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Over the past two decades, the retail landscape has experienced remarkable changes due to macro- and micro-environmental forces. Many industries, including textile and apparel businesses have shut down their facilities and some have modified their strategic plan to withstand the global economic recession. One of the important marketing strategies utilized by major retailers to sustain in this economy is brand extension. While several studies have examined the effect of brand extension on brand equity, very few have investigated the parent core brand concept once the brand extension has been introduced. Considering both the paucity of research and potential financial maximization to be gained from such efforts, the overall purpose of the study is to enrich our understanding of the impact of brand extensions on the parent core brand concept and brand equity in the context of apparel. Specifically, the current study also seeks to examine whether consumers' perceived fit moderates the effects of different types of brand extensions and consumers' evaluations of the parent core brand concept and brand equity after the extension.

Data were collected from a convenience sample of undergraduate students between the ages of 18 to 26. The final sample consisted of 240 college students. Of these, approximately 91% were female, approximately 65% were Caucasians, and the average age category was 18 to 23 years old. Different statistical analysis techniques (e.g., multiple regression, paired sample t-test, one-way analysis of variance) were employed to test all hypotheses.

Results revealed that there are positive relationships among consumers' initial evaluations of the parent brand equity, their attitudes toward the extensions, and their post extension evaluations of the parent core brand concept and brand equity. Results further showed that brand extension strategies (horizontal vs. vertical) have an impact on consumers' post extension evaluations of the parent core brand concept and brand equity. The study's findings also advance the brand literature in that consumers' perceived fit moderates the relationship between brand extension strategy (regardless of the types of extension) and consumer' post extension evaluations of the parent core brand concept and brand equity. Implications are provided. Limitations and future research directions are also discussed.

ASSESSING THE IMPACT OF BRAND EXTENSIONS ON

BRAND CONCEPT AND BRAND EQUITY: THE

MODERATING EFFECT OF CONSUMERS'

PERCEIVED FIT

by

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APPROVAL PAGE

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CHAPTER I

INTRODUCTION

Research Background

Brand Management in Retail Industry

Over the past two decades, the retail landscape has experienced remarkable changes due to macro- and micro-environmental forces. Technological advancement and a saturated domestic market, combined with increasingly demanding and sophisticated consumers, as well as escalating competition, have all played critical roles, posing challenges for many firms to revamp their existing marketing strategies (Kim, Knight, & Pelton, 2009; Watchravesringkan, Hodges, & Kim, 2010). Many industries, including textile and apparel businesses have shut down their facilities and some have modified their strategic plan to withstand the global economic recession. Some of the strategic approaches taken by the apparel industries to regain the lost market or to obtain a new market include vertical integration and international contractual moves involving outsourcing and joint ventures (Reichard, 2007). One of the important marketing strategies utilized by major retailers to sustain in this economy is brand extension. Major footwear companies such as Reebok and Adidas have already established themselves in casual clothing lines (e.g., polos and jackets) by means of brand extension (Henricks, 1997).

In today's highly competitive retail environment, building strong brands is one important goal to any organization because strong brands have proved to enhance firms' economic performance (Colucci, Montaguti, & Lago, 2008). Although launching new products to sustain their stand in the market seems to be an attractive marketing strategy (Chernatony, Hem, & Iversen, 2003), disadvantages of conducting such a strategy may overweigh benefits. For instance, a parent brand with negative brand associations can cause trouble for a brand extension and may result in a failure (Pitta & Katsanis, 1995). Previous studies on brand extension have suggested that any extension could dilute beliefs about the non-flagship products of the parent brand, but beliefs about flagship products are not diluted due to any extension (John, Loken, & Joiner, 1998). Considering the high costs and risks involved in introducing new brands, companies make use of their established brand names to attract new markets and introduce new products to customers (Aaker, 1990; Keller, 2007), distributors (Herbig & Milewicz, 1994), and firms (Keller, 2007) as they assist in reducing marketing costs, broadening choices, and increasing the most important of all, the brand success (Arslan & Altuna, 2010).

Furthermore, it is reported that nearly 35% of newly launched products failed to successfully capture their market (Calantone & Montoya-Weiss, 1994). The contributing factors for these failures include high advertising expenditures and increasing competition (Bhat & Reddy, 2001). Altogether, this leads to a situation where it is difficult for the new product to sustain and be successful in the market. As a result, many firms have adopted the concept of brand extension which involves utilizing and applying the established core brand name to new products to capture new and unexplored market

segments (Kerin, Kalyanaram, & Howard, 1996) as their strategic tool to generate more revenues, reduce marketing costs and product failure rates (Aaker, 1990; Buil, Martinez, & Chernatony, 2009; Chernatony, Hem, & Iversen, 2003; Forney, Park, & Brandon, 2005; Keller, 2007). Furthermore, a number of researchers also reported that about 80% of all newly launched products were brand extensions (Brown, Ourusoff, Ozanian, & Starr, 1992; Keller, 1998).

Brand Equity Values

The concept of brand equity mainly focuses on the added value to a particular product based on consumers' associations and perceptions of that brand name (Baldinger & Robinson, 1996; Dyson, Farr, & Hollis, 1996; Park & Srinivasan, 1994). Thus, brand equity is defined as the value that a brand name adds to a product (Donthu, Yoo, & Lee, 2000; Pitta & Katsanis, 1995) and is viewed in terms of brand-focused marketing effects as it results from all the activities that are needed to market a certain product (Pitta & Katsanis, 1995). Recently, brand equity has been considered as the most important factor in branding strategy because it aids in maximizing marketing productivity and economic performance, which consequently influences brand managers to attain maximum efficiency (Buil, Martinez, & Chernatony, 2009; Pitta & Katsanis, 1995; Smith, & Park, 1992). In an era of flat markets where there are high production costs and fierce international competition, many brand managers have paid a great deal of attention to the importance of brand equity as many firms seek survival opportunities (Pitta & Katsanis, 1995).

According to Aaker (1991), brand equity creates value for the firm as well as for the customer. For example, brand equity affects stock market responses (Jacobson & Lane, 1995) and merger and acquisition decision making (Mahajan, Rao, & Srivastava, 1994). Brand equity also creates opportunities for brand licensing, brand choice, marketing communication effectiveness, and decreases the vulnerability to competitive marketing actions and elastic responses to price increases (Adams, 1995; Keller, 1993; Park & Srinivasan, 1994).

The Effects of Brand Extension on Brand Equity and Brand Concept

It is commonly agreed that brand equity is one important element as it helps create and establish value for the firm as well as for the customer (Aaker, 1991; Ambler, 2003; Buil et al., 2009). Academics and business experts believe that brand managers can exploit the equity of a well-known, successful brand when entering new markets by capitalizing on recognition, goodwill, and any positive associations of the established core brand on the new brand extension (Chernatony, Hem, & Iversen, 2003, Pappu, Quester, & Cooksey, 2006; Shocker et al., 1994). From a business point of view, brand equity increases cash flow and becomes a substantial asset to the company (Simon & Sullivan, 1993). As such, brand extension strategy has proved to be successful in some cases because consumers generally associate the quality of the new product with a known brand or a company name (Erdem & Swait, 1998; Moorman, 1998). On the other hand, brand extension strategy has proved to be unsuccessful for others when the brand is extended too far from its core brand values (Keller, 2000; Ng, 2010), resulting in dilution of parent brand image (Loken & John, 1993; Milberg, Park, & McCarthy, 1997). In this

particular situation, the company may find it challenging to overcome the effect of brand dilution. For instance, while the BIC brand, originally well-known for its ballpoint pen, has successfully extended its market to disposable lighters and razors, however, the same brand failed when it extended to the cosmetic category (i.e., perfume) because the consumers disassociated the value of the new product with the core brand value of established one, hampering the parent brand equity (DeGraba & Sullivan, 1995; Simon & Sullivan, 1993). Thus, it is believed that the greater the similarity between the parent brand and the extended brand, the more likely the brand extension will be successful (Aaker & Keller, 1992; Kim, Lavack, & Smith, 2001).

Previous studies have found that consumers tend to accept brand extensions more convincingly when the degrees of quality of the extended and original brands are similar and consistent (Dacin & Smith, 1994, Milewicz & Herbig, 1994; Park & Kim, 2001; van Riel et al., 2001). Others have further asserted that brand extensions are more successful when the customer-based brand associations are salient and relevant (Alba & Broniarczyk, 1994; Keller, 1993). Furthermore, researches have reported that consumers' perception of fit is considered as an important factor in influencing their attitudes toward the extension (Czellar, 2003). In addition, Aaker and Keller (1990) stated that a firm's strategic decision whether or not to pursue a brand extension strategy depends on certain assumptions about consumer behavior as follows: (1) consumers have to possess positive beliefs and favorable attitudes toward the original brand, (2) these positive beliefs about the original brand will create a favorable attitude toward the brand extension, and (3) any negative associations are neither transferred nor created by the brand extension.

Whereas the extant research has opened the way to examine the effect of brand extension on brand equity, very few have investigated the parent core brand concept once the brand extension has been introduced. In the current study, brand concept refers to the image that a consumer has in his mind about the core brand (Kim et al., 2001). When a core brand that has prestigious brand concept is extended, the resulting brand must possess some qualities of the core brand. An extension product is considered consistent with the brand concept only when it can readily accommodate a certain brand concept (Lawson, Milberg, & Park, 1991). Other examples of successful brand extensions also include, but are not limited to, Honda lawnmower, AT&T Universal card, Riders by Lee, Wrangler Hero, and Motorola phones. These extended brands have been well-received among consumers because they are consistent with the core brand. On the contrary, there were some unsuccessful extended brands, including Colgate Kitchen Entrees, Pepsi A.M and Crystal Pepsi, Frito Lay Lemonade, Bic Underwear, and Harley Davidson Perfume. These brands failed to gain consumers' acceptance because they were inconsistent with the core brands. For example, in the case of Harley Davidson Perfume, the loyal customers disliked the idea of perfumes from a motorcycle company. All in all, it can be said that a successful brand extension needs a proper understanding of the core values of the parent brand and the components of brand equity.

Particularly absent is also how consumers' perceived fit between parent brand and newly extended brands may help facilitate consumers' post extension evaluation of parent brand equity and brand concept. There are two main reasons we believe that consumers' perceived fit is critical in a brand extension study. The first reason is that

when the two products (i.e., the parent brand and the newly extended brand) are viewed similarly, the transfer of the perceived quality of the parent brand to the newly extended brand is likely to be enhanced. The second reason is that a poor perceived fit may result in stimulating undesirable beliefs and associations (Aaker & Keller, 1990) that may consequently create negative impact on parent brand concept and brand equity (Buil et al., 2009). Hence, perceived fit is considered as an important moderator in evaluating consumer attitude towards a brand extension.

Context of the Study

As discussed, there is a rich body of literature which supports the assertion that brand extension and sustaining the brand equity of the parent or core brand are intriguing aspects of brand strategy (Aaker & Keller, 1992; Buil et al., 2009; Kim et al., 2001). Although the brand equity concept has been extensively analyzed in a number of studies (Aaker, 1996; Buil et al., 2009; Pitta & Katsanis, 1995), few have been examined solely in the context of apparel. Since apparel products are highly fashion-oriented that frequently need some modifications in terms of marketing, advertisement, and product development, it is imperative to examine the impact of brand extension on parent brand equity and brand concept in the context of apparel. In addition, researchers have suggested that consumers tend to be highly involved when making apparel purchases (Kim, 2005; O'Cass, 2000); therefore, this type of product attachment may serve as a major motivational factor that drives consumers' attitudes and purchase behaviors (Phelps & Thorson, 1991; Suh & Yi, 2006; Warrington & Shim, 2000).

Purpose of the Study

Given the challenges and prospects that have changed the nature of brand management, much of the academic and popular press literature on the importance of brand equity has suggested brand managers, when developing branding strategies, incorporate the concept of brand extension within the study of brand equity. Considering both the paucity of research and potential financial maximizations to be gained from such efforts, the overall purpose of the current study is to enrich our understanding of the impact of brand extensions on the parent core brand concept and brand equity in the context of apparel. Specifically, the current study seeks to address three primary research questions.

1. Will relationships among consumers' initial evaluations of parent brand equity, consumer attitudes toward brand extensions, and consumers' post extension evaluations of parent brand equity exist?

2. Will brand extensions have an effect on consumers' post extension evaluations of parent core brand concept and brand equity, and, will these effects vary across different brand extension types?

3. Will consumers' degrees of perceived fit moderate the effects of different types of brand extensions and consumers' post extension evaluations of the parent core brand concept and brand equity and will these moderating effects vary across different brand extension types?

Significance of the Study

Brand extension can be a very challenging strategy as it puts the status and image of the core brand at stake. Hence, it is highly important that any newly extended brands must have all the necessary marketing elements and its target market correctly evaluated.

The current study provides both practical and theoretical contributions. Practically, results of the current study aids brand managers' decision making processes as to how parent brand equity may have an impact on their decisions to determine whether a brand extension strategy is appropriate. Furthermore, the current study provides information regarding the effect of brand extension on the core brand concept and parent brand equity. More specifically, the study offers additional information regarding the impact of the types of extension (horizontal versus vertical) on the core brand concept and parent brand equity. Apparel brand managers can utilize findings obtained from the current study to determine whether newly extended brands should be introduced in the marketplace. If yes, apparel brand managers should decide further as to what types of brand extension should be executed for any newly extended products to successfully secure market share, and, at the same time, sustain the equity of the parent brand.

