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The Impact of Extension Category Characteristics

On the Attitdude towards Brand Extensions

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Abstract

This thesis is aiming to find out whether extension category characteristics have impact on consumer attitude towards brand extension. In this study, the author focused on three specific extension category characteristics, which are respectively (1) the role of dominant brands in the extension category, (2) the potential for a differentiated brand positioning in the extension category, (3) the consumer attitude towards the extension category. The author conducted an experiment and finds out that the perceived similarity between the extension and dominant brand in the extension category and attitude towards extension category has positive influence on the attitude towards brand extension; and dominant brand oriented positioning strategy is more effective than parent brand oriented positioning strategy in extension positioning in both high and low perceived fit between parent brand and extension situations.

Preface

This master thesis was an independent research, which counts for 30 ECTS credits and finalizes my three-year master studies in Marketing and Brand Management profile of Norwegian School of Economics.

First of all, I would like to thank my supervisor, Leif E. Hem for his patience, guidance and time. Thank you for inspiring me on finding this interesting topic and guiding me in every stage in the writing process. Your excellent knowledge on brand extensions helped me in the profession and your enthusiasm encouraged me in the hard time during the research.

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1. Introduction

1. 1 Background

Brand extension, representing one of the most frequently used branding strategies (Völckner and Sattler, 2006), has been playing an important role in companies' strategies of launching new products (Boush and Loken, 1991; Loken and John, 1993; Milberg, Park and McCarthy, 1997; Völckner and Sattler, 2006). It is usually defined as using the brand name to enter new product classes (Aaker, 1991). The main logic of brand extension is to decrease the cost and increase the possibility of acceptance among consumers in the new product launching process by using the equity built up in established brand names (Boush and Loken, 1991). A proper and successful extension can also contribute to the parent brand by, for example, increasing the brand exposure, supporting the main associations, enhancing the core brand image, and strengthening the brand awareness and associations to new markets, etc. However, this strategy is not working well every time. With the 80 percent failure rate of brand extensions in plenty of fast-moving consumer good industry (Völckner and Sattler, 2006), discussions of the driving forces of success and possible negative effect of this strategy have been heating up. For instance, Loken and John's work (1993) indicated that dilution effects do occur in some certain situations such as brand extensions own inconsistent attributes with parent brand; the parent brand is narrow. Besides, according to many researches regarding on the brand extensions (Aaker and Keller,

1990; Tauber, 1998), the key factor for a successful brand extensions could be many but mainly, according to prior research, the perceived fit between it and its parent brand and consumers' attitude toward the parent brand. Völckner and Sattler (2006) made a complete conceptual framework of the recent years' exploration of the successful factors and categorized them into four groups: (1) parent brand characteristics, (2) the extension's marketing context, (3) the relationship between the parent brand and the extension product, and (4) the extension's product category characteristics. Though, various causes for brand extension dilution have been discussing, the perceived fit between the parent brand and extension is given the most attention. The other 'popularly-discussed' causes include the perceived quality of parent brand; the perceived similarity and familiarity of product categories; the strength, diagnosticity and inconsistency of extension experience (Keller and Sood, 2003) etc. However, the effects of characteristics of extension category, which can influence consumers' attitude and brand dilution, have been focused by very limited research. Recently, Hem, Iversen and Olsen (2014) started the research in this specific area, finding that extension category characteristics do have important impact on consumers' attitude toward the brand extension. Still, more work has to be done to build a complete theoretical framework. In this thesis, the author will mainly discuss how three extension's product category characteristics, which are respectively (1) The role of dominant brands in the extension category, (2) The potential for a differentiated brand positioning in the extension category, and (3) consumer attitude

towards the extension category, will influence the consumer attitude towards the new extension.

1. 2 Purpose of the Study

The purpose of this study is to find out what effects the three characteristics of extension category, which are: (1) the role of dominant brands in the extension category, (2) the potential for a differentiated brand positioning in the extension category, and (3) consumer attitude towards the extension category, will have on the consumers' attitude towards the new extension. The theoretical contribution of this thesis is to provide new knowledge to the framework of the relationship between brand extensions and extension category, which lacks of enough information and articles in the area. Since brand extension has been the most popular strategy that brand managers would like to use when introducing a new product while the success is not guaranteed, brand managers have to make the marketing decision in a rational and cautious way. The results of how these characteristics' will affect the consumer's attitudes and impact on the parent brand will provide strategic implications and practical guidance in brand extension decision and marketing strategies for brand managers.

The research question of this thesis is "How will the characteristics of extension category influence consumers' attitude toward brand extension?" The study will answer the question by investigating an experiment on how the three characteristics of extension category influence the consumer attitude towards the extension.

2. Theory

2.1 Brand Extension

2.1.1 General Introduction

There are various expressions but homogeneous definitions of brand extension: use the brand name to enter new product classes (Aaker, 1991); use established brand names to launch new products—represent one of the most frequently used branding strategies (Völckner and Sattler, 2006); business attempt to use the equity built up in established brand names to help launch new products (Boush and Loken, 1991). Aaker also pointed out that extension strength will be decided by the combined action of (a) the relevance of the brand association and perceived quality, (b) the extent to which it could translate into a sustainable competitive advantage, (c) the extent to which the brand will fit the extension (Aaker, 1991). From this previous observation, it could be assumed that the main challenge of this strategy is, how to transfer the strategic and central image or association of the existing brand to the brand extension in order to maximize the acceptability from consumers. Thus, the performance and the feature of the parent brand would be a key premise to use this strategy; the perceived fit between the brand and the extension will increase the possibility of success.

2.1.2 Parent brand

In the last few decades, capitalizing on brand equity has been the main stream in launching new products (Boush and Loken, 1993). And many prior studies pointed

out that one important factor that will influence the extension success is the brand association and perceived quality of parent brand (Aaker, 1991; Völckner and Sattler, 2006), many researches have argued that the strength of the parent brand equity is crucial to its extension (Aaker, 1991; Volckner and Sattler, 2006; Boush and Loken, 1993).

2.1.3 Brand Equity

Brand equity is, defined by Aaker (1990), a group of brand assets and liabilities such as brand name or symbol, which will add to or remove value that is provided by the product or service to the company or to its consumers. From the marketing perspective, brand equity is defined as the effect that will attribute to a brand in a unique way. To be more specific, brand equity will affect the product by emerging some certain outcomes that will only happen because of its brand name (Keller, 1993). From the financial perspective, according to Simon and Sullivan (1990), brand equity is the incremental future value that would create by a product for owning its current brand name. From the consumer perspective, brand equity is defined in terms of the varying impact of brand knowledge on response of consumer regarding to the marketing of the brand (Keller, 1993). Besides, customer-based brand equity happen when consumer hold certain degree of knowledge of the brand, which is made up of brand awareness and brand image, and brand associations that are favorable, strong and unique (Keller, 1993).

2.1.4 Brand Associations

Brand association is one important part that makes up the complete framework of brand equity. Brand associations are information nodes such as images and symbols associated with a brand or a brand benefit node in consumer's memory (Keller, 1993). Aaker (1991) pointed out that everything that linked to a brand in memory is brand association. Brand associations can be classified into three main categories, which are attributes, benefits and attitudes, according to the abstraction level of generalized knowledge in the associations (Keller, 1993). Attributes are characteristics that help consumer to recognize a product or service. How attributes relate to product function can be the standard to differentiate product-related attributes and non-product-related attributes. Product-related attributes are elements that directly linked with the performance and function of the product or service. Instead, non-product-attributes are elements that are external elements such as price, packaging/appearance of the product, customer and usage of the product or service (Aaker, 1991; Keller 1993). Benefits are the value that a product/service can provide to its consumer. It can be classified by the primary purchase object of consumers into three categories: Functional benefits; experiential benefits; Symbolic benefits (Park, Jaworski, and MacInnis, 1986). Functional benefits are originate from the product-related attributes of a product/service and related to the physical performance. Experiential benefits refer to the feeling, which is related to the sensory pleasure/stimulation, that consumer acquire when they use the product/service. Symbolic benefits usually connect with the innate needs for external/social approval and self-expression, etc. Brand attitudes are

the global evaluation consumer has for a product/service. It can be related to both product-related attributes and non-product-related attributes (Keller 1993). Expectancy value theory, founded by Martin Fishbein in the 1970s, indicates "people orient themselves to the world according to their expectations (beliefs) and evaluations". Exerting this theory, attitudes are seen as a function of "(1) expectancy (or belief) – the perceived probability that a product/service possesses a particular attribute to satisfy needs, and (2) evaluation – the degree of affect, positive or negative, toward an attribute" (Fishbein and Ajzen, 1975; Palmgreen, 1984; Keller, 1993). However, the consumer attitude towards these attributes will differ due to different situation, purchase context and specific purchase goals that consumer involve in (Day, Shocker, and Srivastava, 1979).

2.1.5 Favorability, Strength and Uniqueness of Brand Association

The creation of favorable associations that can convince consumers the attributes and benefits of the brand will meet their needs and requirements contributes to the building of a positive global image (Keller, 1993). However, only those important and relevant attributes will be related to favorability. Moreover, the level of importance of a certain attribute might vary according to the purchase intension and context (Keller, 1993). Strength of association is affected by both consumers' manner of dealing the information and the company's communication strategy (Keller, 1993). The more deeply the consumer elaborate the information of product/service and combines it with previous product knowledge, and the more effective retrieval cues and repeated

exposure of information of the product the company utilizes, the stronger the brand associations will be (Keller, 1993). Besides, the strength of brand associations that related to product category is a decisive element of brand awareness (Nedungadi and Hutchinson, 1985; Ward and Loken, 1986; Keller, 1993). Uniqueness of brand association is a widely applied positioning strategy that contributes sustainable and long-term advantage to a product/service (Keller, 1993). Uniqueness can be related to product-related, non-product-related attributes and benefits (Keller, 1993). However, brands will always face the fact that associations will be shared by other brands in the same category, unless it has no competitors, which is almost impossible. According to Keller (1993), one function of shared associations is to establish category membership and define the scope of competition with other products/service. However, there will be some attributes or characteristics that are typical or crucial to all brands in the category and will be one or several brands that are regarded as the most representative and as exemplar in the category (Keller, 1993). Generally speaking, shared association is a interaction of the individual product and the product category: on one hand, every specific association of product contribute to the category association; on the other hand, the overall beliefs of the product category will have impact on any single product in it.

2.1.6 Perceived Quality

Another important element that builds up brand equity is perceived quality. Perceived quality is defined as the consumer's intangible, overall assessment about the

superiority or quality of a product regarding to alternatives (Zeithaml, 1988; Aaker, 1990). Perceived quality is different from product-based quality, which refers to the nature and ingredients, features, or services that made up of the product. However, the formation of perceived quality is based on the generalization of the characters of the products such as reliability, performance and feature (Aaker, 1990). Lots of studies have proved that the impact that perceived quality has on the attitude towards extension is positive; brands that are regarded to be of high-perceived quality are able to extend further and have higher possibility of success than brands that are not (Aaker and Keller, 1990). Especially in Völckner and Sattler (2006), the authors found that parent brand characteristics, which is made of quality (strength) of the brand, history of previous brand equity, parent brand conviction and parent brand experience, have great impact on the success of brand extension.

2.1.7 Perceived Similarity

Brand associations in consumers' brains stem form their perception of the brand, which we call brand image (Aaker, 1991; Keller, 1993). A clear and impressive brand image is a competitive advantage that a company could capitalize on. And the favorability and strength of brand associations that build up a brand image is influenced by other brand associations in consumer's memory (Keller, 1993). Keller (1993) pointed out that consistency of meaning of information with existing brand associations would make those information more easily learned and remembered than inconsistent information. Consequently, the congruence of brand associations will

improve the overall cohesiveness and evaluation of the brand image (Keller, 1993). This also explains why companies should pay great attention when launching new extension – maintaining a cohesiveness of brand image and prevent consumers from being confused about the meaning of the brand is very important. There have been many prior researches on extension discussing the factors that influence the consistency between parent brand and extensions. And they found one of the important factors is the degree to which extension attributes are consistent with parent brand image beliefs, the other one is the similarity between an extension and products typically associated with the brand name (Aaker and Keller, 1990, Bridges, 1990; Loken and Roedder John, 1993; Park et al., 1991, Park et al., 1993, Keller 1993). The perceived similarity of parent brand and extension is assumed to be a function of the salient shared associations between the core brand and the extension product category (Keller, 1993). These similarities can be originated from both product-related attributes or non-product-related attributes (Bridges, 1990; Park, Milberg and Lawson, 1991; Keller, 1993). Perceived similarities between the parent brand and extension product category is regarded as a crucial factor of extension success (Völkner and Sattler, 2006). When the perceived similarity is high, consumers are likely to form the evaluation of the extension product based on the knowledge and attitude towards the parent brand (Keller, 1993). When the perceived similarity is moderately low, consumers are likely to form the evaluations according to their specific attributes and benefits (Keller, 1993). When the perceived similarity is very low, the evaluation of consumer will be low, too (Keller, 1993).

