceptions.

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Measurement and data collection

A questionnaire was developed to include various questions about the issues discussed above. This questionnaire was sent to some of the respondents via e-mail, but was also used for the personal interviews conducted at the University of Stellenbosch in South Africa. The questionnaire included both open-ended questions and closed scale questions. With the open-ended questions, subjects were motivated to spontaneously come up with associations they have with a certain brand name. Additional open-ended questions were used for the

elaboration of certain scale questions. For example, after subjects marked on a scale how likely it would be for them to buy a certain product, an open question followed asking subjects to give reasons why they would or would not buy the product.

The scales used in the study were interval scales. Basically, two different kinds of interval scales were used. A 7-point numerical scale measured the subjects' acceptance of a specific brand extension. The same interval scale was used for those questions that required a yes/no response, indicating a particular degree of affirmation or negation. In this case, 1 signified definitely no, and 7 signified definitely yes. The

second type of scale that was used in this study is an 11-point numerical scale ranging from -5 to 5. Here, subjects had the chance to express negative as well as positive feelings, or they could mark 0 when they had a neutral attitude. For example, subjects were asked whether a certain brand extension would change their attitudes toward the parent brand, and in what way their attitude was affected. In this case, marking 0 implied that there was no change in attitude; marking a negative number meant that a subject's attitude would change negatively, whereas a positive number implied a positive change in attitude towards the brand.

The personal interviews took place on the campus of the University of Stellenbosch. Students were selected randomly and asked whether they would like to take part in the study. The respondents were informed about the purpose of the study. Moreover, the term brand extension was explained to those who were unfamiliar with it. Subjects had unlimited time to answer the questions addressed to them; they were, however, encouraged to give certain answers spontaneously. Even though the students were personally interviewed, they were also handed a questionnaire in order to make the scale questions more visual to them. In some cases, when answers given were unclear or the interviewer felt that a further investigation into the respondent's opinions and feelings could yield additional interesting insights into the topic, follow-up questions were asked.

With those students living in Europe, personal interviews were not possible, and telephone interviews were too costly. Consequently, these subjects received the questionnaire via e-mail, also including an introduction explaining the aim of the study. The students living in Europe filled out the questionnaires privately, without surveillance, and they were then sent back to the researcher via e-mail. Also in these cases, follow-up questions were addressed to respondents via e-mail.

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Discussion and implications of the major findings

In Proposition 1, we have suggested that brand associations and beliefs consumers have can be transferred to new brand extensions, and may as a result be a positive or negative contribution to the success of the extension. The interviews conducted in this study have produced strong support for this proposition. When considering the types of association consumers have with a brand, according to the results obtained in our study, one can basically differentiate between four different types of associations: *product-specific associations*, which we sub-divide into *product-category associations* and *product-attribute associations* (this is our own terminology based on an analysis of our findings); *quality associations*; and *symbolic associations*. The meaning of each type of association will be explained in the following discussion. For the sake of clarity, we will discuss separately the effect each kind of brand association has on the evaluation of a brand extension.

Product-specific associations include those associations that are related to the actual physical core product of a brand. As mentioned above, *product-category associations* and *product-attribute associations* are both part of this group. With product-category associations, we mean the product category that the consumer typically associates with a particular brand. For example, Coca-Cola is typically associated with soft drinks, Benetton with clothing, Kellogg's with breakfast cereal. The case of Yamaha is more complex, since the brand's product portfolio is very diverse. However, one can say that vehicles (motorbikes, motor boat engines, etc.), musical instruments, and electronic devices are the product categories Yamaha is mostly associated with.

Product-attribute associations on the other side refer to specific characteristics (attributes) of the brand's core product. In the case of Coca-Cola, this for instance includes associations with 'sugar' and 'sweetness'; Benetton clothing is typically associated with 'wool' and 'colours',

Kellogg's with 'healthiness, 'nutrition'. Product-attribute associations with Yamaha are again rather diverse, and include associations with 'engines', 'electronic equipment', etc.

Regarding these two types of product-specific associations and their impact on consumers' evaluations of brand extensions, our study yields interesting results. For the sake of clarity, product-category associations and product-attribute associations will be discussed separately.