Theoretically, the study extends the development of the stream of literature on the relationships between brand extensions, brand concept and brand equity in the apparel shopping context. Furthermore, the current study provides methodological contributions. That is, while some previous studies on brand extension have been mainly conducted in a laboratory setting using fictitious brands, causing one to question external validity of the

results (Lahiri & Gupta, 2009), the current study was conducted using actual apparel brands available in the market to overcome the concern related to generalizability. Furthermore, the current study empirically examines the effects of brand extensions on consumers' post extension evaluations of parent brand. In addition, it provides empirical support for the moderating effects of consumers' perceived fit on the relationships between brand extensions and consumers' post extension evaluations of core brand concept and parent brand equity.

Definition of Terms

The following are definitions of key terms used in this study.

Table 1: Definition of Key Terms

Terminology	Descriptions
Brand Association	Brand Association is mainly based on how consumers recollect memory about a brand with more favorable attitudes and in a unique way (Keller, 1993).
Brand Awareness	Brand awareness reflects the strength of a brand's presence in a consumer's mind (Pappu, Quester, & Cooksey, 2005) and is related to the strength of the brand node or trace in memory (Rossiter & Percy, 1987).
Brand Concept	Brand concept can be defined as the image that consumers think of a particular core brand when they are exposed. (Chung, Anne, & Margo, 2001).
Brand Dilution	If the newly extended product fails, negative beliefs generated from the extension failure may filter back to the parent brand, thereby causing a brand dilution (John, Loken, & Joiner, 1998; Loken & John, 1993).

Brand Equity	The concept of brand equity mainly focuses on the added value to a particular product based on consumer's associations and perceptions of that brand name (Baldinger & Robinson, 1996; Dyson et al., 1996; Park & Srinivasan, 1994).
Brand Extension	Brand extension involves utilizing and applying the established core brand name to new products to obtain the equity of the original core brand and also to capture new and unexplored market segments (Kerin, Kalyanaram, & Howard, 1996).
Brand Image Fit	The brand-level fit or brand image fit refers to the specific image of the brand and the product category (Czellar, 2003, p. 102).
Branding	Branding is the entire process involved in creating a unique name and image for a product (goods or services) in the consumers' minds, through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers (www.BusinessDictionary.com, 2010).
Functional-Oriented Brand	A function oriented brand mainly utilizes aspects like reliability or durability and they are mainly associated with product performance (Chung, Anne, & Margo, 2001).
Perceived Fit	Perceived fit or similarity is mainly characterized by the amount of shared associations between the parent and extended product category (Czellar, 2003, p. 102).
Perceived Quality	Perceived Quality is defined as the consumer's subjective judgment about a brand's overall excellence or superiority (Yoo et al., 2000).
Prestige-Oriented Brand	A prestige oriented brand is mainly associated with prestige, status and quality as their core brand value (Chung, Anne, & Margo, 2001).

Organization of the Study

Chapter 1 laid a solid foundation for this study by providing a detailed and a comprehensive discussion about the nature and background of the research topic, which overviewed the development of each of the subsequent studies. This chapter also outlines the research objectives for each study as well as the significant contributions that each of the studies can provide.

Chapter 2 contains a comprehensive review of the literature relevant to the research topic. The literature mainly addresses brand extension and its types, brand concept and its types, brand equity, brand association, and brand awareness. The conceptual model and development of hypotheses are also outlined.

Chapter 3 covers the study methodology, sampling, experimental design, questionnaire development and statistical analysis.

Chapter 4 presents statistical findings related to the hypotheses addressed in Chapter 2.

Chapter 5 offers discussions, conclusions and implications derived from the study's findings. In addition, research limitations and future research directions are suggested.

CHAPTER II

LITERATURE REVIEW

This chapter reviews the relevant literature that seeks to answer research objectives discussed in the previous chapter. The literature review represents the following topics: (1) Definition of Brand; (2) Brand Equity and Brand Concept; (3) Brand Extension Strategy and Consumers' Attitudes toward the Brand; and (4) Consumers' Perceived Fit. Altogether, this information is then utilized as a foundation in developing testable hypotheses.

Defining "Brand"

According to the American Marketing Association (AMA), a brand is defined as "as a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers" (www.marketingpower.com). Similarly, Solomon and Stuart (2002) define a brand as "…a name, a term, a symbol, or any other unique element of a product that identifies one firm's products and sets them apart from the competition" (p. 270). Aaker (1991) also offers a similar definition of a brand, which is defined as "…distinguishing name and symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors" (p. 7).

In a global market, where there is a healthy and competitive marketing strategy, it is highly important that the firms should position their products differently. The branding strategy has been utilized by many marketers as it is an essential element in any product life cycle. The essence of the brand is a single simple value that is understood and valued by the consumer (Arnold, 1992). Firms are making all possible efforts to associate their products with brand names that have specific and clear values (Davies & Ward, 2005). As a result, when making any purchasing decisions in general, consumers usually view and search for branded products as a point of reference (Sirgy, 1982).

A number of researchers have suggested that due to constant changes in the marketing environment, the best way to do business for any firm is to build a strong brand (Aaker, 1991; King, 1991; Lannon, 1993) because successful brands are likely to offer a firm competitive advantage to withstand the increasing power of retailers (Park & Srinivasan, 1994). Thus, brand building is an important strategy in defending against competitors and gaining market share (Adams, 1995).

Brand Equity

Brands are basically developed for the sole purpose of gaining an edge in the competitive market (Lahiri & Gupta, 2009). Brands are one of the main assets that any firms possess as it proves beneficial in long term operations (Quelch & Harding, 1996). The concept of brand equity mainly focuses on the added value to a particular product based on consumers' associations and perceptions of that brand name (Baldinger & Robinson, 1996; Dyson et al., 1996; Park & Srinivasan, 1994). That is, a brand with high

degree of equity is likely to imply great trust among consumers. Solomon and Stuart (2002) further added, "…for a firm, brand equity provides a competitive advantage because it gives the brand the power to capture and hold onto a larger share of the market and to sell at prices with higher profit margins" (p. 73). Therefore, companies have acknowledged that brands are one of their critical assets that require proper maintenance and enhancement (Lahiri & Gupta, 2009).

It is commonly agreed that brand equity is considered the most important concept as it helps marketers gain competitive advantage through effective marketing strategy (Lassar, Mittal, & Sharma, 1995). In addition, firms that have strong brand equity are likely to have a competitive advantage for a successful extension, resilience against competitors' promotional pressures, and creation of barriers to diminish the entry of any competitors (Lassar, Mittal, & Sharma, 1995). Corporations like Canada-Dry and Colgate-Palmolive have created a Brand Equity Manager position specifically to build and maintain sustainable brand positions (Lassar, Mittal, & Sharma, 1995). Such an example indicates how companies consider brand equity as an important element in their strategic planning.

Although several researchers have offered a number of definitions of brand equity, there are few studies that discuss the actual meaning of brand equity (Aaker, 1991; Park & Srinivasan, 1994). While some other researchers offer the definition of brand equity based on a financial-perspective and stress the value of the brand to the firm (Shocker & Weitz, 1988; Simon & Sullivan, 1993), others offer definitions of brand equity that are based on consumer-perspectives (i.e., consumer-based brand equity)

which define brand equity as the value of a brand to the consumer (Aaker, 1991;

Kamakura & Russell, 1993; Keller, 1993; Rangaswamy et al., 1993). Specific to the

context of the study, we adopt the latter definition of brand equity which is driven by the

consumer-view because it has been extensively employed in most of the studies

pertaining to brand extension. Therefore, brand equity is defined as "…a set of brand

assets and liabilities linked to a brand, its name and symbol, that add to or subtract from

the value provided by a product or service to a firm and/or that firm's customers" (Aaker,

1991, p. 15).

Furthermore, Aaker (1991) conceptualized brand equity in terms of assets to the

firm and proposed that brand awareness, brand association, perceived quality, brand

loyalty and other proprietary assets are the five main dimensions of brand equity. By

definition, brand awareness reflects the strength of a brand's presence in a consumer's

mind (Pappu, Quester, & Cooksey, 2005) and is related to the strength of the brand node

or trace in memory (Rossiter & Percy, 1987). Similarly, brand association is mainly

based on how consumers recollect memory about a brand in terms of favorable attributes

of that brand (Keller, 1993). Perceived quality is the next dimension that is defined as the

consumer's judgment about a product's overall excellence or superiority (Zeithaml,

1988). The brand loyalty dimension is defined as a deeply held commitment to rebuy or

repatronize a preferred product or service consistently in the future, despite various

situational influences and marketing efforts having the potential to cause switching

behavior (Oliver, 1997). The final dimension, other proprietary brand assets, includes

price, brand leadership, brand personality, perceived value, organizational associations, market share, price and distribution indices, and so on (Aaker, 1996).

Based on Aaker's (1991) conceptualization of brand equity, several researchers (Keller, 1993; Pappu, Quester, & Cooksey, 2005; Yoo et al., 2000) have proposed different dimensions of brand equity. For example, Pappu et al. (2005) suggest that brand equity consists of four major dimensions; brand awareness, brand association, perceived quality, and brand loyalty. Some of the other authors such as Shocker and Weitz (1988) proposed brand loyalty and brand association as major dimensions of brand equity, and Keller (1993) proposed that brand awareness and brand image are two sub-dimensions of brand knowledge. Similarly, Yoo et al. (2000) proposed that perceived quality, brand loyalty, brand awareness and brand association are the four main dimensions of brand equity. Our study mainly focuses on the three dimensions of brand equity, brand association, brand awareness, and perceived quality. This tri-dimensionality of brand equity has been utilized in previous brand extension research (Bauer, Sauer, & Schmitt, 2005; Buil et al., 2009; Cobb-Walgren, Ruble, & Donthu, 1995; Lee & Black, 2008).

Brand Awareness

A number of researchers (Aaker, 1991; Keller, 1993; Yoo et al., 2000) have stated that brand awareness is an important component of brand equity which reflects the strength of a brand's presence in a consumer's mind (Pappu, Quester, & Cooksey, 2005). In Keller's (1993) conceptualization of brand equity, brand awareness has been included as another sub-dimension of brand association, in addition to brand knowledge and brand image. Based on this concept, building a strong brand typically starts with the process of

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providing a good foundation by establishing brand awareness. With the strong

foundation, the formation of a salient image comprised of positive associations of the

brand will be followed (Pitta & Katsanis, 1995). A consumer can recall a brand based on

the level of brand awareness he or she has of that particular brand. Particularly, when

consumers are exposed to advertising, word of mouth, and other type of promotional

materials, they are able to recall the particular brand with the use of certain cues

associated with that brand (Pitta & Katsanis, 1995). For example, Apple brands have

been marketed in a way that consumers can identify and recognize their brands by

associating the Apple products with technology and innovation.

Specifically, Keller (1993) has further conceptualized brand awareness into brand

recognition and brand recall. Keller further stated that brand recall is referred to the

ability of the consumer to retrieve a brand from his/her memory. Brand recognition refers

to the consumer's ability to recognize the previous exposure of the brand when it was

prompted as a cue (Keller, 1993). With the aid of brand recognition, product decisions

can be sometimes made in the store. There are a few advantages associated with a brand

that possesses a high degree of awareness. That is, for products having low involvement

levels, brand awareness is highly useful in generating sales and helps in the decision

making process (Pitta & Katsanis, 1995). This is because brand awareness may aid in the

formation of information in the memory for later use. This brand awareness memory

node is essential for any brand associations that can be formed. Hence it is impossible to

build a brand without an established brand awareness memory node in the memory (Pitta

& Katsanis, 1995).

Brand Association

Brand associations contain various meanings about a brand for the consumer (Keller, 1993). For example, favorability, strength, and uniqueness of brand associations that are held by the consumers will result in a positive brand's image (Keller, 1993). Brand association has a strong influence on memory recall and consumers' purchase decisions towards any product they intend to purchase (Keller, 1993). Brand associations are favorable to consumers to process, organize, and retrieve information from memory aid to product choice, and influences consumers to believe that brand association helps them to form strong and positive attitudes towards the brand (Aaker, 1991). In addition, brand association tends to vary based on the consumers' level of exposure to the brands. That is, consumers generally associate a brand based on their direct experiences with the product and indirect experiences such as word of mouth through family or friends, advertisements and any marketing communications through which they learn about a product (Campbell & Keller, 2003). Brand associations that have resulted from a high degree of brand awareness are likely to be positively related to brand equity as they form a signal of quality and commitment (Yoo et al., 2000).

A positive brand association should be unique, strong, and favorable (Pitta & Katsanis, 1995). Unique brand associations are further classified into attributes, benefits, and attitudes. Attributes related to brand associations are mainly related to product performance and they can be further divided into product related and non-product related attributes (Pitta & Katsanis, 1995). Product related attributes are associated with internal product characteristics such as fit, texture, and comfort and they vary by product

category. For example, certain features of a cell phone like speaker, battery life and material tend to vary from other product categories such as a stereo, Laptop, and desktop computer. Non-product related attributes, on the other hand, are associated with external product characteristics such as price, packaging, consumer's identity of those who consume the products, and product usage (Pitta & Katsanis, 1995).