2.1.8 Successful Factors

According to Aaker (1991), the parent brand will help the extension in the following four perspectives: (1) Brand association: a strong association can help the communication task, as well as position a brand. The association needs to get transferred to the new product class. (2) Quality associations: high perceived quality is important and difficult to get. Once it is achieved, this intangible asset will benefit the parent brand and accordingly to the extension, which called umbrella-quality reputation. Some corporate names (e.g. Ford, GE) that represents a lot of products is lack of specific associations, and the main task of these corporate names is to transfer the current or future perceived quality perception. (3) Awareness/presence: the use of a recognized brand name on a new product automatically emerges name recognition and make the communication task easier to the more manageable one of associating the name to the new product class. (4) Trial purchase: the established name helps to reduce the risk for the consumers. In the meanwhile, it will lead to a high degree to increase the initial reaction, interests and willingness to take the products into consideration set. In return, an extension can strengthen the core brand by reinforcing its current image, contributing with a building function. Moreover, an extension can provide name recognition and association to new segments (Aaker, 1991). Aaker found that the general perception of quality associated with a name is a key ingredient to the success of its extension (Aaker, 1991). Boush and Loken (1991) pointed out that successful brand extension depends on many strategic considerations, including the appropriateness of a company's corporate structure, applicability of capital

resources, and ability of personnel in the new market. It also requires that a favorable prior attitude toward current branded products transfer to a new product (Boush and Loken, 1991). However, the consistency and familiarity of the parent brand and extension products play the most important role, and the current brand breadth of parent brand influences them heavily (Boush and Loken, 1991). Besides, among enormous research of the factors for the success of brand extension, Völckner and Sattler (2006) presented a large-scale empirical study and came up with a more completed conclusion of the most essential factors and less relevant or unimportant factors. Völckner and Sattler (2006) made a profound conclusion of the determinants of brand extension success, which are categorized into four major groups: (1) Parent brand characteristics, (2) The extensions marketing context, (3) The relationship between the extension product, and (4) The extension's product category characteristics. And they found out the following factors as the main driving factors of brand extension success: fit between the parent brand and extension product; marketing support; parent-brand conviction; retailer acceptance, and parent-brand experience. The less relevant and unimportant factors are: history of previous extensions; consumer innovativeness; linkage of the utility of the parent brand to specific product attributes; and moderating effects. What's more, their research indicated that much attention has to be paid on the incremental effects and the weights of successful factors in specific cases and different situations (Völckner and Sattler, 2006).

2.1.9 Risks

Evaluation of an extension is a joint function of how much the brand is liked in its original category and the similarity between the original and extension categories (Broniarczyk and Alba, 1994). The risk of introducing brand extensions not only includes the possibility of failure of the brand extension, but also dilution of the parent brand (Loken, 2006). On one hand, the parent brand doesn't help the extension in some situations: (1) the name doesn't add value, (2) negative attribute associations, (3) The fit is poor, (4) poor quality perceptions. Consequently, the extension is not supported. Brand extension strategy could be a double-edged sword, which can not only help firms to exploit their assets (brand names) and bring future growth, but could also weaken the original salient or favorable associations of the parent brand and thus damage it (Aaker, 1991).

There existed many researches on the extension dilution of the parent brand in the last decade, however, the results of the researches could be various in many ways such as whether brand extension could dilute the parent brand or not; if yes, to what extent, under what situation or conditions, in what way that parent brand would be diluted. Keller and Sood archived these researches into two stages regarding to the results they showed (Keller and Sood, 2003). For example, in the initial stage, the common knowledge acquired by a bunch of studies is that people actually underestimated the resistibility of the parent brand (Romeo, 1991; Keller and Aaker, 1992; Loken and John, 1993, Park, McCarthy and Milberg 1993; John, Loken and Joiner, 1998) Among these studies, Romeo (1991) and Aaker and Keller (1992) failed to find any

evidence that the parent brand is diluted. While Loken and John's result indicated that as dilution is such a complex phenomenon that it occurs to certain types of brand extensions in only some types of situations (Loken and John, 1993). Similarly, Park, McCarthy and Milberg (1993) came up to the conclusion that negative reciprocity effects could occur no matter the fitting of brand extension is high or low. However, the limitation of the subject measurement, demand effects and nature of the stimuli weaken the credibility of the result. John, Loken and Joiner (1998) mainly found out that the beliefs of flagship products are resistant to change and are less vulnerable than those of parent brand in general.

In the later stage, more specific results upon the situation and moderating factor for the occurrence of dilution were discovered. For example, Keller and Sood (2003) researched the difference of brand evaluation towards brand extension in the situation that consumers are directly involving in the brand and the situation that consumer doesn't own much knowledge about the brand. Keller and Sood also found that parent brand could be diluted not only by similar extensions, but also by dissimilar extensions. Besides, Lane and Jacobson's research (1997) indicates that the need for recognition of consumers will influence their attitudes towards the brand extension: the higher need for recognition, the greater the possibility that the brand could be diluted. Kirmani, Sood and Bridges (1999) found out in an experiment that the patterns of brand dilution are influenced by the ownership of the brand extension of the consumer. Swanminathan, Fox and Reddy (2001) found that usage experience of consumer would influence their judgments towards the unsuccessful brand extension.

Chang's research findings (2002) indicated that the favorability of the brand extension, instead of the category similarity is decisive for the dilution effects on the family brand image in direct experience scenario. Kim, Park and Yeo (2007) also found out that unsuccessful extension will bring negative effects to parent brand and the degree of dilution is greater among eastern consumers than western consumers. Serrao and Botelho experiment with Brazilian context indicated that the diluting effect of extension spreads to both the extended brand and its entire category.

According to the previous researches of recent years, these factors could play very important part in the evaluation process of the brand extension and might give result to the dilution of parent brand. From the perspective of consumers, we can get to some key moderating variables that influence the attitude: the degree of involvement, consumer knowledge, the need for recognition, the loyalty towards parent brand, the usage experience of parent brand, the cultural differences. From the perspective of the brand extensions and parent brand, they're emerging the following factors: the perceived quality of parent brand, the favorability towards the parent brand and brand extensions, the fitting between the parent brand and brand extension.

2.2 Categorization Theory

2.2.1 General Theory

According to Milberg, Park and McCarthy (1997), a brand is defined as a category that is associated with specific products and related beliefs over time. Loken, Barsalou and Joiner (2007) define a consumer category as a set of products, services, brands, or other marketing entities, states, or events that appear, to the consumer, related in some way. Mervis and Rosch (1981,p.89) state, "A category exists whenever two or more distinguishable objects are treated equivalently. " In the environment that a full range of products is often introduced and promoted by brands in the communication context, brands are tend to be regarded as categories by both companies and consumers (Loken, 2006). Moreover, category theory has become a basis in the research of brand extensions (Anderson, 1983; Barsalou, 1985; Rosch and Mervis, 1975; Weber and Crocker, 1983; Milberg, Park and McCarthy 1997). Categorization theory is helpful in the understanding and researching whether that unsuccessful brand extensions could dilute the family brand name and that new brand extension will be accepted by consumers by judging a. the consistency between the brand extension and parent brand; and b. the brand breadth of the parent brand (Loken and John, 1993). For example, in the study of Milberg, Park, and McCarthy (1997), they found negative effects of brand extension in the two situations: (1) The product category that the brand extension is belonging to is regarded as dissimilar with what is thought to be associated with the family brand; And (2) The inconsistency of associations between brand extensions and family brand. In this

thesis the author will mainly focus on the two area of categorization theory: categorization representation and category-based inferences.

2.2.2 Categorization Representation

"Categorization representation is defined as the information that stored in the cognitive system for a consumer category and that is later used to process it" (Loken, Barsalou and Joiner, 2007). There are mainly three aspects that compose the category representation in memory, which are prototype, exemplar and connectionist theory (Loken, Barsalou and Joiner, 2007). Prototypes are the abstract composites that represent categories based on central tendency information Loken, Barsalou and Joiner (2007). The two characteristics of category structure is graded structure and brand breadth (Loken, 1991). Among a brand category, it is possible that some products will be more representative than the others (Loken, 1991). Graded structure is the range from the most representative members of a category to the least of the category in category representativeness (Barsalou 1985; Mervis and Rosch 1981; Loken 1991). Greater feature overlap with common features of the category is thought to improve a category member's prototypicality. According to Collins and Loftus (1975)'s spreading activation model of memory, the more typical a category member is, the closer it is linked to the affect of the category. Fiske (1982)'s schematic fit concept indicates similar affect will occur when the objects are similar. Besides, Boush et al. (1987) also suggests that atypical brand extensions is less likely to share the advantages of parent brand associations, moreover, the evaluation of atypical

brand extension will not be so positive as the evaluation of typical brand extension. Different with prototypes, which are general and abstract associations of categories, the exemplar view indicates that categories are in reference to specific, stored instances of the category. An exemplar is regarded as a representation of a specific category instance. (Loken, Barsalou and Joiner, 2007).

It has been approved by categorization researchers that overall affect can be delivered from one object to another (Gilovich 1981; Read 1983). According to Boush and Loken (1991), brand breadth indicates the variability of the products types that a brand name can represent. Consequently, brand breadth will be greatly influenced by the typicality of brand extensions, since whether a brand represents very different/similar products will decide it is a broad/narrow brand (Boush and Loken, 1991). And the properties of the brand category will influence to which type of information and associations consumers will use and build when evaluate a new extension (Meyvis and Janiszewski, 2004). Usually, narrow brands will be inclined to create more specific associations of the product category compared with broad brands. And these specific product category attributes of narrow brands will contribute to and closely linked with the parent brand image, which causes the low acceptability of unfamiliar brand extensions to consumers and high acceptability of familiar brand extensions in the perspective of perceived fit. In contrary, broad brands will gain a higher acceptance when introducing far extensions, as the overall brand attributes functions as the main associations in consumers' brain.

2.2.3 Category-based Inferences

As brand leveraging-strategies are widely used in the current business environment, brands appear to be very familiar and frequently exposed to consumers, which lead to the result that people tend to regard the brands as categories in their evaluation process (Loken, 2006). Consequently, category-based inferences are helpful in giving category information for consumers when they are evaluating new category members Loken, Barsalou and Joiner (2007). Many prior researches have proved that the similarity or match between the representation of the brand category and the representation of the new brand extension is heavily influencing the extent of the category inferences. Fiske (1982), Wright (1976) and Sujan (1985) described the attitude formation of brand extension in the category association's perspective. Fiske suggests that it is the extent of the perceived fit of the new instance to the category decides how much attitude associated with the category that new instance will receive. Besides, Fiske and Pavelchak (1986) present a two-step model, which explains the affective response to a new instance, for evaluation (Boush and Loken, 1997). The first step is to match the new instance with a known category. If there exists a successful match, the affect associated with the category representation will be transferred to the new instance and the evaluation is finished. If there exists no match between them, piecemeal processes will be involved and affect is decided by a weighted combination of attributes (Fiske and Pavelchak, 1986). Loken, Barsalou and Joiner (2007) also suggests finding out the extent to which the brand category inferences will stretch from the parent brand to the new brand extension, we have to

measure the extent to which the similarity between the new extension and brand category can reach. There are several important factors that influence the affect of perceived similarity: prior knowledge of categories, accessibility, relevance, alienability of attributes and the circumstances that increase contrast effects Loken, Barsalou and Joiner (2007).

2.2.4 Characteristics of Category

A product/service category can be characterized by both shared associations and specific associations of any member in the category (Keller, 1993). MacInnis and Nakamoto (1991) pointed out that shared associations will influence the establishment of category membership, while Sujan and Bettman (1987), Johnson (1984), Park and Smith (1989), and Keller (1993) suggests that share associations can help to specify the range of competition and competitors. However, specific associations that related to any member in the category, which helps to the establishment of "graded structure" (Rosch, Simpson, and Miller, 1976; Smith, Shoben, and Rips, 1974, Boush and Loken, 1991) of the category, will emerge prototypicality, exemplar in that category.

Hem and Hansen suggested that at least five types of category characteristics influence the evaluation of brand extensions: (a) bundling, (b) price consciousness, (c) affective commitment, (d) involvement, and (e) perceived knowledge of the extension category. Later, Hem (2011) made a conclusion of the characteristics observed in recent years' researches: awareness set size and the role of dominant brands in the

extension category (Lehman and Pan, 1994); the number of competitors in the extension category (Smith and Park, 1992); brand quality levels in the extension category (Jun, Mazumdar, and Raj, 1999); the potential for a differentiated brand positioning in the extension category (Sheinin, 1998); variation in offerings across category members (Kardes and Allen, 1991); type of products offered (Smith and Park, 1992); and consumer expertise (Nam and Sterntahl, 2008). Besides, Inman, Winer, and Ferraro (2009) examined the role of four category characteristics, which are coupon usage, in-store displays, category purchase frequency, and the hedonic nature of the category, on in store decision-making. Kushwaha and Shankar (2013) classified product categories by two key characteristics: (1) benefit dimension --- utilitarian (e.g., household appliances) versus hedonic (e.g., luxury products), and (2) perceived risk --- low perceived risk (e.g., FCMG) versus high perceived risk (e.g., health products).

Since there are only limited researches discussing about the characteristics of the brand extensions, it's still a lack of knowledge of the interaction between these characteristics and the consumer attitude. Thus, this paper will mainly focus on the chosen several characteristics of extension category and their impact upon consumers' attitude towards the extension. The characteristics of category will be focused and analyzed in this thesis are:

3. Research

3.1 Research Question

The research question will be: How will the three characteristics of extension category influence consumers' attitude toward brand extension?