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Product-category associations

The results of our study indicate that product-category associations with a brand name were indeed transferred to newly introduced brand extensions. In the case of Coca-Cola's extension to beer for example, several participants mentioned that extremely strong associations of the name Coca-Cola with soft drinks (as opposed to alcoholic drinks) would prevent them from buying and drinking *Coca-Cola Beer*. Out of the 25 respondents, 14 stated that they did not see any link between soft drinks and beer, and that Coca-Cola had no expertise in brewing beer. Hence, Coca-Cola's product-category associations with soft drinks have a rather negative effect on consumers' evaluation of the extension to beer.

In the case of electronic products such as *Coca-Cola Computer Hardware* or *Benetton Electronic Devices*, product-category associations with the core brand were also negative factors in respondents' evaluation of the extensions. More correctly, it was actually the absence of any association of the two brands (Coca-Cola and Benetton) with the category of *technological products*, which appeared to make people sceptical about the extensions. Mostly, subjects indicated that when buying expensive electronic devices or computer equipment, they would trust a company specialised in this field rather than companies like Coca-Cola or Benetton that have no expertise in this field.

The extension of Yamaha to an *Internet Warehouse* was, in contrast, rather appealing to many study participants. This is because they

associate the brand name Yamaha with technology and electronics due to the company's current product range including products like motorbikes and stereo systems. Other cases in which product-category associations with a brand were in fact a positive factor in the evaluation of an extension, were the *Benetton Magazine*, *Kellogg's Microwave Dinners*, and the *Kellogg's Hotel Chain*. Benetton is associated with clothing and fashion, and these associations fit well with a certain type of magazine, i.e. a fashion magazine. Kellogg's triggers strong associations with high-quality food and in particular with breakfast cereals. The brand's associations with the product category of food were helpful with respect to *Kellogg's Microwave Dinners*, which are part of the same product category. Similarly, product-category associations with food and especially breakfast make the idea of a Kellogg's hotel chain very attractive, as for most people food is an important evaluation criterion when it comes to hotels. Many respondents in the study said that they could imagine being served good breakfast and high-quality food in general when staying at a Kellogg's hotel.

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Product-attribute associations

A brand's core product(s) is (are) not only associated with a certain product category, but also with specific product attributes. Accordingly, Coca-Cola is associated with 'sweetness' and 'refreshment', Benetton with 'colours', etc. In some cases, these product-attribute associations – as we call them in this study – turned out to have a significant impact on the way respondents evaluated certain brand extensions introduced in this study.

As the discussion above has indicated, Coca-Cola's associations with the product category of soft drinks affected the evaluation of Coca-Cola Beer negatively. The brand's product-attribute associations with 'sugar' and 'sweetness' further increased this negative effect. Several respondents said that they imagine Coca-Cola Beer to have a sweet flavour, since 'all Coca-Cola drinks are rather sweet'. The

thought of a 'sweet beer' is unacceptable to those consumers. Interestingly, most respondents said that they would (nevertheless) purchase Coca-Cola Beer at least once, because of a 'novelty'-effect and out of curiosity. Moreover, quality associations and symbolic associations with the brand Coca-Cola have a positive effect, as the following discussion will show.

A similar but positive case, is Kellogg's extension to microwave dinners. Some respondents believe that Kellogg's Microwave Dinners might be healthier and more nutritious than competitive microwave food, because Kellogg's produces breakfast cereals that are both healthy and nutritious. Considering that many people do not buy microwave food simply because it is perceived as 'not healthy and fresh', the product attributes Kellogg's is associated with may give the company a significant differentiating advantage over competitors.

Other interesting results regarding product-attribute associations were found with respect to *Benetton Chewing Gum* and *Yamaha Sunscreen Lotion*. Several respondents mentioned that they associate Benetton primarily with clothes made of wool, such as scarves and winter pullovers. With respect to Benetton Chewing Gum, some respondents stated that the thought of "a chewing gum tasting of wool" does not sound appealing to them. Regarding Yamaha's extension to sunscreen lotion, some respondents argued in a similar way: Yamaha's associations with motorcycles (product category) and motor oil (product attribute) make it difficult for people to trust the company with the production of health-care products such as sunscreen lotion. Even though it might seem completely irrational to assume *Yamaha Sunscreen Lotion* to contain any kind of motor oil-related substances, the associations are still too strong to make the product acceptable to people. Apparently, some people are very sensitive when it comes to products that involve human senses. The thought of an unattractive smell, taste, etc. seems to be an important reason for those people to reject certain products.