Similarly, Forney, Pelton, Carton and, Rabolt (1999) suggest that product-related attributes can be dichotomized into intrinsic and extrinsic attributes which consumers tend to use as product evaluative criteria. Eckman, Damhorst and Kadolph (1990) state that "while intrinsic product attributes cannot be changed or manipulated without also changing the physical characteristics of the product itself, extrinsic cues of a product refers to attributes that are not component parts of the physical product, but that are applied by the manufacturer or retailer as extrinsic cues" (p. 14). Intrinsic attributes usually include color, fabric, quality or fit, and these are product-related attributes. Extrinsic attributes on the other hand, contain price, brand name, or country of origin, which are external product attributes or non product-related attributes. In addition, many studies have attempted to examine the impact of product evaluative criteria (intrinsic versus extrinsic) on consumer decision making related to purchasing an apparel product (Eckman et al., 1990; Forney et al., 1999; Forney, Park, & Brandon, 2005; Hawkins, Best, & Coney, 1995). These studies reported that both intrinsic and extrinsic apparel product attributes such as price, quality, image and color/design have an influence on buying or the decision making process.

The benefits related to brand association are mainly classified as functional, experiential, and symbolic (Park et al., 1986). Functional benefits relate to the intrinsic features possessed by the product and they are often linked to general needs like texture, shape and size. Experiential benefits relate to how the consumers' feel about the usage of the product. These experiential benefits represent experiential needs such as stimulation, sensory pleasure, or novelty. For example, amusement parks, water beds, ice cream and other products convey experiential benefits. Lastly, symbolic benefits refer to consumers' self concept and they are linked to higher level needs such as social or self-esteem needs (Park et al., 1986).

In addition, consumers may develop brand association with their favorable or unfavorable attitudes toward a brand. Consumer's attitudes toward a brand are conceptualized as a multiattribute expectancy model (Fishbein & Ajzen, 1975). This model suggests attitudes as the sum of all salient beliefs a consumer holds about a product or service, multiplied by the strength in which each of these beliefs are evaluated (Fishbein & Ajzen, 1975). The main implication of this model is that many positively evaluated beliefs can be overshadowed by a few with strong negatively evaluated beliefs. This is best explained with the following example. A diet soft drink can be evaluated positively based on having no calories, and at the same time the diet soft drink having sweetener that may cause cancer will create negative evaluations and eventually could result in avoidance of the product (Pitta & Katsanis, 1995).

In conclusion, both product and non-product attributes are essential aspects of brand association. The present literature on brand associations has been related to both

product and non-product related attributes. Especially with different brands and product categories available, it is critical that product attributes must be recognized by the consumers. Brand associations could assist a buyer in considering the brand at the point of purchase, which results in a positive shopping outcome for the brand (Yoo et al., 2000). Furthermore, product attributes, coupled with product benefits, a consumer tends to evaluate both of these aspects (i.e., attributes and benefits) when making purchase decisions because these important aspects are essential for any product to sustain its competitive edge in the marketplace. With apparel brands utilized in the present study, the brand association component may provide insightful information.

Perceived Quality

Similar to Zeithaml's (1988) definition of perceived quality, Yoo et al. (2000) define perceived quality as the consumer's subjective judgment about a brand's overall excellence or superiority. Perceived quality is another important component of brand equity (Aaker, 1991). According to Zeithaml (1988), perceived quality is not the actual quality of the product, but it is the consumer's subjective evaluation of the product. In a brand extension study, perceived quality is highly essential as it provides value to consumers and also provides an opportunity and reason for the consumers to engage in purchase behavior (Pappu, Quester, & Cooksey, 2005). Perceived quality offers a firm competitive advantage by differentiating the brand from competing brands (Pappu, Quester, & Cooksey, 2005).

Researchers have found that product cues such as price and country of origin signal quality of the product, which in turn influence consumers' attitude towards the

brand (Keller, 2001; Yoo et al., 2000). Steenkamp et al. (2003) contend that the name of a brand could be a key indicator of product quality and the image of the brand can enhance the brand's perceived quality. Based on the consumers' direct experience with the brand, quality judgments are made. These quality judgments obtained from direct experience tend to be strong and are easily accessed from memory (Fazio & Zanna, 1981). Such formation of quality judgments derived from brand and image of the product tend to enhance consumers' positive evaluations about newly launched brands. A high perceived quality of a particular brand may imply that a consumer can recognize the brand in a long run based on his/her experience towards the brand in terms of brand differentiation and brand superiority (Zeithaml, 1988). Previous studies on brand extension have suggested that the perceived quality of the original brand positively influences consumers' attitude toward the extension (Bottomley & Holden, 2001; Martinez & Chernatony, 2004; Park & Kim, 2001). The higher the perceived quality of the brand, the greater the possibility that positive evaluation of the brand extension is likely to occur (Milewicz & Herbig, 1994).

In addition, several researchers have suggested that perceived quality is considered to be the primary consumer-based brand equity construct because it is closely associated with the willingness to pay a price premium, brand purchase intent, and brand choice (Netemeyer et al., 2004). Perceived quality is also applicable across various product classes such as apparel, automobile, food products and so on (Aaker, 1996; Keller, 1998). In general, if the perceived quality is high then the extension would be

positively evaluated; if the perceived quality is low then it would harm the brand extension.

<div align="center">Brand Concept</div>

Brand concept is defined as the image that consumers think of when exposed to a particular core brand (Chung, Anne, & Margo, 2001). The two main types of brand concept are function-oriented and prestige-oriented and they are completely distinct from each other (Chung, Anne, & Margo, 2001). A function-oriented brand mainly utilizes aspects like reliability or durability and these function-oriented brands are mainly associated with product performance (Chung, Anne, & Margo, 2001). Likewise, a prestige-oriented brand is mainly associated with prestige, status or quality as their core brand. Nike and Adidas are examples of function-oriented brands as they are mainly associated with performance. On the other hand, Mercedes Benz is based on the prestige and status aspects and consumers tend to associate the brand with status and prestige (Pitta & Katsanis, 1995). Park et al. (1991) suggest that, "For both function- and prestige-oriented brands, the most favorable consumer reactions can be expected when brand extensions and core brands have high concept consistency and high product feature similarity" (p. 192).

When a function-oriented brand is extended to a similar or different product category at a lower price-quality point, it has an effect on both the core product brand concept and the brand extension. In this context, the term price-quality means that when an extended brand is priced lower than its parent brand, it tends to be perceived as having lesser quality than the parent brand. However, when an extended brand is priced higher

than its parent brand, it is likely to be viewed as having better quality than the parent brand. If the extended brand possesses an appropriate price-quality ratio, a consumer may react favorably toward the newly extended product. Similarly, the existing consumers of the function-oriented product will not rail against the extended product with lower price-quality ratio because they seem to understand that one may obtain fewer features at a lower cost. On the contrary, a study by Kim et al. (2001) suggest that, when a function-oriented brand is extended to a similar or different product category at a higher price-quality point, the result may not be the same as that of function-oriented brand extending to a lower price-quality point. That is, consumers are likely to be concerned with the product performance rather than aesthetic product features. In this particular case, consumers may feel that it might be not that necessary for the function-oriented products to possess any additional aesthetic product features since consumers are concerned only with the workability of the product as compared to aesthetic features. Consider the following example of a function-oriented product: the Gillette Trac II razor, had a successful extension when it was introduced as disposable razors at a lower price-quality point. However, when Gillette launched an extended product with high price, which was the gold tone plated luxury Trac II razor, the product failed because consumers were not interested to pay a premium price for the "decorated" but ordinary razor with similar features (Pitta & Katsanis, 1995).

Likewise, when a prestige-oriented brand is extended to a similar or different product category at a lower price-quality point, the prestige oriented brand generally does not provide a successful extension. This is because the existing consumers of the

prestige-oriented brand tend to view the newly extended product as a cheaper version of the original brand. Conversely, when the prestige oriented brand is extended to a product with high ratio of price-quality, the extended brands are likely to be accepted. The existing consumers of the prestige oriented brand are likely to accept the high priced brand because high priced items tend to signal high degree of prestige. For example, Gap has successfully extended its prestige-oriented brand of Banana Republic. This successful extension of apparel brand indicates that they tend to be successful when they are positioned at a higher price-quality point.

In conclusion, while function-oriented brands are more acceptable when they are extended to a lower price-quality point as compared to the parent brand, prestige-oriented brands are more likely to be accepted when they are extended to a higher price-quality point as compared to the parent brand. The current study mainly focuses on the two core brand concepts; function-oriented and prestige-oriented. Generally, consumers tend to positively evaluate the newly launched brand when they view that the newly extended brand and the parent brand share similarity related to brand concept (Farquhar, Herr, & Fazio, 1990; Fu, Saunders, & Qu, 2009; Kim, Lavack, & Smith, 2001; Park et al., 1991; Pitta & Katsanis, 1995).

Brand Extension Strategy

The other important aspect of brand equity is its positive impact on brand extension strategy (Bridges, 1992; Lassar, Mittal, & Sharma, 1995; Rangaswamy, Burke, & Olivia, 1993). Brand extension involves utilizing and applying the established core

brand name to new products, either similar or different product category, to obtain the

equity of the original core brand name and also to capture new and unexplored market

segments (Kerin, Kalyanaram, & Howard, 1996). Consumers' generally accept the newly

extended product because they are likely to associate the newly extended product with

the original core brand and/or the name of the company (Moorman, 1998). However,

other researchers contend that there is a possibility that brand extension strategy may

harm the equity of the core brand or the company name (Aaker, 1991; Loken & John,

1993; Rangaswamy, Burke, & Olivia, 1993). That is, any core brand with negative

associations in terms of its product performance will not be accepted when they are

extended and need to be assessed clearly beforehand (Pitta & Katsanis, 1995).

Classification of Brand Extension Strategy: Horizontal versus Vertical Extension

According to the literature, there are two major types of brand extension strategy;

horizontal and vertical (Aaker & Keller, 1990; Chung, Anne, & Margo, 2001; Lasser et

al., 1995; Rangaswamy et al., 1993).

Horizontal Extension Strategy

Horizontal brand extensions involve applying the existing brand name to a new

product to be introduced in the market. This newly extended product can either be in a

similar product class or as a product category which is entirely new to the firm (Chung et

al., 2001). For example, Ivory soap introduced Ivory detergent as its newly extended

brand. Here, Ivory detergent is a new product class from its original brand, Ivory soap

(Chung et al., 2001). Aaker and Keller (1990) further suggested that based on the

difference in focus; there are two additional types of horizontal brand extensions: line

extension and franchise extension. Line extension strategy employs a current parent

brand name to enter a new market segment in the same product class such as Diet Coke

and Diet Pepsi. Diet Coke and Diet Pepsi are specifically targeted towards health

conscious consumers. Franchise extension strategy uses a current parent brand name to

enter a new market with a different product category that is relatively new to the

company. For example, Caterpillar, one of the worlds's leading manufacturers of

construction and mining equipment launching its clothing lines is an ideal for the

franchise extension (Pitta & Katsanis, 1995).

Vertical Extension Strategy

A vertical brand extension involves using the existing brand name to the same

product category to be introduced in the market, at a different price/quality continuum

(Aaker & Keller, 1990). For example, Riders by Lee is an extension of the popular Lee

brand, which concentrates on apparel or clothing for both men and women. Researchers

state that vertical extensions provide the management an opportunity to leverage the core

brand's equity more quickly (Pitta & Katsanis, 1995). Vertical brand extension strategy

has been a common practice among various industries, such as automobiles, apparel, soft

drinks and so on (Pitta & Katsanis, 1995). Some of the luxury automobiles like Acura,

Lexus and Infiniti are also good examples of such extensions. However, previous

researches have suggested that a vertical brand extension strategy might create a negative

impact on the core brand and its evaluation if the extended product was not perceived

appropriately by consumers (Dacin & Smith, 1994; John, 1993; Ries & Trout, 1986).

Since vertical brand extension generally involves an extension of a product within the

same product category, consumers' brand associations of the original and the extended brands are almost similar. Thus, any negative associations related to the extended brand can immediately result in a negative evaluation of the core brand (Kim, Lavack, & Smith, 2001).

In addition, researchers have contended that the success of the brand extension strategy can also be explained using distancing techniques (Pitta & Katsanis, 1995). Distancing technique is defined as the purposive increase in the perceptual distance of the extension from the core brand (Pitta & Katsanis, 1995). In general, horizontal extensions are distanced naturally, i.e., the actual positioning of the extended product from its core brand (in lieu of an introduction of new product category) and failures in the extensions are less likely to tarnish the image of the core brand (Pitta & Katsanis, 1995). This may be due to the fact that horizontal extensions are often different from the core brand and they are being perceived to be more distant from the core brand because of the introduction of a new product category (Pitta & Katsanis, 1995). However, if the horizontal extension is perceived to be too distant from its core brand, then the horizontal extension may not be accepted by consumers.

