Why negative brand extension evaluations do not always negatively affect the brand: The role of central and peripheral brand associations

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ABSTRACT

This research introduces the concept of brand association centrality and distinguishes central brand associations (CBAs) and peripheral brand associations (PBAs). Study 1 shows that the consistency with CBAs and PBAs influences perceived brand extension fit. However, the brand extension consistency with CBAs positively affects consumer–brand extension evaluations, while the brand extension consistency with PBAs does not have a significant effect. Study 2 demonstrates the mediating role of perceived fit between brand extension consistency with CBAs and brand extension evaluations. The study shows that the more inconsistent the product extension is with CBAs, the more the brand's image is altered and the faster brand evaluations deteriorate. In contrast, the brand extension inconsistency with PBAs does not affect brand evaluations.

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1. Introduction

Brand extension failure does not always have a negative impact on the parent brand; for example, the Bic perfume did not negatively affect attitudes toward Bic. Conversely, brand extension success does not systematically cause positive feedback on the parent brand; the success of Calvin Klein brand extensions (underwear, perfume) did not positively affect the Calvin Klein brand image. How can this paradox be explained? Are the causes of brand extension success similar to those of a positive brand extension impact? Many studies examine the process of brand extension evaluation (Bhat & Reddy, 2001; Dens & De Pelsmacker, 2010; Kapoor & Heslop, 2009), identifying brand-related variables such as brand concept (Monga & John, 2010), quality level (Völkner & Sattler, 2007) or consumer–brand relationship quality (Kim, Park, & Kim, 2014). Other studies investigate the brand extension impact on brand attitudes (Loken & John, 1993; Martinez, Montaner, & Pina, 2009), identifying consumer related variables such as styles of thinking (Monga & John, 2010). Finally, a central variable explaining brand extension evaluations and brand extension reciprocal effects is the relationship between parent brands and brand extensions. In general, this

relationship derives from brand extension consistency, commonly referred to as the "fit" between the extension and the parent brand, and reflects consumer perceptions of the logical connection between the product and the brand (Tauber, 1988).

Research usually measures fit using direct and holistic methods (Ahluwalia & Gürhan-Canli, 2000; Desai & Keller, 2002; Keller & Aaker, 1992; Park, Milberg, & Lawson, 1991). As Broniarczyk and Alba (1994) note, associations are a key factor in assessing the consistency between brands and brand extensions. However, no study demonstrates the influence of brand associations on perceived brand extension fit or examines brand extension evaluations and their impact on parent brand attitudes. What is the role of brand associations on consumer perceptions of a new product's consistency with the brand? What are the roles of brand associations on consumer evaluations of an extension? How are brand associations altered? This study examines the specific role of brand associations on both perceived brand extension fit and brand extension evaluation and also investigates the brand extension impact on the parent brand. This study applies social representation theory (Abric, 1994; Moscovici, 1988) to introduce the concepts of central brand associations (CBAs) and peripheral brand associations (PBAs). "Central" and "peripheral" are the terms originally used in the social representation theory (Abric, 1994; Moscovici, 1988), they are no link with the dual processing models (Petty & Cacioppo, 1986). Brand associations are central if the majority of consumers perceive them as indispensable to express the brand meaning (Abric, 1994). Conversely, peripheral associations are strong but not entirely inseparable from the core brand. This framework distinguishes the brand extension consistency with CBAs and PBAs.

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Study 1 analyzes the link between the brand extension consistency with CBAs and PBAs and perceived brand extension fit. The findings reveal that the brand extension inconsistency with both CBAs and PBAs negatively influences fit. In addition, the holistic fit measure does not capture the brand association centrality in the brand meaning. Study 1 also shows that the consistency with CBAs but not with PBAs influences brand extension evaluations.

Study 2 analyzes brand extension evaluations and their impact on four major food industry brands. The study reveals that though the brand extension consistency with CBAs influences brand extension evaluations, the fit explains these evaluations better. Brand extension inconsistencies with CBAs and PBAs also explain brand attitude deterioration and brand image dilution. Finally, this research shows that fit is a mediating variable between brand extension consistency with CBAs and PBAs and brand extension evaluations, but perceived fit does not have a mediating effect on the brand extension impact. This study offers an explanation of the contradictions in the results of previous research on the brand extension fit impact (Jap, 1993; Milberg, Park, & McCarthy, 1997). That is, consumer perceptions of a weak brand extension fit might be due to the inconsistency between the brand extension and PBAs. By definition, PBAs are not connected with brand meaning, and therefore this low fit does not disturb the brand meaning. In contrast, the low fit due to the inconsistency between the brand extension and CBAs disturbs the brand meaning and provokes a negative brand impact.