So far, the results of our study have been discussed with respect to product-specific associations people have with the brands

included in this study. We have seen that these kinds of associations indeed play an important role in the evaluation of brand extensions. In terms of our study, both cases in which product-specific associations had a positive impact on brand extension evaluations, and cases in which the associations actually turned out to be hindering the success of an extension, occurred.

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Quality associations

A second type of association people may have with a brand are *quality associations*. This notion implies that a certain brand name in itself stands for *high quality*. For example, when consumers hear the brand name 'Mercedes', they generally associate this name with high-quality products. In other words, consumers trust a certain product to be of high quality simply because of the brand name attached to it, which relates to the *security function* of a brand as identified by Kasper *et al.* (1999). On the contrary, if a brand is associated with mediocre or even poor quality in the consumer's mind, this kind of intrinsic trust in the brand is lacking. The question is whether brand associations of either high or low quality influence the way consumers perceive or evaluate an extension of this particular brand.

Respondents indicated high quality associations with Coca-Cola, Yamaha, and Kellogg's. Benetton in contrast was rather associated with mediocre or even poor quality. Our study indicated that brand associations with high quality did indeed have a positive effect on how consumers evaluated extensions of the brand. Extension cases in which a general perception of quality of a brand had a favourable effect on respondents' evaluations, were in particular the cases of Yamaha extensions to *Furniture* and to an *Internet Shop* (Yamaha has provided high quality products in a very diverse product range in the past) and the case of *Kellogg's Microwave Dinners* (many people believe that if a company can produce good breakfast cereals, it can also be trusted to produce other kinds of high quality food products). Even in the case of *Yamaha Sunscreen Lotion*, an extension that was

generally poorly accepted by respondents, some respondents argued that Yamaha is a reliable company delivering high-quality products, so there is no reason why Yamaha should not be able to produce a high-quality sunscreen lotion.

Hence, the examples discussed above indicate that quality associations people have with a brand name can indeed be very helpful when launching a new brand extension. The question remains whether Benetton's associations with mediocre or poor quality have a negative effect on how people evaluate Benetton brand extensions. Half of the respondents interviewed expressed a somewhat negative attitude towards Benetton, mainly because they perceived their clothing style as 'boring' or 'ugly', and thought that the clothes were overpriced considering their rather mediocre quality. These negative quality perceptions had a somewhat negative effect on the evaluation of the brand extensions. Three out of 22 respondents said they would not buy Benetton chewing gum, because 'if the chewing gum tasted as bad as the quality of their clothes is', there was no reason for them to buy the Benetton chewing gum.

With respect to the other two extensions (Benetton Magazine and Benetton Electronics), most respondents stated that they would only buy them *if* they got information (either word-of-mouth or quality test results) confirming that the quality of the extensions was good. Hence, negative quality associations with the name Benetton and its clothes were transferred to the extension in the sense that respondents would not rely on the brand name Benetton to automatically deliver good quality (as they did for example with certain Yamaha, Coca-Cola, or Kellogg's extensions). Instead, the quality of the extensions would have to be 'proven' by quality tests, or at least confirmed by other people. In other words, it is the lack of Benetton's associations with quality that might make it harder to convince consumers of the quality of the brand extensions.

Summarising, the study shows that associations with 'high quality' can have a very positive effect on brand extension evaluations. Consumers trust a brand name that stands for 'high quality', and they assume that a new brand extension is likely to deliver the same quality as

the brand's existing products do. Similarly, the results of this study also suggest that brand associations with poor quality affect consumers' evaluations of brand extensions negatively.

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Symbolic associations

The final type of association we wish to discuss, is the *symbolic association* people have with a brand name. With symbolic associations we mean those kinds of associations that are completely unrelated to any physical characteristics of a product and that rather express the kind of 'image' or 'lifestyle' consumers associate with a brand name. For example, Coca-Cola is often associated with young, happy, good-looking people who are 'hip' and 'funky', and who enjoy having parties and a lot of fun. With respect to the extension to *Coca-Cola Beer*, several respondents mentioned that drinking beer also relates to parties and having fun. For that reason, they can see and accept the link between the extension product and the image Coca-Cola conveys.