The author will focus on the following three extension category characteristics: (1) The role of dominant brands in the extension category, (2) The potential for a differentiated brand positioning in the extension category, (3) The consumer attitude towards the extension category. The reason the author finds these three characteristics interesting is because they can closely and directly connect the three key elements in the research question: brand extension, extension category and consumer attitude in the perspective of brand equity and categorization theory. However, it's not saying that the other elements are not proper, yet also due to the time limitation and the concentration of this thesis.

3.2 Hypothesis

3.1.1 The role of dominate brands in the extension category

The positive relationship between the prototypicality of a category member and the evaluation or attitude associated with it has been proved in many researches of consumer psychology (Loken and Ward, 1990; Carpenter & Nakamoto, 1996; Folkes & Patrick, 2003; Simonin & Ruth, 1998; Veryzer & Hutchinson, 1998). One of the

related reasons is that the more typical a category member is, the greater perceptual fluency it will be involved, which leads to affection. The other reason is that it is more likely for typical category members than atypical category members to have valued attributes. Loken, Barsalou and Joiner (2007) indicated the extent of which a new extension will be categorized as a category member has positive relationship with the perceptual similarity of category prototype and negative relationship with the perceptual similarity of competing category prototypes. It has been approved by categorization researchers that overall affect can be delivered from one object to another (Gilovich 1981; Read 1983). Thus, new category member is inclined to have more shared attributes with typical category members than with atypical category members to gain positive consumer evaluations and attitude (Ward and Loken, 1998; Loken, Barsalou and Joiner (2007).

Since it has been approved that overall affect can be transferred from one object to another by categorization researchers (Gilovich 1981; Read 1983), and that the dominant brand in an extension category will have the same impact on the evaluation process and attitude as the typical product or exemplar in the category do because of dominant brand owns the proto-typicality of the extension category and is likely to be the exemplar of the extension category, consumers are likely to regard the attributes and specific association of this dominant brand as standards when judge and evaluate other brands in this category. Fiske and Pavelchak (1986), Boush and Loken (1997), Loken, Barsalou and Joiner (2007) all mentioned the importance of similarity between the new extension and brand category to the positive attitude formation of

consumers. Moreover, given Collins and Loftus (1975)'s spreading activation model of memory, we believe the more typical a category member is, the closer it is linked to the affect of the category. The schematic fit concept of Fiske (1982)'s indicates that similar affect will occur when the objects are similar. Thus, if the new instance can share the attributes or associations of the dominant brand, which is the exemplar in that category, it will probably acquire the similar affect towards the dominant brand. Consequently, if the new brand extension can share some common attributes with the dominant brand or be considered similar to or in a competitive level to the dominant brand, it will be easier for it to be accepted or liked by the consumers. To be more precise, the author would like to stress that this is only the impact on the likelihood of favorability of the similar extension in the perspective of consumer attitude, but its impact on the practical consumer buying decision and behavior is not sure and need to be explored further in future studies. This is because the prominent brand in the extension category is well accepted and liked by the consumers in the moment; it's generally not easy for them to switch to another selection in many cases even though they might generate positive feelings towards the similar new products. From the above analysis, the author would hypothesize that the perceived similarity between the brand extension and the dominant brand in the extension category has a positive influence on the attitude towards the brand extension.

3.1.2 Potential for a differentiated brand positioning in the extension category

According to Lehmann and Pan (1994), the way that the brand positioned, whether extreme, compromised or closed to other existing brands will influence the possibility of whether the new brand can enter the consideration set of the consumer. The result of this research shows that in certain situation, the brand will be more likely to be in the consideration set if it is less extreme, more compromised and more closed to other existing brands. Besides, Sheinin's research (1997) on positioning strategy for brand extensions indicates that positioning may alter the fit between brand extensions and the two relevant knowledge sources-the parent brand and extension's category and thus is important. Moreover, fit between parent brand and the extension category will influence the importance of positioning effects. However, positioning will have little influence on knowledge formation of brand extensions with low brand-category fit, as fewer categorical inferences and weaker category-derived beliefs will emerge under the condition of low fit. And Sheinim reached the result in the first study of the research that only brand extensions positioned with brand-derived beliefs displayed attitude consistency. Thus, the author makes the third hypothesis that when the parent brand and the extension is fitting each other, the extension positioned consistent with the parent brand attributes will be perceived of higher quality.

However, when there exists a mismatch of parent brand and extension category, the association of parent brand is hardly transferred to the brand extensions, and according to the two-step model presented by Fiske and Pavelchak (1986), which explains the affective response to a new instance: if there exists no match between

them, piecemeal processes will be involved and affect is decided by a weighted combination of attributes (Fiske and Pavelchak, 1986). Moreover, when evaluating brand extensions by combinations of attributes, it comes to the degree of the typicality of them. If the attributes are shared more common feature of the other category, it will be identified as a category member more quickly. And the attributes own typicality of the category, it will more probably acquire similar affect towards the exemplar of the category (Ward and Loken, 1998; Loken, Barsalou and Joiner, 2007); Gilovich 1981; Read 1983; Fiske and Pavelchak, 1986; Boush and Loken, 1997). Thus, the author hypothesizes when the parent brand and the extension don't fit each other, the extension positioned similar to the dominating brand in the extension category will be perceived of higher quality.

3.1.3 The attitude towards extension category

The attitudes and evaluations of the extension are obviously influenced by the relationship between an existing brand category and a new extension (Joiner, 2006). Consumers tend to make use of all the available and relevant information, which related to both parent brand and extension category characteristics (Bristol, 1996), when they evaluate a brand extension (Hem, Iverson and Olsen, 2011). According to Joiner (2006), it is likely that consumers will take the global brand category into account when they evaluate new products introduced with an existing brand as the importance of brand categories is increasing. To be more specific, he pointed out that it is not only the typical products will contribute to the formation of the brand

category representations and consumer evaluations, but also many exemplars and associations of the category will do, too. Hem, Iverson and Olsen (2011) found out that extension category attitude has a positive impact on extension attitude. Moreover, they also found that the extension category attitude is playing a relatively more important role than perceived fit and brand strength. <u>Thus, the author hypothesizes that the consumer attitude towards the extension category will positively influence the consumer attitude towards the extension.</u>

Summary:

1. The perceived similarity between the brand extension and the dominant brand in the extension category has a positive influence on the attitude towards the brand extension.

2a. When the parent brand and the extension is fitting each other, the extension positioned consistent with the parent brand attributes will be perceived of higher quality.

2b. When the parent brand and the extension don't fit each other, the extension positioned similar to the dominating brand in the extension category will be perceived of higher quality.

3. The consumer attitude towards the extension category will positively influence the consumer attitude towards the extension.

4. Methodology

The purpose of this research is to find out how the three characteristics of extension category will influence consumers' attitude toward brand extension. Many of the researches in the past were focusing on the issue such as perceived fit between the parent brand and extension, and the importance of parent brand in extension success, there are not much specific researches on the characteristics of extension category. Thus, this research will be an exploratory study aiming to make a contribution to the development of a complete theoretical framework of the relationship between brand extension and extension category characteristics. The author will conduct a 2 (fit/low fit between the brand and brand extension) x 2 (positioned consistent with the parent brand attributes/dominant brand in the extension category) to gather and analyze the requisite data, using a survey, to reach a solution for the research question. According to Malhotra, Birks and Wills (2013), when a researcher manipulates one or more independent variables and measures their effect on one or more dependent variables, while controlling for the effect of extraneous variables, an experiment is formed. Based on this concept, in this research, the independent variables are the three characteristics of extension category; the dependent variable is the attitude towards brand extensions; the extraneous variables are the brands, descriptions in the survey, etc.

4.1 Stimulus

4.1.1 Real or Fictive Brands

As it is important to have the consumer be familiar with the brands (Aaker, 1990), the author chooses to use real brands. Besides, direct brand experience is likely to generate better parent-brand knowledge, stronger brand associations, and stronger autobiographical memories, which higher level of brand understanding might be resulted and higher level of personal relevance might be generated (Kirmani, Sood, and Bridges, 1999; Völckner and Sattler, 2006). To test the effect that different degree of fit on the positioning strategy, the author has to control the degree of fit. Consequently, hypothetical extensions will easier to control and helpful in the experiments. Thus, the author decided to use real brands and hypothetical extensions.

4.1.2 Choice of brands and extensions

Consequently, the author chose real brands from the following candidates, which are familiar and with high usage rate in daily life. The parent brand candidates are Apple, Samsung, and Sony. The brand extensions will be hypothetical and potential brand extensions of each parent brand are covering the three levels of fit: similar to the current products, moderately different with the current products and extremely different with the current products. Since the three parent brand candidates are all regarded by most consumers as great performers in electronic product producing, the product-related associations of them will be somehow similar. Thus, the author uses three same hypothetical extensions for them.

Table 1

Parent Brand	Brand Extensions
APPLE	Car, sports shoes, fast fashion category
SAMSUNG	Car, sports shoes, fast fashion category
SONY	Car, sports shoes, fast fashion category

4.1.3 Extension Category

The extension categories are including car category, sports shoes category and fast fashion collection category. The fast fashion collection includes products such as apparel, accessories, denim, shoes, bags, jewelry, make-up and so on. These categories are familiar by individuals and are frequently used in daily life, thus more elaborate associations might be attached in consumer's brain.

4.2 Pretest

Pretest is the measurement of the dependent variable prior to the introduction of the stimulus (Pullant, 2011). In the pretest, research participants will be asked about the similarity of given brands, as the brand chosen should be those that the participants are familiar with. Moreover, the brands should be perceived as with good quality, because if not, there is no meaning for the brand to extend as consumers will not have

faith in the extensions (Aaker, 1990). Consumers will be given a small test about their knowledge and attitude about the given products and brands.

4.2.1 Objectives of Pretest

The objectives of the pretests will be: Identify the parent brands and extensions that will be used in the main study; Test consumer knowledge and attitude toward the parent brand and given brands in the extension category; Test consumer knowledge and attitude about the extension category (by asking questions: how well do you like the X category? the perceived overall quality of the category?); Identify the dominant brand in the extension category will be chosen (by asking: which of the following brands do you think is the top brand in the X category?); Identify the perceived fit between the parent brand and the extension category by asking the following: (1) the overall similarity of the brand extensions to the parent brand (1= not similar at all, and 5= vey similar); (2) the perceived ability of the company to make a product in the extension product class (Would the people, facilities, and skills used in making the original product be helpful if the manufacturer were to make the extension product? (1=not helpful at all, 5=very helpful) (3) The relevance of the brand-specific associations in the extension product category (1=not relevant at all, 5=very relevant).

4.2.2 Pretest results

The author used two pretests to find out the appropriate parents brands and extensions that will be used in the main study. There are 24 respondents, students from NHH, participating in the two on-line questionnaires survey. In the first pretest, respondents

were asked about the perception of the given parent brands, which are Apple, Samsung, and Sony. The result shows that Apple is the brand with highest awareness rate and most likable brand among the three brands, as showed in the table below, it gets the highest mean score in each question that regarding to the perception of parent brands. In the second pretest, the respondents are asked about the perceived similarity of Apple and the three hypothetical extensions: cars, sports shoes and fast fashion collections and perceptions of their categories. Pretests results are showed in the following tables. Using the 5-level scale measurement, the author took the average value of all the results regarding to the perceived fit of Apple and the three extensions and found out that car has the highest average mean score (3.18) and sports shoes has the lowest average mean score (2.64). The average mean score of fast fashion collection is 2.69, which is slightly higher than sports shoes. After the extension categories (sports shoes, cars) are elected, the author made a research of the candidate dominant brands in those categories. In car category, according to the latest sales performance (247wallst, 2015), there are 15 candidate brands emerging, which are respectively Toyota, Volkswagen, Ford, Chevrolet, Hyundai, Nissan, Honda, Kia, Renault, Peugeot, Mercedes-Benz, BMW, Audi, Fiat, and Wuling. Among them, Mercedes-Benz got the highest means score (4.82) in the question "How do you agree that the following brand is belonging to the Top 3 in the car market?" In the sports shoes category, by measuring the popularity of the brand among athletes and consumers, there are 10 candidate brands emerging, which are respectively Nike, Adidas, Reebok, Puma, Jordan, Under Armour, Converse, Vans, New Balance, and

FILA. Of all these brands, Nike got the highest mean score (4.82) in the question "How do you agree that the following brand is belonging to the Top 3 in the sports shoes market?" Besides, the result of the Chi square test of relationship between genders and these evaluations shows the p-values are not significant, which means that genders have no impact on the evaluation on the perceived similarity and categories. Moreover, the age issue is not taken into account as the respondents have little difference in ages. Thus, the parent brand and extensions using in the main study will be Apple, car (fit) and sports shoes (unfit); the dominant brands in the car category and sports shoes category are respectively Mercedes-Benz and Nike.