With respect to vertical brand extension, the newly extended products are the same product category as the original brand, therefore, they tend to offer very little distancing from its core brand. In this particular case, the extended brands are in the same product category as the core brand; therefore, there is a higher possibility that the consumer may establish a negative association toward a vertically extended brand as compared to the horizontally extended brands if a consumer already possesses a negative

evaluation toward the original brand (Pitta & Katsanis, 1995). In addition, in case of vertical brand extension, too much distancing will lead to isolation of the extended product from its core brand, as both the extended product and the core brand product are in the same product category. Further, as the extended product and the core brand product are positioned closely, any negative information about the extended product will result in a negative evaluation of the core brand.

Lassar et al. (1995) point out that brand extension is considered to be an attractive marketing strategy due to the following reasons. First, it can reduce the introductory cost of launching new products by compensating with the consumers' awareness and perception of the parent brand. Therefore, manufacturers are likely to benefit by gaining a higher profile in the consumer's mind and hold more shelf space for their brands after a successful brand extension. Another benefit of the brand extension strategy is that the extended brand will have lower advertising costs and higher sales when compared to a new brand because of the existing knowledge that a consumer may possess about the original brand (Lassar, Mittal, & Sharma, 1995). It has also been found that the extended brand is likely to be accepted easily by consumers when the quality variations across the product line are minimal and indistinguishable (Dacin & Smith, 1994). Therefore, it is evident that consumers do not accept products whose quality is inconsistent with the core brand product (Lassar, Mittal, & Sharma, 1995). Managers have to be cautious in launching new products and have assurance that quality of the extended brands are not below acceptance standards (Lassar, Mittal, & Sharma, 1995). Similarly, customers tend to accept products that are associated closely with the core value of the original brand.

For example, while consumers who focus on breathe freshening when seeking mouthwash are likely to accept an extension of mouthwash for Close-up brand than for Crest brand because Close-up brand is more likely to be associated with breath freshening than Crest. Likewise, those who seek the dental protection attribute of mouthwash are likely to accept an extension of Crest as compared to the Close-up brand (Lassar, Mittal, & Sharma, 1995).

However, despite these benefits of brand extension, there are certain risks involved. First, extending brands to inappropriate product categories could result in damaging brand associations that may be costly, or impossible to change in the long run (Ries & Trout, 1981). For example, Pierre Cardin, a leading apparel brand had once extended its brands to many irrelevant product categories that had resulted in damaging its brand image (Fu, Saunders, & Qu, 2009). Aaker & Keller (1990) suggest that "negative associations can be reduced by providing a brief elaboration of an extension attribute about which subjects may be uncertain and which has the potential to damage the extension" (p. 59).

As explained earlier, a successful brand extension will help the company maximize their profits, and an unsuccessful extension may create brand equity dilution (Loken & John, 1993; Milberg, Park, & McCarthy, 1997). In addition, researchers have argued that successful repeated extensions might diminish core brand equity and this process of repeated extensions can cause brand equity "wear-out" (Pitta & Katsanis, 1995). This brand equity "wear-out" is an outcome of frequent change of the core value

of the parent brand after repeated extensions, resulting in inconsistent information of the

core brand equity. Gibson (1990) further extends the previous notion by stating that

repeated extensions might eventually result in the total extinction of a brand's equity.

<div align="center">Consumers' Attitudes Toward the Brand</div>

According to Ajzen and Fishbein (1975), brand attitude is conceptualized as a

multiattribute expectancy value model. Attitude refers to a pleasant or unpleasant feeling

towards a certain object (Bagozzi, Baumgartner, & Yi, 1992). Fishbein multiattribute

attitude model further suggests that the consumer's attitude score for a particular brand

(A_{ijk} or A_{brand}) is based on the salient belief regarding the extent to which a brand

possesses certain attributes, and the importance weight given to the attribute by the

consumer. In mathematical terms, "$A_{ijk} = \sum \beta_{ijk*}I_{jk}$, where i= attribute, j= brand, and k=

consumer" (Ajzen & Fishbein, 1975). Therefore, the overall brand attitude can be stored

and retrieved from one's memory by separating the underlying attribute factors (Carlston,

1980).

Before a brand extension of any product category takes place, consumers

generally would have established an attitude, either favorable or unfavorable, towards the

parent brand (Czellar, 2003). These attitudes reflect both associated cognitive and

affective dimensions of attitudes (Ajzen & Fishbein, 1975). On one hand, the cognitive

dimension is brand/category knowledge defined in terms of the product-related and non-

product-related associations linked to a brand or a product category in the long-term

consumer memory (Keller, 1993). On the other hand, the affective dimension refers to the

feelings associated with a brand name or a product category (Loken & John, 1993). As discussed earlier, based on the cognitive component of attitude, product-related associations mainly refer to the functional and experimental attributes such as fit, style, color, and durability of the existing products, and non product-related association mainly refers to the symbolic benefits of the brand name such as prestige and status (Czellar, 2003). According to the cognitive component of attitude, consumers evaluate both the parent brand and the extended brand based on their brand or product category knowledge. However, based on the affective component of attitude, feelings are mainly associated with a brand name or a product category (Loken & John, 1993). The consumers' evaluations of the parent and the extended brand are solely based on the feelings associated with the parent brand. These feelings are the possible outcome of their positive or negative long term experience with that brand.

Consumers' Perceived Fit

Prior brand extension studies have suggested that the greater the similarity between the parent brand and the extended brands, the greater the impact on the extended brand (Aaker & Keller, 1990; Park et al., 1991). This is due to the fact that consumers are likely to form a favorable attitude towards extensions if the associations between the parent brand and extended brands are strong. Apart from the parent brand and extended brand associations, perception of fit between the extended brand and the parent brand is also considered to be an important factor in brand extension evaluation. Perceived fit, or perceived similarity, between the extension and the parent brand is mainly characterized

by the amount of shared associations between the parent and extended brand (Czellar, 2003). Research on brand extension evaluation has shown that perception of fit influences consumers' attitudes toward a brand extension in two ways (Czellar, 2003). First, it helps mediate the transfer of attitude components from the parent brand into the newly extended brand. Second, it can moderate the relative influence of brand and category attitude on brand extension (Czellar, 2003).

If a brand is extended to a new product category, this product is typically viewed as a new instance and consistent with the brand and its existing products (Czellar, 2003). This consistency factor between the extended brand and the parent brand is mainly due to the concept called "perceived fit." There are two main dimensions of a consumer's perceived fit construct that have been discussed in previous studies; product category fit and brand-level fit or brand image fit (Bhat & Reddy, 2001; Grime, Diamantopoulos, & Smith, 2002; Park et al., 1991). While the perceived product category fit refers to the perceived fit between the extension category and the existing product category of the parent brand, the brand-level fit or brand image fit refers to the match between the specific image of the extended brand and the parent brand (Czellar, 2003). If consumers' perceived fit (both perceived category and brand image) is high and the perceived quality of the core brand is high, then the attitude towards the extension is likely to be positive (Aaker & Keller, 1990).

Considering a situation where a new extension is launched, consumers evaluate the extended brand based on their previous attitude towards the parent brand and the extension product category. In a situation where a consumer does not have information or

prior experience about the parent brand, he/she will evaluate the extended brand based on his/her experience with the extended brand (Sheinin, 1998). On the contrary, in a situation where the consumer does not possess any knowledge about the extension product category, he/she will form an attitude towards the extended brand based on his/her previous attitude towards the parent brand (Czellar, 2003). However, a consumer may encounter a situation where he/she possesses information or experience of both the parent brand and the extended brand. In this particular situation, a consumer is likely to process information related to both the parent brand and the extended brand to see whether any fit (product category and brand image) between the two brands exist (Czellar, 2003). In this case, consumers will evaluate the extended brand based on his/her attitude toward the parent brand and the extension category. Researchers have suggested some marketing strategies that firms can employ, such as advertising techniques and marketing mix variables to improve perceived fit of the newly extended brand. By means of continuous exposure to advertising, one can retrieve information easily and eventually aid in improving fit perceptions (Klink & Smith, 2001).

Hypotheses Development

The Relationship between Consumers' Initial Evaluations of Parent Brand Equity and Their Attitudes toward Brand Extensions

As discussed in the previous chapter, Aaker (1991) conceptualized brand equity in terms of assets to the firm. Although Aaker (1991) proposed brand awareness, brand association, perceived quality, brand loyalty, and other proprietary assets as the five main

dimensions of brand equity, the current study employs tri-dimensionality of brand equity (i.e., brand awareness, brand association, and perceived quality) because this conceptualization of brand equity tends to be closely related to mental facets in consumers' minds and has been extensively investigated in several brand extension studies (Bauer, Sauer, & Schmitt, 2005; Buil et al., 2009; Lee & Black, 2008).

Several studies have reported positive relationships between different dimensions of brand equity (e.g. brand awareness, brand association and perceived quality) and consumers' evaluations of brand extensions (Bauer, Sauer, & Schmitt, 2005; Buil et al., 2009; Cobb-Walgren, Ruble, & Donthu, 1995; Lee & Black, 2008). For example, researchers (Hoyer & Brown, 1990; Macdonald & Sharp, 2000) found that consumers' evaluations of brand extensions tend to be positive when they are aware of the original brand. These researchers asserted that since brand awareness reflects the strength of a brand's presence in a consumer's mind (Pappu, Quester, & Cooksey, 2005) and is related to the strength of the brand node or trace in memory (Rossiter & Percy, 1987), consumers are likely to draw on their information and/or knowledge (i.e., brand awareness) they possess about a brand to evaluate brand extensions (Klink & Smith, 2001). Buil et al. (2009) further stated that to make new decisions and repeated choice tasks of any newly extended brands in the market, consumers utilize brand awareness. Likewise, a number of researchers have also found that brand association of the original brand positively influenced consumers' attitudes toward brand extensions (de Ruyter & Wetzels, 2000; del Rio, Vazquez, & Iglesias, 2001). Typically, brand associations tend to be complicated because they are not only connected to each facet of a brand and a product category, but

also reflect ideas and/or experiences consumers have regarding the brand that help to build a foundation for brand knowledge network in the consumer's memory (Aaker, 1991). These associations are strong and tend to grow stronger when they are based on experiences (Aaker, 1991). Therefore, when consumers have positive associations about the original brand, they are likely to transfer those positive associations when evaluating the extensions, resulting in a favorable evaluation of the extensions.

Finally, it is evident that perceived quality of the original brand is an important factor for reaching a positive brand extension evaluation (Buil et al., 2009; Park & Kim, 2001). Numerous studies report a positive, direct effect between perceived quality and attitudes toward the brand extension (Bottomley & Holden, 2001; Buil et al., 2009; Martinez & de Chernatony, 2004; Park & Kim, 2001; van Riel, Lemmink, & Ouwersloot, 2001). That is, the higher the perceived quality of the original brand, the greater its positive impact on the evaluation of brand extension (Milewiez & Herbig, 1994). In addition, Aaker and Keller (1990) found that consumers are likely to express positive evaluations toward a brand extension when they perceive the parent brand as having high quality.

Therefore, the first hypothesis is stated as follows:

H1: Consumers' initial favorable evaluation of parent brand equity will positively influence their attitudes towards brand extension.

The Impact of Brand Extension on Post Extension Evaluation of Brand Concept

According to Chung et al. (2001), there are two major brand extension strategies, horizontal and vertical. While horizontal extension strategy deals with an application of

the original brand to a new product (which can be either the same product class or a new product category), vertical extension strategy involves an application of the original brand to the same product category. Typically, a brand that has been horizontally extended is likely to possess a similar degree of brand concept (e.g., prestige, status, and function) as the core brand (Kim et al., 2001). This is mainly because the horizontal brand extensions tend to be involved with new product categories that may not require any change from the core brand values as the extended product itself is entirely new to consumers (Kim et al., 2001). A vertically extended brand, on the other hand, tends to be involved with the same product category as the original brand with a slight modification of core brand values. Vertical extension strategy can be either a step up or step down from the original brand in terms of price, prestige, status, or quality in order to avoid overlapping with the original brand product features (Kim et al., 2001). If the change in core brand values is inconsistent with the core brand concept, this discrepancy could result in a less favorable core brand evaluation, which consequently would dilute the parent brand's equity and brand concept (Kim et al., 2001).

In general, a function-oriented brand concept can usually accommodate both step-up and step-down brand extensions as their price/quality continuum occupies an intermediate position. A brand with prestige orientation may require a different effort depending on the type of vertical brand extension strategy. That is, a prestige-oriented brand that employs a step-up vertical brand extension strategy may find it challenging to do so because the core brand concept is already at the top of the price/quality continuum; there are very few markets within which to expand. However, the prestige-oriented brand

can easily accommodate a step-down brand at a lower price/quality level because there are more markets within which to expand (Kim et al., 2001). Although the majority of brand extension studies have focused on horizontal extension strategy, there is a need to study the impact of vertical extension strategy on parent brand equity and parent brand concept, as this type of extension is a common practice among firms (Kim et al., 2001). We anticipate that, despite the type of extension strategy, post extension evaluation of the parent core brand concept will be diluted more or less as compared to the initial evaluation of parent core brand concept.

Thus, it is expected that:

H2: Regardless of the type of brand extension, consumers' post extension evaluation of the core brand concept will be significantly different than the initial evaluation of the core brand concept after the extension.