Another case is *Benetton*. Due to the company's rather distinct marketing campaigns, many people associate Benetton with a controversial, interesting, and sometimes provocative image or brand personality. With respect to the *Benetton Magazine*, these associations turned out to be very positive, as respondents could imagine the Benetton Magazine to be distinct from other magazines, discussing many interesting and critical issues in a maybe provocative way.

Finally, the brand name *Kellogg's* is often associated with 'friendliness' and with being a 'family-brand'. Many respondents stated that they like the idea of a Kellogg's Hotel, because they could picture it as a family hotel with a very friendly atmosphere. In connection with a bicycle, symbolic associations with Kellogg's had, however, a rather negative impact on the respondents' evaluations of the extension. Some respondents mentioned that they would feel rather 'childish' and 'ridiculous' riding a Kellogg's bike, and that it might be a good idea to have children instead of adults as a target market for a Kellogg's bicycle.

Summarising, we can conclude that the results of our study provide substantial support for Proposition 1. Various types of associations people have with Coca-Cola, Benetton, Yamaha, and Kellogg's were indeed transferred to the extensions suggested to the participants. Product-specific associations, including both product category and product-attribute associations, may have a positive or negative impact on the evaluation of brand extensions, depending on how well associations with the brand extension are compatible with those of the brand's core product. An example of a positive effect is the Kellogg's Microwave Dinner, whereas Coca-Cola Beer seems to be incompatible with the brand's existing product-specific associations. High-quality associations with a brand name generally had a very positive impact on how consumers evaluated certain brand extensions (e.g. Yamaha Internet Shop). On the contrary, if a brand is associated with mediocre or poor quality, these associations may prevent consumers from buying a new extension of the brand (e.g. Benetton). With respect to symbolic associations, these had in most cases a favourable effect on how consumers evaluated particular brand extensions (e.g.

Benetton Magazine). However, as in the case of the Kellogg's bicycle indicates, symbolic associations with a brand can also hinder the success of a brand extension.

Table 2 provides an overview of how the three types of associations discussed here affected the way subjects evaluated and accepted the various brand extensions. Accordingly, in Table 2, "positive" implies a positive effect of certain associations on subjects' evaluations of brand extensions, and "negative" means that specific associations were more a burden than of any benefit to the perception of an extension. Those cases that read 'not applicable' (n.a.) in the table are cases in which certain associations had no real impact on the extension evaluation. Symbolic associations were not relevant in all extension cases. Yamaha, as we have discussed previously, does generally not trigger many symbolic associations. In other cases, e.g. Benetton Chewing Gum, the symbolic associations related to a particular brand, appeared to be of no relevance with respect to the specific extension product (e.g. Benetton's associations with "controversy" had no effect on how subjects evaluated the idea of introducing Benetton chewing gum).

Table 2

The impact of various associations on the acceptance of brand extensions

	Product-specific associations		Quality associations	Symbolic associations
	Product-category associations	Product-attribute associations		
Coca-Cola Beer	Negative	Negative	Positive	Positive
Coca-Cola Computer Hardware	Negative	n.a.	Positive	n.a.
Coca-Cola Airline	n.a.	n.a.	Positive	Positive
Benetton Chewing Gum	n.a.	Negative	Negative	n.a.
Benetton Magazine	Positive	n.a.	Negative	Positive
Benetton Electronic Devices	Negative	n.a.	Negative	n.a.
Yamaha Furniture	n.a.	n.a.	Positive	n.a.
Yamaha Internet Shop	Positive	n.a.	Positive	n.a.
Yamaha Sunscreen	n.a.	Negative	Positive	n.a.

Kellogg's Microwave Dinners	Positive	n.a.	Positive	Positive
Kellogg's Bicycle	n.a.	n.a.	Positive	Negative
Kellogg's Hotel Chain	Positive	Positive	Positive	Positive

In Proposition 2, we suggested that generally, the higher the perceived fit between the original product and the brand extension, the greater the trust amongst consumers, and thus the greater the acceptance of the new brand extension. It was argued that in the case of the two products fitting together, consumers could easily rely on their associations with the brand's original product. This, in turn, increases the consumer's trust that the extension product will satisfy his or her needs just as well as the original product. Thus, the consumer's trust and confidence in a particular brand have a strong positive impact on the evaluation of a brand extension; it is, however, limited to a certain type of extension products, namely those that fit with the original brand in the consumers' mind.