Table 2 Pretest results 1

Means score	Apple	Samsung	Sony
Familiarity	3.57	3.36	2.86
Frequency of usage	3.93	2.64	2.21
Overall evaluation of flagship product	4.5	3.86	3.71
Perceived quality	4.57	3.93	3.93
Likable	4.21	3.71	3.93
Average mean score	**4.156**	3.5	3.328

Table 3 Pretest results 2

Mean score	Cars	Sports shoes	Fast fashion collection
Overall similarity	2.91	2.27	2.64
Perceived PB capability	3.45	3	2.73
Average mean score	**3.18**	**2.64**	2.69

Table 4 Pretest results 3

Statistic	Toyota	Volkswag.	Ford	Chevrolet	Hyundai	Nissan	Honda	Kia	Renault	Peugeot	Mercedes	BMW	Audi	Fiat	Wuling
Mean	3.64	3.4	3.5	2.64	2.09	2.64	2.45	2.18	2.55	2.45	4.82	4.8	4.36	2.64	2.18
Variance	1.45	0.93	1.17	1.25	0.69	1.25	0.87	0.96	1.07	0.47	0.16	0.18	0.85	1.45	0.76
Standard Deviation	1.21	0.97	1.08	1.12	0.83	1.12	0.93	0.98	1.04	0.69	0.4	0.42	0.92	1.21	0.87

Table 5 Pretest results 4

Statistic	Nike	Adidas	Reebok	Puma	Jordan	Under Arm	Converse	Vans	New Balan	FILA
Mean	4.82	4.73	4.1	3.18	3.45	2.73	2.64	2.45	3.45	2.64
Variance	0.16	0.22	1.21	0.76	1.07	0.82	1.45	0.87	1.07	1.05
Standard D	0.4	0.47	1.1	0.87	1.04	0.9	1.21	0.93	1.04	1.03

However, there exist possible limitations in the choice of the parent brand. The parent brand --- Apple, is so famous and popular among consumers, especially young people, that it might be easily spoken highly of and liked subjectively.

4.3 Research design

In this research, the author will conduct a 2 (fit/unfit between the parent brand and extension) x 2 (positioned with parent brand/positioned with the dominant brand in the extension category) x 2 (positive/negative attitude towards the extension category) design to test the three hypotheses to find out how will the three characteristics influence the attitudes towards brand extension. Attitudes toward the brand extension

will be measured by rating scales. Pretests will be conducted to select the appropriate parent brand and hypothetical extensions.

4.3.1 Main study

According to (Malhotra, Birks and Wills, 2013), modifying situations or an ongoing situation that created or entered is called stimulus. The stimulus is the independent variable or a combination of independent variables. In the main study, four questionnaires will be exerted to collect the data. The questionnaires will be distributed to respondents on line. From the questionnaires, the author is intended to find out if the perceived similarity between the extension and the dominant brand in the extension category will have a positive impact on consumer attitude towards the extension. Thus, the control groups will get the information, which includes a cue on some similarities in certain attributes between the extension and the dominant brand. The experimental groups will get information only related to the extension without the comparison with the dominant brand in the extension category. According to the pretest results, the hypothetical extensions: car and sports shoes of Apple, and Mercedes-Benz and Nike, the dominant brands of car and sports shoes category will be used in this part.

An Experimental Group are those who receive the treatment or are exposed to the independent variable under study (Malhotra, Birks and Wills, 2013). The Control Group are those who do not receive the treatment or independent variable under study.

They must be as similar as possible. Description for experimental group will be without any information of Mercedes-Benz/Nike, and only includes the description of extension's attributes. Description for control group will be related with the extension's attributes (e.g. technical aspects, quality, design, etc.,) to Mercedes-Benz/Nike's.

In addition, to find out the answer of hypotheses 2: the positioning strategy of the extension under different degree of fit between the parent brand and the extension, short campaign texts will be given to each group. The four groups will receive the campaign of the Apple car, Apple-Benz car, Apple-Nike sports shoes and Apple sports shoes. Each extension will be respectively positioned by different strategies: cues with Apple attributes, Benz attributes, and Nike attributes. Moreover, questions regarded on the attitude towards the extension category will be asked. Respondents are assigned randomly and asked to evaluate the extensions after reading those texts. In those questionnaires, the consumer attitude will be measured by likeness, perceived quality, and purchase intension with 7-point scale.

In conclusion, the study will go in following stages: There will be 4 groups, with randomly assigned respondents participating.

Table 6 Respondents Groups

Extension product	Groups	Hypothesis 1	Hypothesis 2	Hypothesis 3
Car	Group 1	Natural description	Positioned with Apple	Attitude towards car category
	Group 2	Described with Mercedes-Benz	Positioned with Mercedes-Benz	Attitude towards car category
Sports shoes	Group 3	Natural description	Positioned with Apple	Attitude towards sports shoes
	Group 4	Described with Nike	Positioned with Mercedes-Benz	Attitude towards sports shoes

4.3.2 Participants

The questionnaires were sending out in the Internet, and respondents are mostly adults between 20 to 30 years old, with high education level.

4.3.3 Independent Variables

Independent variables are defined as variables or alternatives, which are manipulated and whose effects are measured and compared (Malhotra, Birks and Wills, 2013). In this research, the independent variables are respectively the three characteristics of

extension category: (1) The role of dominant brands in the extension category, (2) The potential for a differentiated brand positioning in the extension category, (3) The consumer attitude towards the extension category will influence the consumers' attitude toward the brand extension. To be more specific, the independent variables are 1. The similarity between the extension and dominant brand in the extension category; 2. The different positioning strategies; 3. Attitude towards the category. In this part, the mediating variable is the perceived fit between parent brand and extension.

The similarity between the extension and dominant brand in the extension category and the different positioning strategies. The control groups will get the information, which includes cues on some similarities in certain attributes between the extension and the dominant brand. Items will be used is: Overall evaluation of the potential extension relative to existing brands in the extension category: how do you think the extension is sharing some attributes with Mercedes-Benz/Nike? (Very little-very much) (Hem, 2011)

Attitude towards the category: items will be used is: Overall, I am positive towards (brand extension category) products. (Hem, 2011)

4.3.4 Dependent Variables

Dependent variables are defined as the variables, which measure the effect of the independent variables on the test units (Malhotra, Birks and Wills, 2013). In this research, the dependent variable is the attitude towards the hypothetical brand

extensions. Hem (2000) pointed out that when measuring attitudes towards fictive extensions, a parent brand, which is familiar and has existing attitudes by consumers, should be exerted. In the main study, the parent brand Apple is well known and popular among consumers. The consumer attitude will be measured by likable, positive, and purchase intension (Aaker and Keller, 1990).

Likable. Items will be used is "How do you agree with the statement: Overall, I like the extension" (Keller and Aaker, 1992).

Positive. Item will be used is "How do you agree with the statement: Overall, I am very positive towards extension?" (Hem, 2011).

Intension to buy. Item will be used is "How do you agree with the statement: I would like to buy this extension product in the future?" (Aaker and Keller, 1990).

4.3.5 Mediating variable

The perceived fit between the parent brand and extensions is the mediating variable. The perceived fit was tested in the pretest, which indicated that sports shoes has low fit with Apple and car has high fit with Apple relatively.

5. Analysis

5.1 Results

5.1.1 Hypotheses Testing

76 respondents participated in the questionnaire survey and three of them gave incomplete answer. Thus, the total valid number of respondents are 73, 32 of them were in Apple Car group, 41 of them were in Apple sports shoes group. There were 31 male respondents and 42 female respondents. 96% of the respondents are younger than 30 years old. The author sent out the questionnaire by the Internet, using qualtrics.com to design the questionnaire and collected data. In the questionnaire survey, the author used different information in four questionnaires to four groups respectively to compare the results.

Hypothesis 1: **Supported**. The perceived similarity between the brand extension and the dominant brand in the extension category has a positive influence on the attitude towards the brand extension. As the results showed in table 7, when there existed perceived similarity between the extension (Apple sports shoes and Apple car) and the dominant brand (Nike and Benz) in the sports shoes and car category, the mean score of the overall evaluation of the extensions that with the perceived similarity is higher (5>4.79, 4.83>4.47).

Table 7 Overall Evaluation Results of Each Group

Overall evaluation	with/without perceived similarity with dominant brand in the extension category			
	shoes		cars	
	apple+nike	apple alone	apple+benz	apple alone
Min Value	2	1	2	2
Max Value	7	7	7	6
Mean	5	4.79	4.83	4.47
Variance	1.25	1.82	1.79	1.51
Standard Deviation	1.12	1.35	1.34	1.23
Total Responses	17	24	18	17

Hypothesis 2 **Partly supported**. a. When the parent brand and the extension are fitting each other, the extension positioned consistent with the parent brand attributes will be perceived of higher quality. This part of hypothesis 2 is **not** supported. In the situation of fit, which was proved in the pretest, Apple produced car is regarded as a proper extension. However, as the table 8 showed, the mean scores of evaluations (likable, positive and intention to buy) are all higher when the extensions are positioned with mutual attributes with the dominant brand in the extension category (5.13>4.63, 5.47>5.13, 4.33>3.53) instead of positioned with parent brand.

Table 8

Statistic	car positioning					
	likeable		positive		buy	
	apple-benz	apple	apple-benz	apple	apple-benz	apple
Min Value	2	1	2	3	2	1
Max Value	7	6	7	6	7	6
Mean	5.13	4.63	5.47	5.13	4.33	3.53
Variance	1.58	1.32	1.84	1.05	1.52	2.27
Standard Deviation	1.26	1.15	1.36	1.02	1.23	1.51
Total Responses	16	16	15	16	15	15

Hypothesis 2b.When the parent brand and the extension don't fit each other, the extension positioned similar to the dominating brand in the extension category will be perceived of higher quality. This part of hypothesis 2 is **partly** supported. As proved in the pretest, Apple produced sports shoes is not a proper extension as compared to Apple produced car. Table 9 showed that positioned with the Nike has higher mean scores (5.13>4.28, 5.47>4.92) in the terms of likeable and positive. However, in the part of intention to buy, the mean score of positioned with parent brand is slightly higher than positioned with Nike (4.36>4.33).

Table 9

	shoes positioning					
	likeable		positive		buy	
Statistic	apple nike	apple	applenike	apple	applenike	apple
Min Value	2	1	2	1	2	1
Max Value	7	7	7	7	7	7
Mean	**5.13**	**4.28**	**5.47**	**4.92**	**4.33**	**4.36**
Variance	1.58	2.71	1.84	2.74	1.52	2.24
Standard Deviation	1.26	1.65	1.36	1.66	1.23	1.5
Total Responses	16	25	15	25	15	25

Hypothesis 3: The consumer attitude towards the extension category will positively influence the consumer attitude towards the extension. **Supported.** As table 10 showed, attitude toward extension category has positive impact on the attitude toward extension. The correlation between the attitude toward extension category and attitude toward extensions (likable, positive and intention to buy) are respectively 0.491, 0.452, and 0.457. The strength of these correlations is medium, but very close to large, according to Cohen (1988).

Table 10

Correlations between atec and ate		likeable	positive	buy	atec
likeable	Pearson Correlation	1	.665**	.619**	.491**
	Sig. (2-tailed)		.000	.000	.000
	N	71	68	69	71
positive	Pearson Correlation	.665**	1	.596**	.452**
	Sig. (2-tailed)	.000		.000	.000
	N	68	70	68	70
buy	Pearson Correlation	.619**	.596**	1	.457**
	Sig. (2-tailed)	.000	.000		.000
	N	69	68	69	69
atec	Pearson Correlation	.491**	.452**	.457**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	71	70	69	73

**. Correlation is significant at the 0.01 level (2-tailed).

Note: atec=attitude toward extension category; ate=attitude toward extension.

5.1.2 T-Test Results

Table 11 T-Test for Car Group and Sports shoes Group

T-Test for Car and Sports shoes Groups					
ResponseSet		N	Mean	Std. Deviation	Std. Error Mean
likeable	1 sports shoes group	41	4.61	1.547	.242
	2 car group	30	4.67	1.422	.260
positive	1 sports shoes group	40	5.10	1.582	.250
	2 car group	30	5.03	1.273	.232
buy	1 sports shoes group	40	4.30	1.400	.221
	2 car group	29	3.86	1.575	.292

Table 12

Independent Samples Test		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
likeable	Equal variances assumed	.755	.388	-.158	69	.875	-.057	.359	-.774	.660
	Equal variances not assumed			-.160	65.409	.873	-.057	.355	-.765	.651
positive	Equal variances assumed	.561	.456	.189	68	.850	.067	.352	-.636	.769
	Equal variances not assumed			.195	67.627	.846	.067	.341	-.615	.748
buy	Equal variances assumed	1.717	.195	1.217	67	.228	.438	.360	-.280	1.156
	Equal variances not assumed			1.194	56.052	.237	.438	.367	-.297	1.173

An independent-samples t-test was conducted to compare the attitude scores (likeable, positive and buy) for Apple car group and Apple sports shoes group (see table 11 and 12). There was no significant difference in scores for Apple car group (M = 4.67, 5.03, 3.86, SD = 1.422, 1.273, 1.575) and Apple sports shoes group (M = 4.61, 5.1, 4.3) SD = 1.547, 1.582, 1.4); t (69) = -0.158, p =0.875, two-tailed); t (68)= 0.189, p=0.85; t(67)= 1.217, p=0.228. However, two of the means scores of Apple sports shoes (positive, buy) are bigger than those of Apple cars. Moreover, the P value of intention to buy is much closer to the direction of significance than the other two terms.