A typical vertical brand extension requires either a step up or step down in terms of price, prestige, status, or quality; its success depends on the initial quality positioning or brand concept of the core brand (Kim et al., 2001). If consumers are uncertain or unaware of the core brand concept and brand positioning, they may not evaluate the extended brand positively. Previous studies have stated that a vertical brand extension has a negative impact on the core brand evaluation and this negative information would dilute the core brand beliefs. This dilution effect could result in having a negative impact on consumers' post extension evaluation of the core brand due to the loss of core brand's image clarity (Dacin & Smith, 1994; John, 1993; Ries & Trout, 1986).

In addition, a prestige-oriented brand must possess exclusivity; therefore, any type of brand extension may cause the brand to lose its exclusivity. A step-down vertical brand extension strategy of a prestige-oriented brand could have a negative impact on the prestigious value of the core brand. Further, a function-oriented brand employing a step-down vertical brand extension strategy is less likely to damage its core brand concept because it tends to be less likely to rely on lofty quality levels and status. Thus, a prestige-oriented brand that employs a step-down vertical brand extension strategy must adhere to the highest quality level as any failure in terms of quality perception will result in damage to the core brand equity and brand concept (Kim et al., 2001).

Based on the aforementioned information, it is hypothesized that:

H3: Vertical brand extension will create a greater dilution effect on the parent core brand concept than horizontal brand extension.

The Impact of Brand Extension on Post Extension Evaluation of Brand Equity

In general, horizontal extensions are distanced naturally from the core brand and failures in the extensions are less likely to tarnish the image of the core brand (Pitta & Katsanis, 1995). Kim et al. (2001) also contended that brand equity of a horizontally extended brand tends to be similar to its parent brand (before an extension is introduced). This is because horizontal extensions are often different from the core brand and may have not created much of a dilution effect on the core brand values (Pitta & Katsanis, 1995). However, if the horizontal extension is perceived to be too distant from its core brand, then the horizontal extension may not be accepted by consumers.

In the case of vertical brand extensions, newly introduced products are in the same product category as the core brand and offer little distancing from the core brand. Since the extended brands are in the same product category, there is a higher possibility that consumers will establish negative associations with vertically extended brands as compared to horizontally extended brands (Pitta & Katsanis, 1995). However, if vertically extended brands are stretched too far from the core brands (even within the same product category), it is likely that vertically-extended brands will not be accepted by consumers.

Pitta & Katsanis (1995) further asserted that regardless of the type of extension strategy, if the extended brands and the core brands are positioned too similarly, any negative associations consumers have about core brands will be likely to transfer to extended brands. Likewise, such an impact can be reversed. That is, any negative associations consumers have toward extended brands may result in parent brand equity dilution. Thus, we expect that, regardless of the type of extension strategy, parent brand equity will be more or less diluted after an extension.

Thus, this study formulates the following hypothesis:

H4: Regardless of the type of brand extension, consumers' post extension evaluation of the parent brand's equity will be significantly different than initial evaluation of the parent brand's equity after the extension.

In addition, in the case of a horizontal brand extension, if the extended brand is distanced too far from the core brand values, then consumers may not be able to evaluate the horizontal brand positively (Kim et al., 2001). These negative evaluations may

eventually result in the dilution of the parent brand's association pertaining to brand image. Similarly, for a vertical brand extension, if the price and quality level of the extended brand is different from the core brand, this inconsistency of price/quality information may lead the consumer to re-evaluate the price and quality level of the core brand, causing consumer beliefs about parent brand equity to weaken. As a result, consumers may exhibit less favorable evaluations of parent brand equity (Kim et al., 2001). Kim et al. further stated that this dilution effect on the core brand equity occurs regardless of step-up or step-down vertical brand extension.

Thus, the research established the following hypothesis:

H5: Vertical brand extension will create a greater dilution effect on parent brand equity than horizontal brand extension.

The Relationship between Consumers' Attitudes toward Brand Extensions and Their Post Extension Evaluation of Parent Brand Equity

Much of the existing research on brand extensions has mainly focused on consumer evaluations of extensions (Grime, Diamantopoulos, & Smith, 2002). Only a few studies examined the relationship between consumers' attitudes toward brand extensions and post extension evaluation of parent brand equity (Buil et al., 2009; Chen & Chen, 2000; Kim, Lavack, & Smith, 2001).

Buil et al. (2009) proposed that, once a brand extension has taken place (regardless of the type of brand extension strategy), the way consumers evaluate brand extension may modify or change the parent brand equity. Based on associative network theory, brand extension is likely to result in recalling the feelings, beliefs, and

experiences associated with the parent brand (Swaminathan, 2003) as well as higher name accessibility and reinforcement of its associations (Netemeyer, Pullig, & Simmons, 2006). However, Buil et al. (2009) asserted that this process is entirely based on consumers' evaluations of an extended brand. If the extended brand is of poor quality or evaluated unfavorably, the equity of the parent brand is likely to be diluted (Chang, 2002; Martinez, Polo, & Chernatony, 2008). Thus, it is understood that if the consumers' attitude toward the brand extension is positive, the post extension evaluation of the parent brand equity is likely to be positive. On the contrary, if consumers' attitude towards the brand extension is negative, the parent brand equity will be negatively evaluated. Buil et al. (2009) further stated that consumers' attitudes toward brand extensions mediate the relationship between the initial evaluation of parent brand equity and post extension evaluation of parent brand equity.

Thus, it is hypothesized that:

H6: Regardless of the type of brand extension, consumers' favorable attitudes toward brand extension will positively influence their post extension evaluation of the parent brand equity after the extension.

The Impact of a Moderating Role of Perceived Fit on the Relationships between Brand Extension and Post Extension Evaluation of Brand Concept

Categorization theory, developed by social cognition researchers, has been employed to study factors that might explain the success of brand extensions (Fiske & Pavelchak, 1986; Lau & Phau, 2007). Categorization theory postulates that evaluation of an object can be viewed as a dual process of category processing and piecemeal

processing (Fiske, Lin, & Neuberg, 1999). Researchers suggest that consumers can engage in both category and piecemeal routes at the same time when processing brand extension information. However, one process can be more pronounced than the other depending on a number of factors (Nan, 2006).

According to categorization theory, consumers may first evaluate salience cues of an object, attempting to classify the object within a certain category (Fiske & Pavelchak, 1986). If the categorization is successful, consumers are likely to transfer their beliefs and affects associated with the category in memory to the object. However, in some situations where category-based processing is difficult to achieve, consumers will evaluate an object using a piecemeal process (Nan, 2006). Specific to the context of the study, a core brand will have a particular set of attributes and the extended brand will have its own set of attributes, which may either be consistent or inconsistent with the core brand's image (Kim et al., 2001). Consumers therefore may first attempt to find similarity between the extended brands and original brands based on category-based processing. However, if the categorization-based process fails, consumers will rely on accessible diagnostic cues to classify the brand. Thus, the new information about attributes of the extended brand may either positively or negatively influences consumers' perceptions about the extended brand and the core brand concept (Loken & John, 1993). Further, when new information is received, consumers' beliefs may have changed or been modified. Thus, any inconsistent information about the attributes of the extended brand and the parent brand will result in the modification of the corresponding belief about the core brand concept (Loken & John, 1993).

A number of researchers have suggested that consumers may evaluate brand extensions based on their attitude towards the parent brand and their attitude towards the extension category (Buil et al., 2009; Czellar, 2003). In addition, researchers argued that a higher perceived fit between the parent brand and the extended brand is related to positive evaluation of the extension and the parent brand's equity (Aaker & Keller, 1990; Boush & Loken, 1991). In this case, category-based processing becomes easy for consumers (Nan, 2006). However, in a situation where perceived fit between the extended brand and the parent brand is lacking, category-based processing becomes difficult for the consumer (Nan, 2006). Consumers then may revert to employing a piecemeal approach to process information. In this particular case, consumers will evaluate an extended brand based on associations of the extension itself, not on a brand name (Fiske & Pavelchak, 1986).

Perceived fit can be classified into two main categories, product category fit and brand image fit (Bhat & Reddy, 2001). Product category fit refers to consumers' perception of the similarity between the product categories of the extended and the parent brand. Brand image fit refers to the match between the image of the brand and the extension (Buil et al., 2009). Drawing on categorization theory, when the original brand and the extended brand are viewed similarly related to product category fit and brand image fit, the transfer of the perceived quality to the extended brand from the original brand is likely to be highly enhanced (Aaker & Keller, 1990). In contrast, if an extended brand has been viewed dissimilarly to the original brand in terms of product category fit and brand image fit, this discrepancy may stimulate undesirable beliefs and association

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toward the original brand, causing dilution of the core brand concept and parent brand equity (Aaker & Keller, 1990). Previous empirical studies report that if consumers perceived an extended brand similarly to the original brand, their attitude toward the brand extension was likely to be positive (Aaker & Keller, 1990). Park et al. (1991) further suggested that consumers' attitudes toward brand extensions are likely to be positive when the extensions are consistent with the brand concept of the parent brand and also when the extended products are similar to the parent brand.

Thus, it is expected that:

H7: Regardless of the type of brand extension, consumers' post extension evaluation of the parent core brand concept will be more favorable among those who display a higher degree of perceived fit than those who display a lower degree of perceived fit.

We further argue that for horizontally extended brands (in a different product category than the core brand), the perceived fit between the extended and parent brands is likely to be weakened as compared to the perceived fit between vertically extended (in a similar product category) and the parent brands that tends to be strong. Thus, it is anticipated that, when compared to vertically extended brands, horizontally extended brands tend to possess a lesser degree of perceived fit which consequently dilutes consumers' post extension evaluation of the brand concept.

Thus, the hypothesis is developed as follows:

H8: The influence of consumers' perceived fit on post extension

evaluation of the parent core brand concept will create a greater dilution

effect for horizontal extension than vertical extension.

The Impact of the Moderating Role of Perceived Fit on the Relationship between Brand Extension and Post Extension Evaluation of Brand Equity

Park et al. (1991) also suggested that if there is a high degree of perceived fit (both product category and image fit) accompanied by a high degree of perceived quality of the parent brand, it is likely that consumers will display positive evaluations toward brand extension. Consequently, a positive evaluation toward extended brands will positively affect consumers' post extension evaluation of parent brand equity. A number of researchers contend that a higher perceived fit between the parent brand and the extended brand positively influences consumer evaluation of the extension and the parent brand equity (Aaker & Keller, 1990; Boush & Loken, 1991). That is, a higher perceived fit will lead to transfer of beliefs and brand associations from the parent brand to the extended brand, which consequently will lead to the establishment of more favorable attitudes toward the extension (Park et al., 1991).

Thus, we offer the following hypothesis:

H9: Regardless of the brand extension, consumers' post extension

evaluation of the parent brand equity will be stronger among those who

display a higher degree of perceived fit than those who display a lower

degree of perceived fit.

We also argue that if the brand is extended horizontally, the perceived fit between the extended and parent brands may be less pronounced when compared to a brand that employs a vertical extension strategy. Therefore, we also expect that when compared to vertically extended brands, horizontal extended brands are likely to dilute consumers' post extension evaluations of brand equity because of lesser perceived fit between extended and parent brands.

Thus, we offer the following hypothesis:

H10: The influence of consumers' perceived fit on the post extension evaluation of parent brand equity will create a greater dilution effect for horizontal extension than vertical extension.

Chapter Summary

The primary objective of this chapter is to provide relevant information related to the key constructs of brand equity and brand concept, brand extension strategy and consumers' attitudes toward brand extension, as well as consumers' perceived fit. This information is then used to develop a number of testable hypotheses. The hypothesized relationships were empirically examined in the following chapter using an experimental research design in the context of apparel brands.

CHAPTER III

METHODOLOGY

This chapter is dedicated to presenting the methodology employed to examine the hypothesized relationships proposed in the current study. Specifically, the chapter includes: (1) Stimuli Section and Pilot Study; (2) Research Design; (3) Instrument and Measures; (4) Final Pretest of an Instrument; (5) Subjects and Procedure; (6) Statistical Analysis; and (7) Chapter Summary.

As noted in Chapter 1, the three major research questions guiding the study are:

1. Will relationships among consumers' initial evaluations of parent brand equity, consumer attitudes toward brand extensions, and consumers' post extension evaluations of parent brand equity exist?

2. Will brand extensions have an effect on consumers' post extension evaluations of parent core brand concept and brand equity, and, will these effects vary across different brand extension types?

3. Will consumers' degrees of perceived fit moderate the effects of different types of brand extensions and consumers' post extension evaluations of parent core brand concept and brand equity and will these moderating effects vary across different brand extension types?

Details are provided below about the methodology employed to accomplish these objectives.