If we limit the term 'fit' to what one may call physical product-similarity between the core product and the extension, only one extension product tested in our study really falls within the category of being physically similar to the brand's core product. This extension is *Kellogg's Microwave Dinners*. Microwave dinners fall into the same broad product category as Kellogg's cereals do, namely that of *food* products. Although the physical fit may be limited as cereals are associated with *breakfast* in contrast to the extension's association with *dinners*, consumers certainly acknowledge the general physical product-similarity between Kellogg's core product (cereals) and the extension (microwave dinners).

Whereas the physical product similarity is obvious in the case of Kellogg's Microwave Dinners, a second case of extension is more complicated with respect to a possible product similarity to the brand's core product: the case of Coca-Cola Beer. It may be argued that beer and soft drinks are 'physically similar' in that they both belong to the broad product category of beverages. If consumers acknowledged that similarity, they might be more inclined to purchase and consume Coca-Cola Beer because of great trust in Coca-Cola as producers of beverages. However, as already argued in the

discussion of Proposition 1, consumers are reluctant to see any form of fit between beer and Coca-Cola's existing product range. The reason is that beer contains alcohol, which strongly disturbs the perception of fit with soft drinks that are generally sweet and, most importantly, non-alcoholic. Consequently, one cannot conclude that Coca-Cola Beer and Coca-Cola soft drinks are related in terms of physical product similarity.

A third extension product, which at least to some extent fits with the core brand in terms of product-feature similarity, is the Yamaha Internet Warehouse. Although Yamaha has not previously been involved in e-business, an Internet Warehouse may fall within the broader product category of electronic devices or technological equipment, a category in which Yamaha already has a certain degree of expertise (through their involvement in motorcycles, electronic devices, etc).

Summarising, we have thus identified two brand extensions which to a varying degree fit with the brand's core product: Kellogg's Microwave Dinners clearly fit with Kellogg's existing product range of food products; and the Yamaha Internet Warehouse fits with existing Yamaha products (electronics and technology), although to a lesser degree.

The results yielded by the qualitative data of our study are in line with Proposition 2. Kellogg's Microwave Dinners ranked amongst the most highly accepted of all the twelve extensions, with an average acceptance score of 4.71. (See Table 3 in this regard.) Participants emphasised that they would at least try Kellogg's Microwave Dinners. The reason was that they saw the link with the companies' existing product range and therefore trusted them to produce extensions that are more or less of equally high quality. More than two thirds of the respondents mentioned the clear fit between microwave dinners and the existing Kellogg's product range as a positive factor influencing their evaluation of the extension.

Table 3
Ranking of average acceptances of brand extensions

Rank	Brand extension	Average acceptance*
1	Coca-Cola Airline	5.16
2	Kellogg's Microwave Dinners	4.71
3	Coca-Cola Beer	4.68
4	Yamaha Internet Shop	4.62
5	Benetton Magazine	4.45
6	Kellogg's Hotel Chain	4.14
7	Yamaha Furniture	3.62
8	Benetton Chewing Gum	3.36
9	Benetton Electronic Devices	3.00
10	Yamaha Sunscreen	2.62
11	Coca-Cola Computer Hardware	2.56
12	Kellogg's Bicycle	2.00

* Maximum = 7

The case of the Yamaha Internet Warehouse yielded similar results. The fact that Yamaha, as a company currently producing electronic devices such as stereo systems, is highly experienced in the field of electronics, certainly had a strong positive impact on how participants reacted to a suggested extension to an Internet Warehouse. Many respondents said that they could see a connection between the extension and Yamaha's current products range, and that they have faith in the company's competence to deliver good service and quality. We can consequently conclude that fit in terms of product-feature similarity does indeed have a positive effect on consumers' evaluations of brand extensions, as suggested in Proposition 2.