Table 13 T-Test within Sports shoes Group

T-Test for Apple-Nike sports shoes and Apple sports shoes within Sports shoes Group					
ResponseSet		N	Mean	Std. Deviation	Std. Error Mean
likeable	1 Apple-Nike sports shoes	16	5.13	1.258	.315
	2 Apple sports shoes	24	4.38	1.610	.329
positive	1 Apple-Nike sports shoes	15	5.47	1.356	.350
	2 Apple sports shoes	24	4.96	1.681	.343
buy	1 Apple-Nike sports shoes	15	4.33	1.234	.319
	2 Apple sports shoes	24	4.33	1.523	.311

Table 14

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
likeable	Equal variances assumed	1.795	.188	1.569	38	.125	.750	.478	-.218	1.718
	Equal variances not assumed			1.649	36.925	.108	.750	.455	-.172	1.672
positive	Equal variances assumed	.307	.583	.986	37	.330	.508	.515	-.536	1.552
	Equal variances not assumed			1.037	34.457	.307	.508	.490	-.487	1.504
buy	Equal variances assumed	.338	.565	0.000	37	1.000	0.000	.468	-.947	.947
	Equal variances not assumed			0.000	34.370	1.000	0.000	.445	-.904	.904

An independent-samples t-test was conducted to compare the attitude scores (likeable, positive and buy) within Apple sports shoes group (see table 13 and 14). In the Apple sports shoes group, two sub groups are included: Group 1 is given the information

that Apple cooperated with Nike in producing sports shoes, indicating that the sports shoes will inherit and share some attributes with Nike; the other one is given the information that Apple would produce the sports shoes alone and the sports shoes owns specific Apple associated attributes. There was no significant difference in scores in Apple sports shoes group. For Group 1, M = 5.13, 5.47, 4.33, SD = 1.258, 1.356, 1.234. For Group 2,M =4.38, 4.96, 4.33; SD = 1.61, 1.681, 1.523; t(likable)= 1.569, p(likable)=0.125; t(positive)= 0.986, p(positive)=0.33; t(buy)= 0.00, p(buy)= 1. Although there is no significance in statistics, the direction of the number shows Apple-Nike sports shoes earn better evaluation than Apple sports shoes do. The P value of intention to buy equals 1 as the mean score of it in two groups are the same.

Table 15 T-Test within the Apple car group

T-Test for Apple-Benz car and Apple car within Car Group				
ResponseSet		N	Mean	Std. Deviation	Std. Error Mean
likeable	3 Apple-Benz	15	4.53	1.807	.467
	4 Apple car	16	4.63	1.147	.287
positive	3 Apple-Benz	16	4.88	1.544	.386
	4 Apple car	15	5.07	1.033	.267
buy	3 Apple-Benz	15	4.13	1.598	.413
	4 Apple car	15	3.53	1.506	.389

Table 16 Independent Sample Test

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
								95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
likeable	Equal variances assumed	5.248	.029	-.170	29	.866	-.092	.540	-1.196	1.013
	Equal variances not assumed			-.167	23.454	.869	-.092	.548	-1.224	1.040
positive	Equal variances assumed	2.897	.099	-.403	29	.690	-.192	.475	-1.163	.780
	Equal variances not assumed			-.409	26.315	.686	-.192	.469	-1.155	.772
buy	Equal variances assumed	.136	.715	1.059	28	.299	.600	.567	-.561	1.761
	Equal variances not assumed			1.059	27.902	.299	.600	.567	-.561	1.761

An independent-samples t-test was conducted to compare the attitude scores (likeable, positive and buy) within Apple car group (see table 15 and 16). In the Apple car group, two sub groups are included: Group 3 is given the information that Apple cooperated with Mercedes-Benz in producing car, indicating that the car will inherit and share some attributes with Benz; the other one is given the information that Apple would produce the car alone and the car owns specific attributes There was no significant difference in scores in Apple car group. For Group 3, M = 4.53, 4.88, 4.13, SD = 1.807, 1.544, 1.598. For Group 4,M = 4.63, 5.07, 3.53, SD = 1.147, 1.033, 1.506; t(likable)= -0.167, p(likable)=0.869; t(positive)= -0.403, p(positive)=0.69; t(buy)=1.059, p(buy)=0.299. Again, the P value of intention to buy is very different from the other two terms and much closer to significance.

Table 17 Comparisons of the Attitude Means Score of Each Group:

Compare the mean scores of attitude toward extension of all groups				95% Confidence Interval	
Dependent Variable		Mean	Std. Error	Lower Bound	Upper Bound
likeable	1 group 1	4.917[a]	.337	4.208	5.626
	2 group 2	4.029[a]	.268	3.467	4.592
	3 group 3	4.708[a]	.333	4.008	5.408
	4 group 4	4.773[a]	.329	4.082	5.464
positive	1 group 1	5.217[a]	.228	4.738	5.695
	2 group 2	4.603[a]	.181	4.223	4.983
	3 group 3	4.833[a]	.225	4.361	5.306
	4 group 4	5.000[a]	.222	4.534	5.466
buy	1 group 1	4.233[a]	.378	3.438	5.028
	2 group 2	4.044[a]	.300	3.413	4.675
	3 group 3	4.292[a]	.374	3.506	5.077
	4 group 4	3.500[a]	.369	2.725	4.275
a. Based on modified population marginal mean.					

Note: Group 1: Apple-Nike sports shoes Group; Group 2: Apple sports shoes Group;

Group 3: Apple- Benz car Group; Group 4: Apple car Group

5.1.3 Multivariate tests

This set of multivariate tests of significance will indicate whether there are statistically significant differences among the groups on a linear combination of the dependent variables. There are a number of statistics to choose from (Wilks' Lambda, Hotelling's Trace, Pillai's Trace). One of the most commonly reported statistics is Wilks' Lambda. In this data analysis process, the author used Wilks' Lambda to analyze the statistics (Cohen, 2004).

Table 18 Multivariate Tests

Multivariate Tests[a]							
Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
intercept	Wilks' Lambda	.110	158.494[b]	3.000	59.000	.000	.890
oe	Wilks' Lambda	.422	3.314	18.000	167.362	.000	.250
intercept	Wilks' Lambda	.153	110.920[b]	3.000	60.000	.000	.847
atec	Wilks' Lambda	.617	2.114	15.000	166.035	.011	.149
a. Design: Intercept + oe, intercept + atec							
b. Exact statistic							
c. The statistic is an upper bound on F that yields a lower bound on the significance level.							

A one-way between-groups multivariate analysis of variance was performed to investigate overall evaluation and attitude toward the extension category differences in attitude toward extension (see table 18). Three dependent variables were used: likeable, positive, and intention to buy. The independent variable was respectively overall evaluation and attitude toward extension category. Preliminary assumption testing was conducted to check for normality, linearity, univariate and multivariate outliers, homogeneity of variance covariance matrices, and multicollinearity, with no serious violations noted. There was a statistically significant difference between the

two independent variables and the combined dependent variables, F (oe)= 3.3, p (oe) = 0; F (atec) = 2.114, p (atec) = 0.011.

5.1.4 Regressions

In this research, multiple regressions were used to assess the ability of two control measures (Overall evaluations and attitude towards extension category) to predict attitude towards extension by measuring the three terms: likeable, positive, and intension to buy. Preliminary analyses were conducted to ensure no violation of the assumptions of normality, linearity, multicollinearity and homoscedasticity.

Regression on Likeable

Table 19 Regressions on Likeable 1

<table>
<tr><th colspan="5">Correlations</th></tr>
<tr><th></th><th></th><th>likeable</th><th>oe</th><th>atec</th></tr>
<tr><td>Pearson Correlation</td><td>likeable</td><td>1.000</td><td>.539</td><td>.491</td></tr>
<tr><td></td><td>oe</td><td>.539</td><td>1.000</td><td>.347</td></tr>
<tr><td></td><td>atec</td><td>.491</td><td>.347</td><td>1.000</td></tr>
<tr><td>Sig. (1-tailed)</td><td>likeable</td><td></td><td>.000</td><td>.000</td></tr>
<tr><td></td><td>oe</td><td>.000</td><td></td><td>.001</td></tr>
<tr><td></td><td>atec</td><td>.000</td><td>.001</td><td></td></tr>
<tr><td>N</td><td>likeable</td><td>73</td><td>73</td><td>73</td></tr>
<tr><td></td><td>oe</td><td>73</td><td>73</td><td>73</td></tr>
<tr><td></td><td>atec</td><td>73</td><td>73</td><td>73</td></tr>
</table>

Table 20 Regressions on Likeable 2

<table>
<tr><th colspan="5">Model Summary[b]</th></tr>
<tr><th>Model</th><th>R</th><th>R Square</th><th>Adjusted R Square</th><th>Std. Error of the Estimate</th></tr>
<tr><td>1</td><td>.629[a]</td><td>.396</td><td>.378</td><td>1.172</td></tr>
<tr><td colspan="5">a. Predictors: (Constant), atec, oe</td></tr>
<tr><td colspan="5">b. Dependent Variable: likeable</td></tr>
</table>

Table 21 Regressions on Likeable 3

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.126	2	30.563	22.263	.000[b]
	Residual	93.353	68	1.373		
	Total	154.479	70			
a. Dependent Variable: likeable						
b. Predictors: (Constant), atec, oe						

Table 22 Regressions on Likeable 4

Coefficients[a]													
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.065	.710		.091	.928	-1.352	1.482					
	oe	.486	.116	.420	4.173	.000	.254	.718	.539	.452	.393	.879	1.137
	atec	.424	.123	.345	3.432	.001	.177	.670	.491	.384	.324	.879	1.137
a. Dependent Variable: likeable													

In the first regressions, which focus on the dependent variable -- likeable, both of the independent variables correlate with likeable to a medium degree (0.539 and 0.491 respectively), while the correlation between each of your independent variables is 0.347. The overall evaluation and attitude toward extension category as a whole explaining 39.6% of the variance in likeable, $F (2, 68) = 22.26$, $p = 0$. In this model, the two control measures were statistically significant, with the overall evaluation recording a higher beta value (beta = 0.42, $p = 0$) than the attitude toward extension category (beta = 0.345, $p < .001$).

Regression on Positive

Table 23 Regressions on Positive 1

Correlations				
		positive	oe	atec
Pearson Correlation	positive	1.000	.659	.452
	oe	.659	1.000	.347
	atec	.452	.347	1.000
Sig. (1-tailed)	positive		.000	.000
	oe	.000		.001
	atec	.000	.001	
N	positive	70	70	70
	oe	70	70	70
	atec	70	70	70

Table 24 Regressions on Positive 2

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701[a]	.491	.476	1.048
a. Predictors: (Constant), atec, oe				
b. Dependent Variable: positive				

Table 25 Regressions on Positive 3

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.070	2	35.535	32.360	.000[b]
	Residual	73.573	67	1.098		
	Total	144.643	69			
a. Dependent Variable: positive						
b. Predictors: (Constant), atec, oe						

Table 26 Regressions on Positive 4

Coefficients[a]													
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.379	.640		.592	.556	-.898	1.655					
	oe	.644	.105	.571	6.144	.000	.435	.854	.659	.600	.535	.879	1.137
	atec	.304	.111	.254	2.735	.008	.082	.526	.452	.317	.238	.879	1.137
a. Dependent Variable: positive													

In the second regression, which focuses on the dependent variable -- positive, both of the independent variables correlate with likeable to a medium degree (0.659 and 0.452 respectively), while the correlation between each of your independent variables is 0.347. The overall evaluation and attitude toward extension category as a whole explaining 49.1% of the variance in positive, which is quite high. F (2, 67) = 32.36, p = 0. In this model, the two control measures were statistically significant, with the overall evaluation recording a much higher beta value (beta = 0.571, p = 0) than the attitude toward extension category (beta = 0.254, p < .008).

Regression on Buy

Table 27 Regressions on Buy 1

Correlations		buy	oe	atec
Pearson Correlation	buy	1.000	.480	.457
	oe	.480	1.000	.347
	atec	.457	.347	1.000
Sig. (1-tailed)	buy		.000	.000
	oe	.000		.001
	atec	.000	.001	
N	buy	69	69	69
	oe	69	73	73
	atec	69	73	73

Table 28 Regressions on Buy 2

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571[a]	.326	.305	1.234
a. Predictors: (Constant), atec, oe				
b. Dependent Variable: buy				

Table 29 Regressions on Buy 3

ANOVA[a]		Sum of Squares	df	Mean Square	F	Sig.
Model						
1	Regression	48.548	2	24.274	15.937	.000[b]
	Residual	100.525	66	1.523		
	Total	149.072	68			
a. Dependent Variable: buy						
b. Predictors: (Constant), atec, oe						

Table 30 Regressions on Buy 4

Coefficients[a]		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-.038	.759		-.050	.960	-1.553	1.477					
	oe	.421	.124	.365	3.386	.001	.173	.670	.480	.385	.342	.879	1.137
	atec	.404	.132	.330	3.060	.003	.140	.667	.457	.352	.309	.879	1.137
a. Dependent Variable: buy													

In the third regression, which focuses on the dependent variable -- intention to buy, both of the independent variables correlate with likeable to a medium degree (0.48 and 0.457 respectively), while the correlation between each of your independent variables is 0.347. The overall evaluation and attitude toward extension category as a whole explaining 32.6% of the variance in positive, which is quite high. $F (2, 66) =$ 15.937, $p = 0$. In this model, the two control measures were statistically significant, with the overall evaluation recording a slightly higher beta value (beta = 0.365, $p < .001$) than the attitude toward extension category (beta = 0.33, $p < .003$).

In a conclusion, the term "positive" is influenced by overall evaluation and attitude toward the extension category with a variance of 49.1%, following is "likeable" with a variance of 39.6%, and the last is "buy" with a variance of 32.6%. Within the two independent variables, overall evaluation has a bigger impact on all three terms.