2. Conceptual background and hypotheses

2.1. Brand image and brand associations

In general, research uses the theory of semantic networks to understand how consumers perceive brands (Keller, 1993; Rosch, 1975). According to this theory, brand knowledge is a set of associations organized around the brand in the consumer's memory (Loken, Barsalou, & Joiner, 2007). The consumer's mental representation of the brand's image then determines the strength, valence, uniqueness, and cohesion of associations attributed to the brand (Keller, 1993). The primary interest of this theoretical framework helps identify the power of brand equity, which is represented by brands with strong, positive, unique, and coherent associations connected with the product (Yoo, Donthu, & Lee, 2000). However, no studies account for the role of associations in the change of brand image. What is the role of different types of associations on perceived inconsistency between the brand extension and the brand image? Are some associations more stable than others? This study applies a social representation approach to address these questions.

2.2. Brand category: a concept structured around CBAs and PBAs

Perceived category depends on goals that are salient at a particular time or in a particular context (Barsalou, 1982). As an extension of previous studies demonstrating the stability and flexibility of consumer category representations, this study proposes a new framework for examining brand categories and associations—that is, social representations. According to Moscovici (1988), social representations are formed and shared socially because they are based on experiences and shaped by information, knowledge, and thought processes received and transmitted through tradition, education, and social communication. Social representation aims to establish a common vision of reality within a social ensemble (group, class, or cultural). Thus, this approach considers the brand category organized around a core and peripheral system (Abric, 1994). Using this approach, this study distinguishes brand associations according to their degree of centrality (CBAs and PBAs). CBAs are indispensable for expressing the brand meaning. They differ from strong associations, which are linked to the brand in memory (Keller, 1993), in that people can have two strong associations, but only one is central. For example, in the case of Malibu brand, although respondents considered both associations as

strong, "exotic" was a central element and "sweet" was peripheral (Ambroise & Valette-Florence, 2005). Conversely, the peripheral system integrates associations that are strong but not central (Abric, 1994). For example, "Clothing" association is strongly linked to the respondents' Zara image, but is not central. Even if the product is not clothing, it can still be considered a Zara product as long as it is consistent with the central brand associations "feminine" and "fashionable" (Ambroise & Valette-Florence, 2005). With this social representation approach, we distinguish between CBAs and PBAs (Michel, 1999).

2.3. The link between brand extension fit and brand extension consistency with CBAs and PBAs

Mandler (1982) defines the concept of congruence as a structural correspondence between two entities. Thus, perceived consistency between a brand and an extension means that the consumer perceives the product as "logical with the image of the brand" (Tauber, 1988, p. 28). To understand the basis of perceived fit, previous research suggests taking into account the brand and brand extension image (Murphy & Medin, 1985; Park et al., 1991). In line with social representation theory (Abric, 1994), this study differentiates the consequences of brand extension consistency with CBAs from brand extension consistency with PBAs on perceived fit. Because CBAs are central to the brand meaning, when brand extension consistency with CBAs is weak, consumers are more likely to perceive a weak brand extension fit. In contrast, because PBAs are contextual, inconsistency with these associations does not influence perceived brand extension fit. Thus:

H1a. Brand extension fit is higher when the brand extension is consistent rather than inconsistent with CBAs.

H1b. Brand extension fit is not significantly different when the brand extension is consistent rather than inconsistent with PBAs.

2.4. Brand extension evaluation

A high degree of fit is associated with more positive brand extension evaluations (Aaker & Keller, 1990; Boush & Loken, 1991). Again building on social representation theory (Abric, 1994), this study differentiates the influence of brand extension consistency with CBAs from brand extension consistency with PBAs on brand extension evaluations. When central consistency is weak, consumers are more likely to evaluate the extension negatively. In contrast, because PBAs are contextual, inconsistency with these associations does not affect brand extension evaluations. Thus:

H2a. Brand extension evaluation is greater when the brand extension is consistent rather than inconsistent with CBAs.

H2b. Brand extension evaluation is not significantly different when the brand extension is consistent rather than inconsistent with PBAs.

2.5. Mediating role of brand extension fit

Brand extension consistency with CBAs and PBAs influences perceived brand extension fit. The brand extension consistency with CBAs influences brand extension evaluations. In contrast, the effect of PBAs on brand extension evaluations is not significant. This study proposes that brand extension fit mediates the relationship between brand extension consistency with CBAs and brand extension evaluations.