Proposition 3 is based on the previous proposition, extending it by suggesting that fit between a core brand and a brand extension is not limited to physical product-similarity. Instead, two products can also fit on a symbolic level. We have already dealt with the impact and importance of symbolic brand associations in the discussion of Proposition 1. We then concluded that numerous symbolic associations with the core brand were indeed successfully transferred to various brand

extensions. Extensions that seemingly fit with the core brand in spite of the lack of any physical product-feature similarity, are *Benetton Magazine and Kellogg's Hotel Chain*. All these extensions have some things in common with the brands' core symbolic values, such as the symbolic value of 'fun' and 'youth' in relation to Coca-Cola, the image of 'being different, interesting, and controversial' in terms of Benetton's symbolic associations; and Kellogg's symbolic associations with 'family' and 'friendliness'. Since the three extension products fit with the core brands on these symbolic grounds, participants on average had a very positive attitude towards these new products. Many respondents mentioned that the symbolic link between the products and the brand name did positively affect their evaluation of the products. In cases where two products fitted together on a symbolic level, most participants of the study did not even mind that a physical product-similarity between the core brand and the extension did not exist. Consequently, we can conclude that the responses given by the participants of this study are in fact in line with Proposition 3.

12 Conclusions and implications

Due to the exploratory and qualitative nature of this work, the development of the propositions and the subsequent discussion of the study results have been extensive and detailed. An in-depth discussion was considered beneficial and in fact necessary in order to grasp the full complexity of the topic. Brand associations and their impact on brand extensions can best – and in our opinion, only – be understood if marketers have a clear understanding of the psychological considerations going on in consumers' minds. Ultimately, these aspects of consumer psychology, which are subjective and therefore

difficult to quantify, are a strong determinant factor of consumers' buying decisions.

Once marketers are able to grasp the complex networks of associations surrounding a brand name, they can use their knowledge as an extremely powerful marketing tool. The knowledge of how consumers perceive a particular brand - both in functional and in symbolic/psychological terms - may help brand managers successfully introduce a new brand extension. At the same time, the failure of a brand extension may be prevented, and the risk of brand dilution minimised.

Table 4 is a summary of the results gained from this empirical research study, and gives a short, structural evaluation of the six propositions tested in this study.

Table 4
Summary of the main results of the study

Proposition	Main results of the study
<p>Proposition 1 Associations and beliefs which consumers have about a brand, may be transferred to a new brand extension. As a result, associations can be either helpful to the success of the extension, or they may be hindering its success.</p>	<p>Proposition supported by study results. 4 different types of associations were identified:</p> <ul style="list-style-type: none"> • Product category associations • Product-attribute associations • Quality associations • Symbolic associations <p>All four types of associations can positively or negatively influence the way respondents evaluate the extension of a brand.</p>
<p>Proposition 2 In general, the higher the perceived fit between the original product and the brand extension, the greater the trust amongst consumers and thus the greater the acceptance of the brand extension.</p>	<p>Proposition supported by study results. Fit in terms of physical product-similarity between the core brand and the brand extension increases respondents' acceptability of the brand extension.</p> <p>Example: Kellogg's Microwave Dinners Interesting case: Coca-Cola Beer – no perceived product similarity due to incompatibility between soft drinks and alcohol.</p>
<p>Proposition 3 "Fit" between a core brand and a brand extension is not limited to physical product-similarity. Two products can also fit on a symbolic level.</p>	<p>Proposition supported by study results. Fit on a symbolic level between the core brand and the brand extension increases respondents' acceptability of the brand extension.</p> <p>Examples: Coca-Cola Airline; Benetton Magazine</p>

Although the associations and beliefs which respondents have about a brand may be transferred to a new brand extension, the transfer

could also be negative and therefore prevent the extension from being successful. Four types of associations are relevant in this regard.

However, the higher the perceived fit between the original product and the brand extension, the more likely the acceptance of the extension by the respondents. The perceived fit is not limited to physical product-similarity; the fit can also be on the symbolic level. It was found that symbolic brands could be stretched wider than functional brands as long as the extension products fit the brand image of the symbolic brand. Previous positive extensions of the brand also contribute to the acceptance of a new brand extension.

Although brand extensions also offer many advantages when new products are launched, it always carries a degree of risk with it. To ensure that the brand extension is within an acceptable "distance" from the original/core brand, brand managers ought to pay attention to all the dimensions of a brand that might benefit/lose from an extension.

The number of respondents was too small to make any worthwhile conclusions in our study in respect of cultural differences. Nevertheless, the impact of national cultures may be large when studies are carried out with larger samples. This is one avenue for future research. The other one would be to transform our propositions into hypotheses and test them in large-scale quantitative studies. This will reveal whether our typology of associations will be confirmed.

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