The sports shoes group tends to have higher means scores of attitude than the car group does (see table). This might be because compared to cars, sports shoes are more of FMCG attributes, and young consumers will be more familiar to it and able to give relatively tolerant evaluations. For durable goods, such as cars, consumer will be more cautious and elaborate more thoughts and associations when evaluating it, which leads to lower mean score.

The two independent variables, overall evaluation of extension relative to other brands in the extension category and attitude towards the extension category, both have great impact on the attitude towards the extension category. However, overall evaluation, showed more power in influencing the three terms (likable, positive, and

intension to buy) that measure the attitude towards extension than the attitude towards extension category in this study in the correlation and beta values. That is to say, the perceived similarity between the extension and dominant brands in the extension category, or, the typicality of the extension category that the new extension owns, has a great opportunity to influence the evaluation of the extension. And the attitude toward the extension category has positive relationship with the attitude toward the extension.

The value of the significance in many tests are tending to be big and not showing significance between the variables, for example, the t-test within groups, between groups. This might due to the quantity of the respondents is not enough to show a difference. Because of the time and economic limitation, this can be only fixed in future research. However, classifying the direction of the significance and comparison the different significant value of variables can still do the predictions.

6. Discussion

6.1 Discussions of the Results

The study explores the relationship between the three characteristics (The role of dominate brands in the extension category, positioning strategy under different degrees of fit between parent brand and extension, and attitude towards extension category) of extension category and the attitude towards extension. In this section, the results of the study will be discussed, as well as the theoretical and practical implications of the study will be presented.

The role of dominate brands in the extension category

As predicted, the results of both the car group and sports shoes group supported the first hypothesis that the perceived similarity between extension and dominant brand in the extension category has a positive impact on the attitude towards the extension. The author created different situations for the respondents within each group. Group 1 and Groups 3 both received the message that Apple will collaborate with the dominant brands (Mercedes-Benz, Nike) in the extension category, which means they will share information, techniques and design when producing the extension. The mean scores of overall evaluation of Apple-Nike sports shoes (M=5) and Apple-Benz car (M=4.83) are both bigger than those of Apple sports shoes (M=4.79) and Apple car (M=4.47). The regression results of the overall evaluation of the extension relative to the other brands in the extension category also prove this conclusion. The correlation between the overall evaluation and attitude toward extensions (likable,

positive and intention to buy) are respectively 0.539, 0.659, and 0.48, which are great influence. Moreover, The results of the regression showed that the overall evaluation of extension relative to the other brands in the extension category has the biggest impact on the term of positive (beta=0.571, p = 0), secondly the term of likeable (beta=0.42, p = 0) and thirdly the term of intension to buy (beta= 0.365, p< .001).

The potential for a differentiated brand positioning in the extension category

Positioning strategies should be schemed according to the realistic circumstances. In this study, from the pretests, one fit extension --- Apple car, and one relatively unfit extension --- Apple sports shoes are elected to explore the appropriate positioning strategy. Hypothesis 2a is not supported, which means, it's not always proper to stress on the parent brand attribute-oriented positioning when the perceived fit between the parent brand and extension is high. The term of intension to buy has the biggest difference (0.8) in results compared with the other two terms, likable (0.5) and positive (0.34).

This might be because the association of Mercedes-Benz car is very strong and favorable, however, the association of Apple car is not so strong and stable. The dominant brand in the extension category has much more prototypicality and valued attributes. Hypothesis 2b is partly supported, but only one term (intension to buy) is slightly different with the prediction. This, to a large degree, approves that when the fit between the parent brand and extension is low, the extension should be positioned with the dominant brand in the extension category.

The attitude toward extension category

The attitude toward extension category is proved to be has significant impact on the attitude towards extension. The correlation between the attitude toward extension category and attitude toward extensions (likable, positive and intention to buy) are respectively 0.491, 0.452, and 0.457. The author also exerted regression to find out how much the attitude toward extension can be explained by the attitude toward extension category. The results of the regression showed that the attitude toward extension category has the biggest impact on the term of likable (beta=0.345, p< .001), secondly the term of intension to buy (beta=0.33, p< .003) and thirdly the term positive (beta= 0.254, p< .008).

The results of this study showed that there is a direct linear relationship between the three characteristics of extension category and attitude toward extension, especially the impact of the role of the dominant brand and the attitude towards the extension category. One possible reason for the hypothesis 2 is not completely approved might be related to the strength of the dominant brand in the extension category. Mercedes-Benz and Nike both enjoyed great reputation and brand image, which indicates that their brand associations are strong, favorable and stable. When Apple is introducing new products, regardless of the perceived fit between the parent brand and extension, it's very possible that more convinced and valued associations will emerge with the bundling of dominant brands in that extension category.

From the above result, the importance of brand equity, transferable associations and affection can be seen. When consumers have no any usage experience and enough

information to evaluate the new extension, they need to exert some exiting knowledge in their memories to rely on to evaluate and some standards and criterions that they can use to compare the new extension with the existing brands in the extension category. Dominant brand in an extension category is more likely to have consumers store elaborated associations that are more favorable, unique and stronger in the brain. Besides, it has been approved by categorization researchers that overall affect can be delivered from one object to another (Gilovich 1981; Read 1983). Thus, those shared nature and attributes with a dominant brand in the extension category realized by the collaboration between the extension and dominant brand, which helps to the transferal of overall affect, can provide consumers with clues and direction to form, probably, positive global associations of the new extension.

Besides, according to the categorization theory, greater feature overlap with common features of the category is thought to improve a category member's prototypicality. Many prior researches indicated that the similarity or match between the representation of the brand category and the representation of the new brand extension is heavily influencing the extent of the category inferences (Loken, 2008; Fiske, 1982; Wright, 1976; Sujan, 1985). Thus, if linked to and equipped perceived similarity with dominant brand in a category, which owns the most representative features and characters of the category (Barsalou 1985; Mervis and Rosch 1981; Loken 1991), similar affect will occur in the extension (Fiske, 1982). This was also proved previously by Collins and Loftus (1975)'s spreading activation model of memory – the more typical a category member is, the closer it is linked to the affect

of the category. Consequently, this again, approved that the overall prototypicality is important when introducing new products.

Moreover, brand category is becoming increasing important and brand category associations will contribute to the formation of the brand category representations (Joiner, 2006). Besides, consumers tend to make use of all the available and relevant information, which related to both parent brand and extension category characteristics (Bristol, 1996). Thus, consumers are likely to take the global category association and affection into account when they evaluate. Accordingly, the attitude towards the brand category will influence the attitude towards extension.

6.2 Theoretical contribution

Previous research about the attitude towards extension is mostly focusing on the topics of perceived quality and brand equity of parent brand, perceived fit/similarity between parent brand and extensions. However, there are not many researches on the relationship between characteristics of extension category and extension. This study is concentrated on exploring the impact of three specific characteristics of extension category on the attitude towards extensions and making contribution to the building of a more completed theoretical system of extension evaluation.

Firstly, the study investigates the role of dominant brand in the extension category can make a significant difference on the evaluation of the extension. Based on the categorization theory, the overall affect can be delivered from one object to another

(Gilovich 1981; Read 1983). According to Collins and Loftus (1975)'s spreading activation model of memory, the typicality of a category member has a positive impact on the link of affect of the category. Moreover, greater feature overlap with common features of the category is thought to improve a category member's prototypicality. Dominant brand of an extension category, inherit the typicality and common features of one category, should play an important role. In this study, the author used the term of perceived similarity between the extension and dominant brand in the extension category to prove this characteristic is of significance in the consumer evaluation of extension. And the result supported this view. The consumers, who are told Apple car and Apple sports shoes share human resource, techniques, and information with Mercedes-Benz and Nike, have better attitude towards the extension than the consumers who are not told so. This, in the mean time, indicates that creating the perceived similarity between the extension and dominant brands is a way of leveraging the dominant brands' equity. As brand can be regarded as category, the brand equity might also be regarded as category equity, which will be made of all the brands' equity in this category. This could be discussed more thoroughly in future studies.

Secondly, the study investigates the proper positioning strategy should be used under different situations. As mentioned in the last paragraph, typicality of extension to the category and perceived similarity between extension and dominant brand in the extension category contributes to the positive consumer attitude towards extension, the author suggested when there is no or the fit between parent brand and extension is

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low, the feature and attributes of extension should be connected to the dominant brand in the extension category. The results of hypothesis 2b are partly supported this hypothesis by showing that the dominant brand oriented positioning helped in improving the likable and positive attitude towards the extension. According to Völckner and Sattler (2006), parent brand characteristics, which is made of quality (strength) of the brand, history of previous brand equity, parent brand conviction and parent brand experience, have great impact on the success of brand extension. Moreover, the perceived similarity between parent brand and extension is a significant factor of extension success. Thus, the author hypothesizes that when the fit is high, extensions should be positioned with the attributes of parent brand. However, in this study, the statistics failed to prove it and indicated that the dominant brand oriented positioning works better than parent brand oriented positioning in both fit and unfit situations. This might indicate that in some certain situation, the typical category representation might be more important than parent brand equity in influencing the attitude toward new extensions. As mentioned in the last paragraph, leveraging dominant brands' equity might be a good way to increase typical category representation and develop positive associations. But future studies should explore deeper in this, using more various types of brands and categories

Thirdly, according to Joiner (2006), consumers are likely to take the global brand category, which includes many typicality and specific associations of the category, into account when they evaluate new products introduced with an existing brand as the importance of brand categories is increasing. This study proved that the attitude

towards the extension category has positive influence in the attitude towards extension, consistent with previous studies (Leif, Iverson, and Olson, 2011) on this topic. The statistics showed that the attitude towards the extension category has positive in all three terms (likeable, positive, intension to buy) that used to measure attitude. Thus, the importance of attitude towards the extension category is strengthened. This also proves that the brand category concept is deeply rooted in the consumer evaluation process.

6.3 Managerial Implication

This study investigates the impact of the three characteristics of extension category on attitude towards extension, providing managers different angles and complementing their consideration sets. As the dominant brand in the extension category can bring about many positive effects, managers should take advantage of this by create relationship between extension and the dominant brand. This can be achieved by strategies as cooperation, co-branding, and etc.

When choosing positioning strategy, managers can consider taking advantage the brand equity of the dominant brand in the extension category, even under different perceived fit between parent brand and extensions. Leveraging the brand equity of both parent brand and dominant brand and take full advantage of them will maximize the brands values and increase the extension acceptance. However, attributes and image of parent brand should not be left behind.

It is always important to evaluate the attitude towards the extension category when making decisions of entering it. As the global feature and image of the extension category will also be part of the evaluation of the extension, the attitude towards the extension category can both support and harm the evaluation of the extensions. Thus, negatively-speaking categories is of high risk and should be avoided as possible.

7. Limitations and Future Research

7.1 Reliability

Due to the time and financial limitation, there might existed some limitations in the main study. Firstly, the number of respondents are 76, which is quite small and limited the validity of the result, for example, many P-values in the t-test are all very high and beyond 0.05. Besides, most of the respondents are college students, facing the questions regarding Apple car, Apple-Benz car, they might give answers which has no usage experience base, which is inconsistent with the principle that the brand should be relevant for the respondents (Aaker and Keller, 1990).

Secondly, the choice of parent brands and dominant brand in the extension category are all brands that own great brand equity and popularity among consumers. The favorable and strength of the associations of those brands, in one hand, help consumers to preceed deep elaboration and evaluation; on the other hand, will create obstacles for relatively objective judgments due to the personal preference.

Thirdly, the degree of fit between the parent brand and extensions in this study is based on the relative level, which should be more accurate. In the pretests, among cars, sports shoes, and fast fashion collections, the difference of the mean scores between sports shoes and fast fashion collections is very small. Thus, a clearer standard to tell the degree of fit should be exerted. The degree of fit between car and sports shoes and Apple is slightly vague, which might give rise to the failure of hypothesis 2a, and partly 2b.

Fourthly, due to time limitation, only three characteristics of extension category have been discussed in this research, that is not enough the complete the whole theoretical system of the relationship between them.

7.2 Future Studies

Consequently, the future research on this topic should guarantee the validity of data, which includes the proper amount of respondents, whether respondents have enough knowledge or experience to answer the questions and the choice of brands.

The choice of brand should balance the advantages and disadvantages and maximize the precision of the tests. Thus, the positioning strategy under different degree of fit should be dig deeper and more widely. When planning out the positioning strategy, the researcher should take as many realistic factors as possible into consideration.

In addition, since it is still lacking researches on the relationship between characteristics of extension category and extension, uncompleted parts should be added. More characteristics of extension category should be explored and analyzed in the future.

7.3 Conclusion

Brand extensions, in the last few decades, have becoming the most widely taken strategy by various companies to launch new products. However, the success of the strategy is not always guaranteed and sometimes, quite risky. Thus, the success

factors of brand extension, which stem from many different aspects, turn into a very interesting and important topic for managers and companies to consider in the decision making process. In this thesis, the author focused on the extension category characteristics, which could be important driving factors of extension success. To be more specific, the thesis is aiming to find out whether the three extension category characteristics, which are respectively (1) the role of dominant brands in the extension category; (2) the potential for a differentiated brand positioning in the extension category, (3) the consumer attitude towards the extension category, have impact on consumer attitude towards brand extension. The author proposed the hypothesis mainly based on the parent brand equity theory, categorization theory, and prototypicality theory. The results of the experiment indicated that the perceived similarity between the extension and dominant brand in the extension category and attitude towards extension category has positive influence on the attitude towards brand extension, and dominant brand oriented positioning strategy is more effective than parent brand oriented positioning in extension positioning in both high and low perceived fit between parent brand and extension situations. These results provide new knowledge with extension category characteristics and enrich content of the framework of the relationship between brand extension and extension category. Meanwhile, the results provide strategic implications and practical guidance in brand extension decision and marketing for brand managers.