Stimuli Selection and Pilot Study

Central to the research is the ability of apparel brands to evoke certain levels of the core brand concept (function versus prestige) among consumers. To select appropriate stimuli to be employed in the final experiment, we performed two different pilot studies. The first pilot study was conducted to choose the specific stimuli (i.e., apparel brands) with different consumer perceptions of core brand concept (function or prestige) via the use of college students, attending RCS 562: Behavior of Softlines Consumers class (n=20) in fall 2010. Participants were provided two different definitions of core brand concepts: function and prestige. After reading the definitions, they were instructed to list the top five apparel brands that were function-oriented and the other top five apparel brands that were prestige-oriented (see Appendix A). In addition, this task was done to help narrow down the apparel brands that were relevant to the present study in terms of their core brand concept. These apparel brands were then given a score and assigned a ranking (from highest to the lowest) based on their brand concepts. Frequency results revealed that the top five apparel brands that were function-oriented were Nike, Gap, North Face, Lands' End, and LL Bean, respectively. Likewise, the top five apparel brands that were prestige-oriented were Armani, Burberry, Coach, Polo Ralph Lauren, and Vera Wang, respectively. These ten apparel brands (five brands associated with function-oriented and five brands associated with prestige-oriented) were then subjected to the second pilot study.

The second pilot study was conducted to ensure that these ten apparel brands were capable of creating certain levels of apparel core brand concepts (function and prestige)

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and eventually to be used in the final experiment. The second pilot study took place in the

RCS 464: Multichannel Multicultural Retailing class (n=35) in fall 2010. Participants

were again requested to read two definitions of core brand concepts: function and

prestige. Then they were instructed to evaluate ten different apparel brands obtained from

the first pilot study (five brands associated with function-oriented and the other five

brands were associated with prestige-oriented) on a 7-point Likert-type scale where 1 =

function-oriented and 7 = prestige-oriented (see Appendix A). The procedure of using the

actual brands in the study is the most common method utilized by brand extension

researchers (Aaker & Keller, 1990; Boush & Loken, 1991; Broniarczyk & Alba, 1994;

Buil et al., 2009; Martinez & Chernatony; 2004; Park et al., 1991; van Riel &

Ouwersloot, 2005). Results from the second pilot study revealed that for the function-

oriented brands, Lands' End received the closest scores (M=3.30) being perceived as a

function-oriented brand, followed by Nike (M = 3.53), and North Face (M = 3.73),

respectively. Consequently, Lands' End brand was employed to represent an apparel

brand with function-oriented core brand concept for a final experiment. For prestige-

oriented brands, Armani received the closest scores (M = 6.70) being perceived as a

prestige-oriented brand, followed by Burberry (M = 6.63), and Vera Wang (M = 6.37),

respectively. Although Armani brands received the highest scores, followed by Burberry

brands, we felt that we should select the brand that students could have access to and

available in the market they presently live. As a result, we selected Vera Wang brand to

represent an apparel brand with prestige-oriented core brand concept since Vera Wang

also has the second merchandise line, called Simply Vera Wang and this second product line has been carried by local retailers.

Research Design

To examine the hypothesized relationships, a 2 x 2 between-subject experimental design was employed with factors of apparel core brand concepts and brand extension types. The apparel core brand concept factor consisted of two levels: function-oriented and prestige-oriented concepts. Based on results of the pretest, Lands' End was chosen to represent a brand that is driven by function whereas Vera Wang was chosen to represent a brand that is driven by prestige. Participants in the function-oriented core brand concept condition were not exposed to a prestige-oriented core brand concept. The brand extension type factor, consisting of two levels: horizontal and vertical brand extensions, was manipulated by using descriptive scenarios. For both brand extension strategy conditions, the participants were provided with the description of an apparel company (either Lands' End or Vera Wang) that is planning to launch a new product category under its parent brand in the near future. That is, with respect to horizontal extension strategy, we chose the camera category for both Lands' End and Vera Wang. However, with respect to vertical extension strategy, we chose an intimate apparel category for the Lands' End brand and a men's wear category for the Vera Wang brand. These three different product categories (camera, intimate apparel, and men's wear) were chosen in an effort to ensure that the extension product categories met the criteria set forth by Aaker and Keller (1990), i.e., relevance to the participants and not having been extended before (see Appendix B). In addition, we have also followed previous brand extension

studies that have employed a camera as a hypothetical product category of horizontal

brand extension strategy (Buil et al., 2009).

Instrument

The extant literature was carefully reviewed to gather information related to

concept and measurement of variables being examined in the current study. Relevant

measurement items were complied into a prototype questionnaire. As a result, the

structured written questionnaire was developed which consists of four major sections.

First, participants responded to general questions in terms of familiarity and degree of

knowledge toward an apparel brand (either Lands' End or Vera Wang) and their

perception of the core brand concept (function vs. prestige). Then, participants rated

multiple items related to brand equity. Third, participants were asked to read a brief

hypothetical scenario about a brand extension strategy that the company is planning to

introduce in the near future, followed by responding to a series of statements related to

their attitudes toward brand extension, perceived fit, and post extension evaluation of

brand equity. Last, demographic characteristics were obtained (see Appendix B).

Measures

The current study's measurement scales were drawn from a number of previous

consumer-based brand equity and brand extension studies (e.g., Aaker & Keller, 1990;

Netemeyer et al., 2004; Pappu, Quester, & Cooksey, 2005; Pryor & Brodie, 1998; Yoo et

al., 2000). Where possible, we chose these measurement scales based on validation

purposes. Table 2 summarizes the measurement scales for each major construct employed in the current study (i.e., consumer-based brand equity, consumers' attitudes toward brand extension, brand concept, and perceived fit).

Consumer-Based Brand Equity

Based on a number of theoretical views related to dimensionality of consumer-based brand equity (e.g., bi-dimensional, multidimensional), the current study conceptualized consumer-based brand equity as consisting of three dimensions that relate to mental facets in the mind of the consumers: brand awareness, perceived quality, and brand association. The tri-dimensional conceptualization of brand equity has been extensively examined in many previous studies (Bauer, Sauer, & Schmitt, 2005; Buil et al., 2009; Cobb-Walgren, Ruble, & Donthu, 1995; Lee & Black, 2008). In addition, based on extant literature, consumer-based brand equity related to brand loyalty was not included in the study because several researchers have contended that brand loyalty is a consequence of brand equity and is more driven by experiences that consumers have toward the brand (Buil et al., 2009; Keller, 2007; Na, Marshall, & Keller, 1999; Taylor, Celuch, & Goodwin, 2004). Similarly, the other proprietary assets dimension, another dimension of brand equity as originally proposed by Aaker (1991) was also excluded in the present study because it is not directly related to consumers.

First, brand awareness was measured with five items (e.g., "I can recognize brand X among other competing brands") adapted from Netemeyer et al. (2004) and Yoo et al. (2000). The scale's psychometric properties have been examined and evidence supports both reliability and validity of the construct (Buil et al., 2009). Second, perceived quality

was measured with four items (e.g., "Brand X is of high quality") adapted from Dodds, Monroe, and Grewal (1991). Also, the psychometric properties of the scale have been investigated and evidence supports both reliability and validity (Bhardwaj et al., 2010). Last, brand association was assessed with six items (e.g., "I like the company which makes brand X") adapted from Aaker (1996) and Pappu et al. (2005). In addition, the psychometric properties of the scale have been investigated and evidence supports both reliability and validity (Buil et al., 2009; Martinez & Pina, 2010). These three dimensions of consumer-based brand equity were measured before (i.e., consumers' initial brand equity evaluation) and after the brand extension (i.e., consumers' post extension evaluation of brand equity). Participants rated all nineteen items of all scales assessing consumer-based brand equity on a five-point Likert-type scale where 1 = "strongly disagree" and 5 = "strongly agree."

Consumers' Perceived Core Brand Concept

There are two common, yet distinct types of core brand concept: function-oriented and prestige-oriented. While the function-oriented brand concept emphasizes the utilitarian benefits of a brand (e.g., reliability, durability), the prestige-oriented brand concept emphasizes images of the brand (e.g., status, luxury). Since the brand's images portrayal in the consumers' minds is critical to how consumers perceive the core brand concept, and the current study utilized the actual apparel brands that their core brand concept is associated with, either function or prestige, consumers' perceived core brand concept was assessed utilizing core brand image. That is, the function-oriented core brand concept was assessed with three items (e.g., "Brand X is reliable") related to reliability

image of the actual brand (i.e., Lands End). Likewise, the prestige-oriented core brand concept was assessed with three items (e.g., "Brand X is luxurious") related to luxury image of the actual brand (i.e., Vera Wang). These two scales were adapted from Dew and Kwon (2010) and Park et al. (1991). The scale's psychometric properties have been examined and evidence supports both reliability and validity of the construct (Dew & Kwon, 2010; Park et al., 1991). Participants rated all nineteen items of all scales assessing consumer-based brand equity on a five-point Likert-type scale where 1 = "strongly disagree" and 5 = "strongly agree."

Consumers' Attitudes toward Brand Extension

Consumers' attitudes toward brand extension were assessed with four items. While one item (i.e., "Unfavorable/Favorable") was adapted by Aaker and Keller (1990) and the other three items (e.g., "Dislike/Like) were developed by the researchers. Participants rated all four items assessing consumers' attitudes toward brand extension on 5-point semantic differential scales (e.g., "Unfavorable/ Favorable," "Dislike/Like").

Overall Brand Equity

Overall brand equity was measured with four items (e.g., "If I need a product of this nature, it makes sense to buy brand X instead of any other brand, even if they are the same") adapted from Yoo et al. (2000). The scale's psychometric properties have been examined and evidence supports both reliability and validity of the construct (Yoo et al., 2000). Participants rated all four items assessing overall brand equity on a five-point Likert-type scale where 1 = "strongly disagree" and 5 = "strongly agree."

Consumers' Perceived Fit

Consumers' perceived fit was assessed with five items adapted from Aaker and Keller (1990) and Taylor and Bearden (2002). Of these, two items were used to assess perceived category fit (e.g., "The extension is similar to the brand's products") and the other three items were used to assess perceived image fit (e.g., "The product extension fits with the brand image"). Previous studies have shown an acceptable degree of psychometric properties of the scale related to reliability and validity (Buil et al., 2009; Martinez & Pina, 2010). Participants rated all nineteen items of all scales assessing consumer-based brand equity on a five-point Likert-type scale where 1 = "strongly disagree" and 5 = "strongly agree."

Demographic Information

Demographic information was assessed related to participants: 1) gender, 2) age, 3) major, 4) ethnicity, 5) year at school, and 6) monthly allowance. Data pertaining to gender, ethnicity, and year at school was nominal (categorical) data. Data pertaining to age was ratio data. Data pertaining to monthly allowance was ordinal data.

Table 2: Summary of Key Measures

Construct (No. of Items)	Item Description	Source(s)
Consumer-based Brand Equity		
Brand awareness (5 items)	I can recognize brand X among other competing brands. I know what brand X looks like. I can recognize brand X among other competing brands. I am aware of brand X. I have difficulty in imagining brand X in my mind.*	Netemeyer et al. (2004) and Yoo et al. (2000).

Perceived quality (4 items)	Netemeyer et
Brand X is of high quality.	al. (2004) and
Compared to other brands in this nature, brand X is of very high quality.	Yoo et al. (2000).
Brand X is the best name in its product class of this nature.	
Brand X must be very good quality.	
Brand association (6 items)	Aaker (1996)
I trust the company which makes brand X.	and Pappu et
I like the company which makes brand X.	al. (2005).
I would feel proud to own products from the company which makes brand X.	
There are reasons to buy this brand X over competitors in this nature.	
Brand X has a personality.	
Brand X is different from competing brands in this nature.	
Consumers' Perceived Brand Concept	Dew & Kwon
Function oriented concept (3 items)	(2010) and
Brand X is reliable.	Park et al.
Brand X is durable.	(1991)
Brand X is functional.	
Prestige oriented concept (3 items)	
Brand X is luxurious.	
Brand X is prestigious.	
Brand X signals high status.	
Overall Brand Equity (4 items)	Yoo et al.
If I need a product of this nature, it makes sense to buy brand X instead of any other brand, even if they are the same.	(2000)
Even if another brand has same features as brand X, I would prefer to buy brand X if I need a product of this nature.	
If there is another brand as good as brand X, I prefer to buy brand X if I need a product of this nature.	
If another brand is not different from brand X in anyway, it seems smarter to purchase brand X if I need a product of this nature.	
Consumers' Attitudes toward Brand Extension (4 items)	Aaker &
Unfavorable/Favorable	Keller (1990)
Bad/Good	and the researchers
Dislike/Like	

Not at all interested/Very interested

Consumers' Perceived Fit	Aaker &
Perceived category fit (2 items)	Keller (1990)
The extension is similar to the brand's products.	and Taylor &
The core brand product attributes are consistent with the	Bearden
extended products.	(2002)

Consumers' Perceived Fit   Aaker &
  Perceived category fit (2 items)   Keller (1990)
       The extension is similar to the brand's products.   and Taylor &
       The core brand product attributes are consistent with the   Bearden
       extended products.   (2002)

  Perceived image fit (3 items)
       The product extension fits with the brand image.
       The product extension conveyed the same impressions as the
       parent brand.
       Launching the extension is appropriate for the company.