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Appendix

Appendix A1 --- Pretest

Appendix A1 --- Questionnaire from Pretest 1

Q1 How much are you familiar with the following brand?

	None	Some	Quite a Bit	An Extreme Amount	All
Apple	○	○	○	○	○
Samsung	○	○	○	○	○
Sony	○	○	○	○	○

Q2 How often do you use the products from the following brands?

	Never	Rarely	Sometimes	Quite Often	Very Often
Apple	○	○	○	○	○
Samsung	○	○	○	○	○
Sony	○	○	○	○	○

Q3 How do you rate the overall quality of the flagship product of the following three

brands?

	Very Bad	Bad	Neither Good nor Bad	Good	Very Good
Apple	O	O	O	O	O
Samsung	O	O	O	O	O
Sony	O	O	O	O	O

Q4 How do you agree that the following brand offers high-quality products?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Apple	O	O	O	O	O
Samsung	O	O	O	O	O
Sony	O	O	O	O	O

Q5 How do you agree that the following brand is a likable brand?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Apple	❍	❍	❍	❍	❍
Samsung	❍	❍	❍	❍	❍
Sony	❍	❍	❍	❍	❍

Q6 How do you rate the overall similarity of the following products to Apple?

	Poor	Fair	Good	Very Good	Excellent
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collections	❍	❍	❍	❍	❍

Q7 How do you agree that the people, facilities, and skills that Apple owns will be helpful if it were to produce the following product?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collection	❍	❍	❍	❍	❍

Q8 How do you rate the overall similarity of the following products to Samsung?

	Poor	Fair	Good	Very Good	Excellent
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collection	❍	❍	❍	❍	❍

Q9 How do you agree that the people, facilities, and skills that Samsung owns will be helpful if it were to produce the following product?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collection	❍	❍	❍	❍	❍

Q10 How do you rate the overall similarity of the following products to Sony?

	Poor	Fair	Good	Very Good	Excellent
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collection	❍	❍	❍	❍	❍

Q11 How do you agree that the people, facilities, and skills that Sony owns will be helpful if it were to produce the following product?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collection	❍	❍	❍	❍	❍

Appendix A2

Q1 What is your gender?

❍ Male

❍ Female

Q2 Imagine Apple will produce the following products. How do you rate the overall similarity of the following product to Apple?

	Poor	Fair	Good	Very Good	Excellent
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collections	❍	❍	❍	❍	❍

Q3 How do you agree that the people, facilities, and skills that Apple owns will be helpful if it were to produce the following product?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Car	O	O	O	O	O
Sports shoes	O	O	O	O	O
Fast fashion collection	O	O	O	O	O

Q4 Imagine Samsung will produce the following products. How do you rate the overall similarity of the following product to Samsung?

	Poor	Fair	Good	Very Good	Excellent
Car	O	O	O	O	O
Sports shoes	O	O	O	O	O
Fast fashion collections	O	O	O	O	O

Q5 How do you agree that the people, facilities, and skills that Samsung owns will be helpful if it were to produce the following product?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Car	○	○	○	○	○
Sports shoes	○	○	○	○	○
Fast fashion collection	○	○	○	○	○

Q6 Imagine Sony will produce the following products. How do you rate the overall similarity of the following product to Sony?

	Poor	Fair	Good	Very Good	Excellent
Car	○	○	○	○	○
Sports shoes	○	○	○	○	○
Fast fashion collections	○	○	○	○	○

Q7 How do you agree that the people, facilities, and skills that Sony owns will be helpful if it were to produce the following product?

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collection	❍	❍	❍	❍	❍

Q8 How well do you like the following product categories?

	Dislike Extremely	Dislike Very Much	Neither Like nor Dislike	Like Very Much	Like Extremely
Car	❍	❍	❍	❍	❍
Sports shoes	❍	❍	❍	❍	❍
Fast fashion collections	❍	❍	❍	❍	❍

Q9 How likely are you to buy products from the following product categories?

	Very Unlikely	Unlikely	Undecided	Likely	Very Likely
Car	○	○	○	○	○
Sports shoes	○	○	○	○	○
Fast fashion collections	○	○	○	○	○

Q10 How do you rate the overall   quality of the products in the following categories?

	Poor	Fair	Good	Very Good	Excellent
Car	○	○	○	○	○
Sports shoes	○	○	○	○	○
Fast fashion collections	○	○	○	○	○

Q11 How do you agree that the following brand is belonging to the Top 3 in the car market?

	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree
Toyota	❍	❍	❍	❍	❍
Volkswagen	❍	❍	❍	❍	❍
Ford	❍	❍	❍	❍	❍
Chevrolet	❍	❍	❍	❍	❍
Hyundai	❍	❍	❍	❍	❍
Nissan	❍	❍	❍	❍	❍
Honda	❍	❍	❍	❍	❍
Kia	❍	❍	❍	❍	❍
Renault	❍	❍	❍	❍	❍
Peugeot	❍	❍	❍	❍	❍
Mercedes-Benz	❍	❍	❍	❍	❍
BMW	❍	❍	❍	❍	❍
Audi	❍	❍	❍	❍	❍
Fiat	❍	❍	❍	❍	❍
Wuling	❍	❍	❍	❍	❍

Q12 How do you agree that the following brand is belonging to the Top 3 in the sports shoes market?

	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree
Nike	❍	❍	❍	❍	❍
Adidas	❍	❍	❍	❍	❍
Reebok	❍	❍	❍	❍	❍
Puma	❍	❍	❍	❍	❍
Jordan	❍	❍	❍	❍	❍
Under Armour	❍	❍	❍	❍	❍
Converse	❍	❍	❍	❍	❍
Vans	❍	❍	❍	❍	❍
New Balance	❍	❍	❍	❍	❍
FILA	❍	❍	❍	❍	❍

Q13 How do you agree that the following brand is belonging to the Top 3 in the fast

fashion collections market?

	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree
H&M	◯	◯	◯	◯	◯
Gap	◯	◯	◯	◯	◯
Uniqio	◯	◯	◯	◯	◯
Esprit	◯	◯	◯	◯	◯
Calvin Klein	◯	◯	◯	◯	◯
Zara	◯	◯	◯	◯	◯
Lacoste	◯	◯	◯	◯	◯
Mango	◯	◯	◯	◯	◯
Old Navy	◯	◯	◯	◯	◯
Ralph Lauren	◯	◯	◯	◯	◯

Appendix B – Main Study

Appendix B1 – questionnaire from Apple-Benz car

Q1 What's your gender?

○ Male

○ Female

Q2 What's your age?

❑ 20-25

❑ 26-30

❑ 31-35

❑ 36-40

❑ over 40

Q3 Apple is going to collaborate with Mercedes-Benz and launch electric-powered car! Embedded by Apple's more robust R&D spending in the energy density/battery life area and Mercedes-Benz's existing world-class professional car-manufacturing knowledge, Apple electric-powered car is likely to provide consumers brand new driving experience. Now you can experience, connect and share more while your driving. Based on the above information, could you rate your overall evaluation of the Apple car relative to other existing brands in car market?

	1	2	3	4	5	6	7
overall evaluation of the Apple car relative to existing brands in the car category	○	○	○	○	○	○	○

Q4 The innovative quality of the collaboration with Mercedes-Benz will fascinate you! Mixed with the "intelligent drive" philosophy and the formula for efficiency from

Mercedes-Benz, the Apple car will be another unique combination of technique and

aesthetics that is going to redefine a car.

Based on the above information, do you agree with the following statement?

	1	2	3	4	5	6	7
Overall, I like Apple car. I am positive towards the overall quality of Apple car. I would like to buy Apple car in the future.							

Q5 What attitude do you have towards car category?

	1	2	3	4	5	6	7
Overall attitude towards car category	○	○	○	○	○	○	○

Appendix B2 – questionnaire from Apple car

Q1 What's your gender?

❍ Male

❍ Female

Q2 What's your age?

❑ 20-25

❑ 26-30

❑ 31-35

❑ 36-40

❑ over 40

Q3 Apple is going to launch electric-powered car! Embedded by Apple's existing knowledge domain and more robust R&D spending in the energy density/ battery life area, Apple's electric-powered car is likely to provide consumers different driving experience and a greener life. Moreover, based on Apple's existing product line, Apple-produced car will also integrate deeply with the iOS system. Apple software that takes full advantage of the latest Wi‑Fi and Bluetooth wireless technology will be also applied in Apple car. Now you can experience, connect and share more while your driving. Based on the above information, could you rate your overall evaluation of the Apple car relative to existing brands in the car category?

	1	2	3	4	5	6	7
overall evaluation of the Apple car relative to existing brands in the car category	○	○	○	○	○	○	○

Q4 Apple car is another unique innovation that will change your life. Not only the cutting-edge battery science and technology will make the car experience safe and convenient, and the typical elegant Apple-design, but the feature of the car will help you reach a perfect balance between enjoying your personal life and caring the nature.

Based on the above information, do you agree with the following statement?

	1	2	3	4	5	6	7
Overall, I like Apple car.	○	○	○	○	○	○	○
I am positive towards the overall quality of Apple car.	○	○	○	○	○	○	○
I would like to buy Apple car in the future.	○	○	○	○	○	○	○

Q5 What attitude do you have towards car category?

	1	2	3	4	5	6	7
Overall attitude towards car category	○	○	○	○	○	○	○

Appendix B3 – questionnaire from Apple-Nike sports shoes

Q1 What's your gender?

○ Male

○ Female

Q2 What's your age?

❑ 20-25

❑ 26-30

❑ 31-35

❑ 36-40

❑ over 40

Q3 Apple is collaborating with Nike to launch Apple sports shoes. Nike and Apple's R&D have been working together on the design of a new and unique sports shoes, which will be more intelligent and comfortable than ever. Embedded the cutting-edge sports shoes manufacturing skills of Nike, and Apple's genius in software and sensors, this Apple sports shoes will bring about you a better training and exercising experience. Based on the above information, could you rate your overall evaluation of the Apple sports shoes relative to existing brands in the sports shoes market?

	1	2	3	4	5	6	7
overall evaluation of the Apple sports shoes relative to existing brands in the sports shoes category	○	○	○	○	○	○	○

Q4 Under the continuing and expanding collaboration between Nike and Apple, the Apple sports shoes inherit all the advanced health and fitness technologies of these two brands. Especially Nike's expertise in sports shoes manufacturing will provide quality guarantee for Apple's sports shoes.

Based on the above information, do you agree with the following statement?

	1	2	3	4	5	6	7
Overall, I like Apple sports shoes.	❍	❍	❍	❍	❍	❍	❍
I am positive towards the overall quality of Apple sports shoes.	❍	❍	❍	❍	❍	❍	❍
I would like to buy Apple sports shoes in the future.	❍	❍	❍	❍	❍	❍	❍

Q5 What attitude do you have towards sports shoes category?

	1	2	3	4	5	6	7
Overall attitude towards sports shoes category	O	O	O	O	O	O	O

Appendix B4 – questionnaire from Apple sports shoes

Q1 What's your gender?

○ Male

○ Female

Q2 What's your age?

❑ 20-25

❑ 26-30

❑ 31-35

❑ 36-40

❑ over 40

Q3 Apple is going to launch sports shoes. Recently, Apple's R&D has been making efforts in sports shoes, aiming to design unique Apple sports shoes that satisfy consumers with both quality and style. Rooted in Apple's philosophy, ergonomic and aesthetic design of the sports shoes will definitely deliver efficient and comfortable training and wearing experience to consumers. Besides, Apple sports shoes will be more intelligent than the other existing sports shoes in the market, as the sensors used in Apple's sports shoes can wirelessly communicate exercise information to the iPod nano and other Apple devices, which help you to make a better personal health record.

(Please answer question 3 and 4 based on this piece of information.) Could you rate your overall evaluation of the Apple sports shoes relative to other existing brands in the sports shoes market?

	1	2	3	4	5	6	7
Overall evaluation of the Apple sports shoes relative to other existing brands in the sports shoes market	❍	❍	❍	❍	❍	❍	❍

Q4 Apple sports shoes are going to bring about another revolution in sports shoes category. The application and integration of high-tech in sensors make the sports shoes more intelligent and attractive than ever. A better training and exercising experience will be acquired by consumers. Based on the above information, do you agree with the following statement?

	1	2	3	4	5	6	7
Overall, I like Apple sports shoes.	❍	❍	❍	❍	❍	❍	❍
I am positive towards the overall quality of Apple sports shoes.	❍	❍	❍	❍	❍	❍	❍
I would like to buy Apple sports shoes in the future.	❍	❍	❍	❍	❍	❍	❍

Q5 What attitude do you have towards sports shoes category?

	1	2	3	4	5	6	7
Overall attitude towards sports shoes category	❍	❍	❍	❍	❍	❍	❍

Table 1 - Choice of extensions

Parent Brand	Brand Extensions
APPLE	Car, sports shoes, fast fashion category
SAMSUNG	Car, sports shoes, fast fashion category
SONY	Car, sports shoes, fast fashion category

Table 2 Pretest result 1

Means score	Apple	Samsung	Sony
Familiarity	3.57	3.36	2.86
Frequency of usage	3.93	2.64	2.21
Overall evaluation of flagship product	4.5	3.86	3.71
Perceived quality	4.57	3.93	3.93
Likable	4.21	3.71	3.93
Average mean score	**4.156**	3.5	3.328

Table 3 Pretest results 2

Mean score	Cars	Sports shoes	Fast fashion collection
Overall similarity	2.91	2.27	2.64
Perceived PB capability	3.45	3	2.73
Average mean score	**3.18**	**2.64**	2.69

Table 4 Pretest results 3

Statistic	Toyota	Volkswagen	Ford	Chevrolet	Hyundai	Nissan	Honda	Kia	Renault	Peugeot	Mercedes	BMW	Audi	Fiat	Wuling
Mean	3.64	3.4	3.5	2.64	2.09	2.64	2.45	2.18	2.55	2.45	4.82	4.8	4.36	2.64	2.18
Variance	1.45	0.93	1.17	1.25	0.69	1.25	0.87	0.96	1.07	0.47	0.16	0.18	0.85	1.45	0.76
Standard Deviation	1.21	0.97	1.08	1.12	0.83	1.12	0.93	0.98	1.04	0.69	0.4	0.42	0.92	1.21	0.87

Table 5 Pretest results 4

Statistic	Nike	Adidas	Reebok	Puma	Jordan	Under Armour	Converse	Vans	New Balance	FILA
Mean	4.82	4.73	4.1	3.18	3.45	2.73	2.64	2.45	3.45	2.64
Variance	0.16	0.22	1.21	0.76	1.07	0.82	1.45	0.87	1.07	1.05
Standard D	0.4	0.47	1.1	0.87	1.04	0.9	1.21	0.93	1.04	1.03

Table 6 Respondents Groups

Extension product	Groups	Hypothesis 1	Hypothesis 2	Hypothesis 3
Car	Group 1	Natural description	Positioned with Apple	Attitude towards car category
	Group 2	Described with Mercedes-Benz	Positioned with Mercedes-Benz	Attitude towards car category
Sports shoes	Group 3	Natural description	Positioned with Apple	Attitude towards sports shoes
	Group 4	Described with Nike	Positioned with Mercedes-Benz	Attitude towards sports shoes

Table 7 Overall Evaluation Results of Each Group

Overall evaluation	with/without perceived similarity with dominant brand in the extension category			
	shoes		cars	
	apple+nike	apple alone	apple+benz	apple alone
Min Value	2	1	2	2
Max Value	7	7	7	6
Mean	5	4.79	4.83	4.47
Variance	1.25	1.82	1.79	1.51
Standard Deviation	1.12	1.35	1.34	1.23
Total Responses	17	24	18	17

Table 8 Results of Car Positioning

| | car positioning | | | | | |
| | likeable | | positive | | buy | |
Statistic	apple-benz	apple	apple-benz	apple	apple-benz	apple
Min Value	2	1	2	3	2	1
Max Value	7	6	7	6	7	6
Mean	**5.13**	**4.63**	**5.47**	**5.13**	**4.33**	**3.53**
Variance	1.58	1.32	1.84	1.05	1.52	2.27
Standard Deviation	1.26	1.15	1.36	1.02	1.23	1.51
Total Responses	16	16	15	16	15	15

Table 9 Results of Sports Shoes Positioning

| | shoes positioning | | | | | |
| | likeable | | positive | | buy | |
Statistic	apple nike	apple	applenike	apple	applenike	apple
Min Value	2	1	2	1	2	1
Max Value	7	7	7	7	7	7
Mean	**5.13**	**4.28**	**5.47**	**4.92**	**4.33**	**4.36**
Variance	1.58	2.71	1.84	2.74	1.52	2.24
Standard Deviation	1.26	1.65	1.36	1.66	1.23	1.5
Total Responses	16	25	15	25	15	25

Table 10 Correlation between Attitude towards Extension Category and Attitude towards Extension

Correlations between atec and ate		likeable	positive	buy	atec
likeable	Pearson Correlation	1	.665**	.619**	.491**
	Sig. (2-tailed)		.000	.000	.000
	N	71	68	69	71
positive	Pearson Correlation	.665**	1	.596**	.452**
	Sig. (2-tailed)	.000		.000	.000
	N	68	70	68	70
buy	Pearson Correlation	.619**	.596**	1	.457**
	Sig. (2-tailed)	.000	.000		.000
	N	69	68	69	69
atec	Pearson Correlation	.491**	.452**	.457**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	71	70	69	73
**. Correlation is significant at the 0.01 level (2-tailed).					

Note: atec=attitude toward extension category; ate=attitude toward extension.

Table 11 T-Test for Car Group and Sports shoes Group

T-Test for Car and Sports shoes Groups		N	Mean	Std. Deviation	Std. Error Mean
ResponseSet					
likeable	1 sports shoes group	41	4.61	1.547	.242
	2 car group	30	4.67	1.422	.260
positive	1 sports shoes group	40	5.10	1.582	.250
	2 car group	30	5.03	1.273	.232
buy	1 sports shoes group	40	4.30	1.400	.221
	2 car group	29	3.86	1.575	.292

Table 12 Independent Sample Test

Independent Samples Test		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper
likeable	Equal variances assumed	.755	.388	-.158	69	.875	-.057	.359		-.774	.660
	Equal variances not assumed			-.160	65.409	.873	-.057	.355		-.765	.651
positive	Equal variances assumed	.561	.456	.189	68	.850	.067	.352		-.636	.769
	Equal variances not assumed			.195	67.627	.846	.067	.341		-.615	.748
buy	Equal variances assumed	1.717	.195	1.217	67	.228	.438	.360		-.280	1.156
	Equal variances not assumed			1.194	56.052	.237	.438	.367		-.297	1.173

Table 13 T-Test within Sports shoes Group

T-Test for Apple-Nike sports shoes and Apple sports shoes within Sports shoes Group		N	Mean	Std. Deviation	Std. Error Mean
ResponseSet					
likeable	1 Apple-Nike sports shoes	16	5.13	1.258	.315
	2 Apple sports shoes	24	4.38	1.610	.329
positive	1 Apple-Nike sports shoes	15	5.47	1.356	.350
	2 Apple sports shoes	24	4.96	1.681	.343
buy	1 Apple-Nike sports shoes	15	4.33	1.234	.319
	2 Apple sports shoes	24	4.33	1.523	.311

Table 14 T-Test within Sports shoes Group

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
likeable	Equal variances assumed	1.795	.188	1.569	38	.125	.750	.478	-.218	1.718
	Equal variances not assumed			1.649	36.925	.108	.750	.455	-.172	1.672
positive	Equal variances assumed	.307	.583	.986	37	.330	.508	.515	-.536	1.552
	Equal variances not assumed			1.037	34.457	.307	.508	.490	-.487	1.504
buy	Equal variances assumed	.338	.565	0.000	37	1.000	0.000	.468	-.947	.947
	Equal variances not assumed			0.000	34.370	1.000	0.000	.445	-.904	.904

Table 15 T-Test within the Apple car group

T-Test for Apple-Benz car and Apple car within Car Group					
ResponseSet		N	Mean	Std. Deviation	Std. Error Mean
likeable	3 Apple-Benz	15	4.53	1.807	.467
	4 Apple car	16	4.63	1.147	.287
positive	3 Apple-Benz	16	4.88	1.544	.386
	4 Apple car	15	5.07	1.033	.267
buy	3 Apple-Benz	15	4.13	1.598	.413
	4 Apple car	15	3.53	1.506	.389

Table 16 Independent Sample Test

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
likeable	Equal variances assumed	5.248	.029	-.170	29	.866	-.092	.540	-1.196	1.013
	Equal variances not assumed			-.167	23.454	.869	-.092	.548	-1.224	1.040
positive	Equal variances assumed	2.897	.099	-.403	29	.690	-.192	.475	-1.163	.780
	Equal variances not assumed			-.409	26.315	.686	-.192	.469	-1.155	.772
buy	Equal variances assumed	.136	.715	1.059	28	.299	.600	.567	-.561	1.761
	Equal variances not assumed			1.059	27.902	.299	.600	.567	-.561	1.761

Table 17 Comparison of the Attitude Means Score of Each Group

Compare the mean scores of attitude toward extension of all groups					
				95% Confidence Interval	
Dependent Variable		Mean	Std. Error	Lower Bound	Upper Bound
likeable	1 group 1	4.917[a]	.337	4.208	5.626
	2 group 2	4.029[a]	.268	3.467	4.592
	3 group 3	4.708[a]	.333	4.008	5.408
	4 group 4	4.773[a]	.329	4.082	5.464
positive	1 group 1	5.217[a]	.228	4.738	5.695
	2 group 2	4.603[a]	.181	4.223	4.983
	3 group 3	4.833[a]	.225	4.361	5.306
	4 group 4	5.000[a]	.222	4.534	5.466
buy	1 group 1	4.233[a]	.378	3.438	5.028
	2 group 2	4.044[a]	.300	3.413	4.675
	3 group 3	4.292[a]	.374	3.506	5.077
	4 group 4	3.500[a]	.369	2.725	4.275
a. Based on modified population marginal mean.					

Note: Group 1: Apple-Nike sports shoes Group; Group 2: Apple sports shoes Group;

Group 3: Apple- Benz car Group; Group 4: Apple car Group

Table 18 Multivariate tests

Multivariate Tests[a]							
Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
intercept	Wilks' Lambda	.110	158.494[b]	3.000	59.000	.000	.890
oe	Wilks' Lambda	.422	3.314	18.000	167.362	.000	.250
intercept	Wilks' Lambda	.153	110.920[b]	3.000	60.000	.000	.847
atec	Wilks' Lambda	.617	2.114	15.000	166.035	.011	.149
a. Design: Intercept + oe, intercept + atec							
b. Exact statistic							
c. The statistic is an upper bound on F that yields a lower bound on the significance level.							

Table 19 Regression on Likeable 1

Correlations		likeable	oe	atec
Pearson Correlation	likeable	1.000	.539	.491
	oe	.539	1.000	.347
	atec	.491	.347	1.000
Sig. (1-tailed)	likeable		.000	.000
	oe	.000		.001
	atec	.000	.001	
N	likeable	73	73	73
	oe	73	73	73
	atec	73	73	73

Table 20 Regression on Likeable 2

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.629[a]	.396	.378	1.172

a. Predictors: (Constant), atec, oe
b. Dependent Variable: likeable

Table 21 Regression on Likeable 3

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.126	2	30.563	22.263	.000[b]
	Residual	93.353	68	1.373		
	Total	154.479	70			

a. Dependent Variable: likeable
b. Predictors: (Constant), atec, oe

Table 22 Regression on Likeable 4

Coefficients[a]													
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.065	.710		.091	.928	-1.352	1.482					
	oe	.486	.116	.420	4.173	.000	.254	.718	.539	.452	.393	.879	1.137
	atec	.424	.123	.345	3.432	.001	.177	.670	.491	.384	.324	.879	1.137

a. Dependent Variable: likeable

Table 23 Regression on Positive 1

Correlations		positive	oe	atec
Pearson Correlation	positive	1.000	.659	.452
	oe	.659	1.000	.347
	atec	.452	.347	1.000
Sig. (1-tailed)	positive		.000	.000
	oe	.000		.001
	atec	.000	.001	
N	positive	70	70	70
	oe	70	70	70
	atec	70	70	70

Table 24 Regression on Positive 2

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701[a]	.491	.476	1.048
a. Predictors: (Constant), atec, oe				
b. Dependent Variable: positive				

Table 25 Regression on Positive 3

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.070	2	35.535	32.360	.000[b]
	Residual	73.573	67	1.098		
	Total	144.643	69			
a. Dependent Variable: positive						
b. Predictors: (Constant), atec, oe						

Table 26 Regression on Positive 4

Coefficients[a]		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.379	.640		.592	.556	-.898	1.655					
	oe	.644	.105	.571	6.144	.000	.435	.854	.659	.600	.535	.879	1.137
	atec	.304	.111	.254	2.735	.008	.082	.526	.452	.317	.238	.879	1.137
a. Dependent Variable: positive													

Table 27 Regression on Buy 1

Correlations		buy	oe	atec
Pearson Correlation	buy	1.000	.480	.457
	oe	.480	1.000	.347
	atec	.457	.347	1.000
Sig. (1-tailed)	buy		.000	.000
	oe	.000		.001
	atec	.000	.001	
N	buy	69	69	69
	oe	69	73	73
	atec	69	73	73

Table 28 Regression on Buy 2

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571[a]	.326	.305	1.234

a. Predictors: (Constant), atec, oe

b. Dependent Variable: buy

Table 29 Regression on Buy 3

ANOVA[a]		Sum of Squares	df	Mean Square	F	Sig.
Model						
1	Regression	48.548	2	24.274	15.937	.000[b]
	Residual	100.525	66	1.523		
	Total	149.072	68			

a. Dependent Variable: buy

b. Predictors: (Constant), atec, oe

Table 30 Regression on Buy 4

Coefficients[a]		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Model		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-.038	.759		-.050	.960	-1.553	1.477					
	oe	.421	.124	.365	3.386	.001	.173	.670	.480	.385	.342	.879	1.137
	atec	.404	.132	.330	3.060	.003	.140	.667	.457	.352	.309	.879	1.137

a. Dependent Variable: buy