* denotes reverse items

Final Pretest of the Instrument

To ensure participants perceived the two apparel brands (Lands' End and Vera Wang) as distinct core brand concepts (function vs. prestige), a pretest was conducted in RCS 562: Behavior of Softline Consumers class, December 2010 (n=19). Participants were randomly assigned into one of the four versions of the questionnaire (Version 1: Lands' End with intimate apparel as vertical extension strategy; Version 2: Lands' End with camera as horizontal extension strategy; Version 3: Vera Wang with men's wears as vertical extension strategy, and Version 4: Vera Wang with camera as horizontal extension strategy). Participants were instructed to rate an apparel brand (either Lands' End or Vera Wang, depending upon the version they received) on a 7-point Likert-type scale where 1 = function and 7 = prestige. Participants rated one item and the results revealed that 66.67% of those who responded to a questionnaire with Lands' End brand perceived that the brand possesses the function-oriented concept (M=2.38). In addition,

results also revealed 60.00% of those who responded to a questionnaire with Vera Wang brand perceived that the brand possesses the prestige-oriented concept (M=5.50). Therefore, it was concluded that apparel brands employed in the current study display a distinct level of core brand concept (Lands' End possesses function-oriented and Vera Wang possesses prestige-oriented) and could be chosen for the final experiment accordingly.

In addition, the pretest was conducted as a means to enhance the clarity, readability, and comprehension of the measurement items. As a result, some slight modifications related to the scaling and spacing were addressed for the final instrument. On the average, it took about 10-15 minutes for each participant to complete the questionnaire.

Subjects and Procedure

The study's participants consisted of a convenience sample of undergraduate students attending the University of North Carolina at Greensboro in Spring 2011. A self-administered survey was conducted in a classroom setting due to several advantages associated with this data collection approach such as better sampling control, lower cost in data collection, higher participation rate, and shorter time period in data collection. These students were recruited from a variety of classes offered through the Consumer, Apparel, and Retail Studies department such as CRS 221: Culture, Human Behavior, and Clothing; CRS 231: Introduction to Apparel and Consumer Retailing; CRS 463: Global Sourcing of Apparel and Related Products; CRS 481: Contemporary Professional Issues

in Consumer Apparel Retail; RCS 261: Introduction to Consumer Retailing; and RCS 361: Fundamentals of Retail Buying and Merchandising with the permission of Instructors. The researcher asked students to voluntarily participate in the study. They were informed broadly about the nature of the study. Those who agreed to participate in the current study were given two identical consent forms to read and sign. They signed both forms, returned one signed copy to the researcher, and kept the other one for their own records (see Appendix C for IRB approval). After receiving the signed copy of the consent form, the researcher handed out the questionnaire to be completed. In addition, care was taken to avoid repetitive completion of the questionnaire from the same participants by asking whether they have filled out the questionnaire in other classes. Students who answered yes were excluded. We anticipated approximately sixty subjects to be assigned in each cell, resulting in a total of 240 responses to be gathered via these six classes.

Although use of students as the study's participants creates concerns regarding external validity and generalizability of findings, the use of students as research participants is a common practice in most brand extension studies (Ahluwalia & Gurhan-Canli, 2000; Buil et al., 2009; Chen & Liu, 2004; Kim et al., 2001; Lane, 2000; Martinez & Chernatony,2004; Park et al., 1991; van Riel & Ouwersloot, 2005). Therefore, in the current study, students were employed in the sample for a number of reasons. First, undergraduate students are likely to be a homogeneous group which aids in minimizing random errors that might be found with a use of heterogeneous group (Calder, Phillips, & Tybouts, 1981). Second, a homogenous sample such as undergraduate students is

desirable for theory testing (Calder et al., 1981). Third, undergraduate students are likely

to display distinctive consumption patterns, make their own choices, and tend to most

likely remain as they become high-spending adults (Neuborne & Kerwin, 1999). Last,

today's undergraduate students are "consumers-in-training" who will be a prime target

market for many apparel companies. A better understanding of this target is critical for

many apparel brands related to their evaluation of brand extensions as many of them have

a clear knowledge about apparel products, concepts, and strategies.

Statistical Analysis

Data obtained in this study was entered into SPSS for statistical analysis.

Descriptive analyses (e.g., frequency, means, and modes) were performed on the final

data set related to demographic information. A manipulation check was performed on

consumers' perceived core brand concept using t-test. The reliability of each multi-item

scale was also assessed prior to subsequent analyses. A series of multiple regressions

were employed to answer all hypotheses.

Chapter Summary

This chapter provides detailed information related to research methodology such

as stimuli selection and pilot studies, research design, instrument and measures, final

pretest of an instrument, subjects and procedure, as well as statistical analysis. These

components of research methodology are critical and need to be employed to answer all

hypothesized relationships proposed in Chapter 2. The following chapter presents the

analysis and results.

CHAPTER IV

RESULTS

This chapter presents the results of the statistical analyses that were carried out to answer each hypothesis proposed in Chapter 2. This chapter first presents an overview of the participants' characteristics, followed by descriptive statistics. The results of hypotheses testing are then presented. Finally, this chapter is concluded with the summary of the results of each hypothesis.

Participants' Characteristics

A total of 246 surveys were collected. Non-valid surveys were discarded, resulting in 240 valid surveys. Of these, approximately 91% of the participants were female and 9% were male. In terms of ethnicity, the participants identified themselves as Caucasians (64.2%), African-Americans (26.3%), Hispanic Americans (1.7%), Asians (6.7%), and multiracial (1.3%). The participants represented all levels of class standing: freshmen (27.1%), sophomores (25.4%), juniors (20.8%), seniors (23.8%), and graduate students (2.9%). Most (88%) were in the traditional student age category of 18 to 23 years of age. In addition, most (99%) of the participants were Consumer, Apparel, and Retail Studies majors. Related to monthly gross income, the majority (80%) reported a monthly gross income of less than $1,000 (see Table 3).

Table 3:Demographic Characteristics of the Participants (n=240)

Demographic Variables	Frequency	Percent (%)
Gender		
Male	21	8.8
Female	219	91.3
Age		
18-20	135	56.3
21-23	77	32.1
24-26	17	7.1
27-30	10	4.2
31 and above	1	0.4
Major		
Consumer, Apparel, and Retail Studies	238	99.2
MBA	1	0.4
Art	1	0.4
Ethnicity		
White/Caucasian	154	64.2
Black/African American	63	26.3
Hispanic/Latino	4	1.7
Asian	16	6.7
Multiracial	3	1.3
Year at School		
Freshmen	65	27.1
Sophomore	61	25.4
Junior	50	20.8
Senior	57	23.8
Graduate	7	2.9
Monthly Gross Income		
Under $500	105	43.8
$500 - $749	58	24.2
$750 - $999	30	12.5
$1,000 - $1,499	21	8.8
$1,500 – $1,999	11	4.6
$,2000 or more	15	6.3

Descriptive Statistics

Table 4 presents the means, standard deviations, and reliabilities of the main constructs in the study. The means of all constructs were close to or lower than the mid-point (i.e., 3.00), except for evaluation of all three dimensions of brand equity before the extension in the Vera Wang sample employing vertical extension strategy (i.e., $M_{\text{Brand Awareness}} = 3.32$, $M_{\text{Brand Association}} = 3.54$, and $M_{\text{Perceived Quality}} = 3.78$), evaluation of core brand concept before the extension for all four samples (i.e., $M_{\text{Lands' End Horizontal}} = 3.23$, $M_{\text{Lands' End Vertical}} = 3.03$, $M_{\text{Vera Wang Horizontal}} = 4.12$, and $M_{\text{Vera Wang Vertical}} = 4.15$), and evaluation of core brand concept after horizontal extension for Vera Wang Sample (i.e., $M_{\text{Vera Wang Horizontal}} = 3.41$). The standard deviation ranged from 0.74 (an evaluation of perceived quality before the extension in the Vera Wang group employing vertical extension) to 1.19 (an evaluation of core brand concept after the extension in the Vera Wang group employing vertical extension).

Internal consistency was assessed via the calculation of Cronbach's alpha for all constructs being studied. According to Peter (1979), Cronbach's alpha is a widely used measure for analyzing the reliability of a psychometrically developed scale. Furthermore, Cronbach's alpha was employed to examine the internal consistency of the measures. The value of the Cronbach's alpha ranges from 0 to 1, where 0 indicates a completely unreliable measure and 1 indicates a completely reliable measure.

Table 4: Descriptive Statistics of Major Variables Across Samples

	Combined Sample		Lands' End				Vera Wang			
			Camera (Horizontal)		Intimate Apparel (Vertical)		Camera (Horizontal)		Men's Jeans (Vertical)	
	Mean (Std.)	Alpha	Mean (Std.)	Alpha	Mean (Std.)	Alpha	Mean (Std.)	Alpha	Mean (Std.)	Alpha
Evaluation of Brand Equity *Before* the Extension										
Brand Awareness (5items)	3.05 (1.04)	0.864	2.69 (1.03)	0.863	2.53 (1.05)	0.843	3.66 (0.79)	0.806	3.32 (0.88)	0.828
Brand Association (6 items)	3.11 (0.98)	0.930	2.78 (0.76)	0.881	2.48 (0.92)	0.923	3.65 (0.85)	0.897	3.54 (0.89)	0.922
Perceived Quality (4 items)	3.35 (0.96)	0.918	3.00 (0.85)	0.920	2.73 (0.95)	0.913	3.88 (0.75)	0.877	3.78 (0.74)	0.830
Evaluation of Core Brand Concept *Before* the Extension (3 items)	3.63 (1.01)	0.960	3.23 (0.88)	0.983	3.03 (1.02)	0.958	4.12 (0.82)	0.913	4.15 (0.77)	0.926
Evaluation of Brand Equity *After* the Extension										
Brand Awareness (5items)	2.30 (0.85)	0.762	2.24 (0.77)	0.724	2.24 (0.86)	0.812	2.43 (0.87)	0.753	2.27 (0.90)	0.757
Brand Association (6 items)	2.62 (0.93)	0.921	2.46 (0.89)	0.916	2.41 (0.86)	0.918	2.86 (0.93)	0.910	2.75 (0.98)	0.931

Perceived Quality (4 items)	2.76 (0.96)	0.892	2.63 (0.76)	0.857	2.42 (0.96)	0.944	3.21 (0.91)	0.832	2.79 (1.04)	0.894
Consumers' Attitudes toward the Extension (4 items)	2.69 (1.04)	0.924	2.50 (1.05)	0.945	2.55 (1.02)	0.917	2.87 (1.03)	0.912	2.86 (1.04)	0.935
Evaluation of Core Brand Concept *After* the Extension (3 items)	2.98 (1.12)	0.952	2.83 (0.91)	0.941	2.67 (1.08)	0.933	3.41 (1.14)	0.954	3.01 (1.19)	0.964
Perceived Fit										
Perceived Product Category Fit (2 items)	2.54 (0.99)	0.907	2.46 (0.82)	0.834	2.54 (0.99)	0.935	2.58 (1.02)	0.894	2.58 (1.14)	0.943
Perceived Image Fit (3 items)	2.52 (1.01)	0.898	2.38 (0.95)	0.908	2.58 (1.00)	0.925	2.60 (1.05)	0.866	2.51 (1.05)	0.897

Note: Alpha denotes reliability

Nunnally and Bernstein (1994) suggest that the value of acceptable reliability of all constructs should exceed 0.70. Table 4 shows that the reliability ranges from 0.724 (an evaluation of brand awareness after the extension in the Lands' End sample employing horizontal extension) to 0.983 (an evaluation of core brand concept before the extension). As such, all measures demonstrated an acceptable degree of reliability.

Hypothesis Testing

Different statistical analytical techniques were employed to answer the proposed hypotheses. All hypotheses were tested using SPSS, except hypothesis 9, which was tested via SAS. Specifically, multiple regression analysis was used to test hypotheses 1, 8, and 10. The paired sample independent t-test was employed to test hypotheses 2 and 4. One-way analysis of variance (one-way ANOVA) was employed to examine hypotheses 3 and 5. Simple regression analysis was carried out to test hypothesis 6. Independent sample t-test was employed to test hypothesis 7, and multivariate analysis of variance (MANOVA) was performed to examine hypothesis 9.

Relationship between Consumers' Initial Evaluations of Parent Brand Equity and Their Attitudes toward Brand Extensions (Hypothesis 1)

To examine hypothesis 1, which predicted a positive relationship between consumers' initial evaluation of parent brand equity and their attitudes toward brand extension, a multiple regression was employed using three dimensions (i.e., brand awareness, brand association, and perceived quality) that captured the parent brand equity as independent variables and consumers' attitudes toward the brand extension as a

dependent variable. Results revealed that two dimensions of initial parent brand equity influencing consumers' attitudes toward the brand extension were significant, $F_{(3, 236)} = 10.040$, $p < 0.001$ (see Table 5). In addition, the model accounted for roughly 11.3% of the variance explained. The low R^2 coefficients (0.113) suggest that the variables included in the regression equation also did not fully account for consumers' attitudes toward the brand extension. Results further revealed that while brand association positively influenced consumers' attitudes toward the brand extension ($\beta = 0.343$, t-value $= 3.115$, $p < .01$), brand awareness negatively influenced consumers' attitudes toward the brand extension ($\beta = -0.193$, t-value $= -2.271$, $p < .05$). However, perceived quality did not significantly influence consumers' attitudes toward the brand extension ($\beta = 0.117$, t-value $= 1.228$, $p = 0.221$). Thus, H1 was partially supported.

Table 5:   Multiple Regression Results of Initial Evaluation of Parent Brand Equity on Consumers' Attitudes toward Brand Extension

	Consumers' Attitudes toward Brand Extension		
	Standardized β	t-value	p-value
Initial Evaluation of Brand Equity			
Brand Awareness	-0.193	-2.271	0.024*
Brand Association	0.343	3.115	0.002**
Perceived Quality	0.117	1.228	0.221
	$R^2 = 0.113$ Adjusted $R^2 = 0.102$ $F_{(3, 236)} = 10.040$, p < 0.001		

Note: * significant at $p < .05$; ** significant at $p < .01$

The Impact of Brand Extension on Post Extension Evaluation of the Parent Core Brand

Concept (Hypotheses 2 and 3)

To test hypothesis 2, which predicted that, regardless of the type of brand

extension strategy, consumers' post extension evaluation of the parent core brand concept

would be significantly different from their initial evaluation of the parent core brand

concept, a paired sample t-test was employed. A paired sample t-test was used to identify

whether there was significant difference between consumers' initial evaluation of the

brand concept and consumers' post extension evaluation of the parent core brand

concept. Results showed that there was significant difference between consumers' initial

evaluation and post extension evaluation of the parent core brand concept (see Table 6).

That is, consumers' initial evaluation of the parent core brand concept was higher than

their post extension evaluation of the parent core brand concept ($M_{Before} = 3.63$ vs. M_{After}

$= 2.98$, $M_{Diff} = 0.65$, t-value $= 9.143$, $p < .001$). Therefore, H 2 was supported.

Table 6:   Paired Sample T-Test Results Between Initial Evaluation and Post
              Extension Evaluation of Parent Core Brand Concept

Paired Variables (Brand Concept)	Mean (Standard Deviation)		Mean Difference	t-value	p-value
	Initial Evaluation	Post Extension Evaluation			
Brand Concept	3.63 (1.01)	2.98 (1.12)	0.65 (1.05)	9.143	< .001

Regarding the impact of the type of brand extension strategy (horizontal vs.

vertical) on parent brand concept, hypothesis 3 further predicted that vertical brand

extension strategy would create a greater dilution effect on the parent brand concept as

compared to horizontal brand extension strategy. To examine hypothesis 3, one-way

Analysis of Variance (one-way ANOVA) was employed. Mean differences between

consumers' initial evaluation and post extension evaluation of the parent core brand

concept of each extension type were calculated and then used as dependent variables,

while the type of brand extension was used as an independent variable. Results revealed

that the type of brand extension strategy did not have a significant relationship with

consumers' post extension evaluation of the parent core brand concept, F = 2.034, p =

0.155 (see Table 7). Although the mean differences between consumers' initial

evaluation and post extension evaluation of the parent core brand concept of vertical

brand extension strategy was greater than the mean differences between consumers'

initial evaluation and post extension evaluation of the parent core brand concept of

horizontal brand extension strategy ($M_{Diff\ of\ Vertical}$ = 0.75 and $M_{Diff\ of\ Horizontal}$ = 0.55), such

differences were not significant (F-value = 2.034, $p > 0.05$). Thus, hypothesis 3 was not

supported.

Table 7:   One-Way ANOVA Results Examining Impact of Types of Brand
           Extension Strategy on Parent Brand Concept

Type of Extension Strategy	Brand Concept Means (Std.)		Mean Diff.	Type III Sum of Squares	df	F-value	p-value
	Initial Evaluation	Post Extension Evaluation					
Vertical	3.59 (1.04)	2.84 (0.88)	0.75 (1.17)	2.467	1	2.034	0.155

Horizontal	3.67	3.12	0.55
	(1.03)	(0.83)	(1.03)

The Impact of Brand Extension on Consumers' Post Extension Evaluation of Brand

Equity (Hypotheses 4 and 5)

Hypothesis 4 predicted that, regardless of the type of brand extension strategy,

consumers' post extension evaluation of parent brand equity would be significantly

different from their initial evaluation of parent brand equity. To examine hypothesis 4, a

series of paired sample t-tests were performed. A paired sample t-test was used to

identify whether there were significant differences between consumers' initial evaluation

of parent brand equity (i.e., before an extension) and consumers' post extension

evaluation of parent brand equity concept (i.e., after an extension). Results showed that

there were significant differences between consumers' evaluation of all three dimensions

of parent brand equity (brand awareness, brand association, and perceived quality) before

and after the extension (see Table 8). That is, consumers' initial evaluation of parent

brand equity was higher than their post extension evaluation of brand equity in terms of

brand awareness ($M_{Initial}$ = 3.05 vs. M_{Post} = 2.30, M_{Diff}= 0.75, t-value = 9.167, $p < .001$),

brand association ($M_{Initial}$ = 3.11 vs. M_{Post} = 2.62, M_{Diff}= 0.49, t-value = 7.412, $p < .001$),

and perceived quality ($M_{Initial}$ = 3.35 vs. M_{Post} = 2.76, M_{Diff}= 0.59, t-value = 9.369, $p <$

$.001$). Therefore, H 4 was also supported.

Table 8:   Paired Sample T-Test Results Between Initial Evaluation and Post
             Extension Evaluation of Parent Brand Equity

Paired Variables (Brand Equity)	Mean (Standard Deviation)		Mean Difference	t-value	p-value
	Initial Evaluation	Post Extension Evaluation			
Brand Awareness	3.05 (1.04)	2.30 (0.85)	0.75 (0.92)	9.167	$< .001$
Brand Association	3.11 (0.98)	2.62 (0.93)	0.49 (0.96)	7.412	$< .001$
Perceived Quality	3.35 (0.96)	2.76 (0.96)	0.59 (0.95)	9.369	$< .001$

Regarding the type of brand extension strategy (horizontal vs. vertical),

hypothesis 5 further predicted that vertical brand extension strategy would create a

greater dilution effect on the parent brand equity as compared to horizontal brand

extension strategy. To examine hypothesis 5, a series of one-way Analysis of Variance

(one-way ANOVA) was executed. Again, mean differences between consumers' initial

evaluation and post extension evaluation of the parent brand equity of each extension

type were calculated and then used as dependent variables while the type of brand

extension was used as an independent variable. In terms of brand awareness, results

revealed that the type of brand extension strategy did not have a significant relationship

with consumers' evaluations of brand awareness, $F = 1.042$, $p = 0.308$ (see Table 9).

Although the mean differences between consumers' initial evaluation and post extension

evaluation of brand awareness of horizontal brand extension strategy was greater than

the mean differences between consumers' initial evaluation and post extension evaluation of brand awareness of vertical brand extension strategy ($M_{\text{Diff of Horizontal}} = 0.84$ vs. $M_{\text{Diff of Vertical}} = 0.67$), such differences were not significant (F-Value $= 1.042$, $p = 0.308$), (see Table 9).

In addition, in terms of brand association, results also revealed that the type of brand extension strategy did not have a significant relationship with consumers' post extension evaluation of brand association, $F = 0.860$, $p = 0.355$. Again, although the mean differences between consumers' initial evaluation and post extension evaluation of brand association related to horizontal brand extension strategy was greater than the mean differences between consumers' initial evaluation and post extension evaluation of brand association related to vertical brand extension strategy ($M_{\text{Diff of Horizontal}} = 0.56$ vs. $M_{\text{Diff of Vertical}} = 0.43$), such differences were not significant (F-value $= 0.860$, $p = 0.355$). Last, in terms of perceived quality, results also revealed that the type of brand extension strategy did not have a significant relationship with consumers' post extension evaluation of perceived quality, $F = 0.964$, $p = 0.327$. Although the mean differences between consumers' initial evaluation and post extension evaluation of perceived quality related to vertical brand extension strategy was greater than the mean differences between consumers' initial evaluation and post extension evaluation of perceived quality related to horizontal brand extension strategy ($M_{\text{Diff of Vertical}} = 0.65$ vs. $M_{\text{Diff of Horizontal}} = 0.53$), such differences were not significant (F-value $= 0.964$, $p = 0.327$). Thus, hypothesis 5 was not supported.

Table 9:   One-Way ANOVA Results Examining Impact of Types of Brand
             Extension Strategy on Post Extension Evaluation of Parent Brand Equity
             (as Measured by Brand Awareness, Brand Association, and Perceived
             Quality)

| Type of Extension Strategy | Brand Awareness Means (Std.) | | | | | | |
	Initial Evaluation	Post Extension Evaluation	Mean Diff.	Type III Sum of Squares	df	F-value	p-value
Vertical	2.93 (1.04)	2.26 (0.88)	0.67 (1.31)	1.700	1	1.042	0.308
Horizontal	3.18 (1.03)	2.34 (0.83)	0.84 (1.24)				

| | Brand Association Means (Std.) | | | | | | |
	Initial Evaluation	Post Extension Evaluation	Mean Diff.	Type III Sum of Squares	df	F-value	p-value
Vertical	3.01 (1.04)	2.58 (0.93)	0.43 (1.11)	0.917	1	0.860	0.355
Horizontal	3.21 (0.92)	2.66 (0.93)	0.56 (0.96)				

| | Perceived Quality Means (Std.) | | | | | | |
	Initial Evaluation	Post Extension Evaluation	Mean Diff.	Type III Sum of Squares	df	F-value	p-value
Vertical	3.25 (1.00)	2.61 (1.01)	0.65 (1.09)	0.907	1	0.964	0.327
Horizontal	3.44 (0.91)	2.92 (0.89)	0.53 (0.83)				

The Relationship Between Consumers' Attitudes Toward Brand Extensions and their

Post Extension Evaluation of Parent Brand Equity (Hypothesis 6)

Hypothesis 6 stated that regardless of the type of brand extension, consumers'

favorable attitudes toward a brand extension would positively influence their post

extension evaluation of the parent brand equity. To examine this hypothesis, a series of

simple regression was employed. In terms of brand awareness, results showed that

consumers' attitudes toward a brand extension positively influenced their brand

awareness after the extension ($F_{(2, 238)} = 67.252$, $p < 0.001$; $\beta = 0.469$, t-value $= 8.201$, $p <$

.001). In addition, results further showed that consumers' attitudes toward brand

extension also positively influenced their brand association ($F_{(2, 238)} = 159.937$, $p < 0.001$;

$\beta = 0.634$, t-value $= 12.647$, $p < .001$) and perceived quality after the extension ($F_{(2, 238)} =$

173.824, $p < 0.001$; $\beta = 0.487$, t-value $= 8.592$, $p < .001$) (see Table 10). Therefore, H6

was supported.

Table 10:   Simple Regression Results of Consumers' Attitude towards Brand
              Extension on Their Post Extension Evaluation of Parent Brand Equity

Independent Variable	Post Extension Evaluation of Brand Equity					
	Brand Awareness		Brand Association		Perceived Quality	
	β	t-value (p-value)	β	t-value (p-value)	β	t-value (p-value)
Attitudes toward the Brand	0.469	8.201 (p < .001)	0.634	12.647 (p <.001)	0.487	8.592 (p < .001)
	$R^2 = 0.220$ Adjusted $R^2 = 0.217$ $F_{(2, 238)} = 67.252$, $p < .001$		$R^2 = 0.402$ Adjusted $R^2 = 0.399$ $F_{(2, 238)} = 159.937$, $p < .001$		$R^2 = 0.237$ Adjusted $R^2 = 0.234$ $F_{(2, 238)} = 73.824$, $p < .001$	

The Impact of the Moderating Role of Perceived Fit on the Relationships Between Brand

Extension and Post Extension Evaluation of Brand Concept (Hypotheses 7 and 8)

Hypothesis 7 proposed that, regardless of the type of brand extension, consumers'

post extension evaluation of the parent brand concept would be more favorable among

those who displayed a higher degree of perceived fit than those who displayed a lower

degree of perceived fit. According to the literature, consumers' perceived fit was

conceptualized as consisting of perceived category fit and perceived image fit (Bhat &

Reddy, 2001). Prior to testing this particular hypothesis, the mean score for the perceived

category fit and the perceived image fit constructs was calculated separately. The mean

score for the perceived category fit was 2.54 with a standard deviation of 0.99.

Employing the median split technique, the mean score was later used to divide the

participants into two groups: low perceived category fit and high perceived category fit.

Similarly, the mean score for the perceived image fit was 2.52 with a standard deviation

of 1.01. Again, employing the median split technique, the mean score was later used to

divide the participants into two groups: low perceived category fit and high perceived

image fit.

To examine hypothesis 7, a series of independent sample t-tests were performed

using each dimension of consumers' perceived fit as an independent variable and

consumers' post extension evaluation of the parent brand concept as a dependent

variable. Results showed that, for the perceived category fit, the group's difference was

statically significant (t-value = 8.206, p < .001). Furthermore, the high perceived category

fit group displayed higher mean values on the post extension evaluation of the parent

brand concept than the low perceived category fit group ($M_{\text{High Perceived Category Fit}}$ = 3.50 vs.

$M_{\text{Low Perceived Category Fit}}$ = 2.45). Related to the perceived image fit, the group's difference

was also statistically significant (t-value = 8.775, p < .001). Furthermore, the high

perceived image fit group displayed higher mean values on the post extension evaluation

of the parent brand concept than the low perceived image fit group ($M_{\text{High Perceived Image Fit}}$ =

3.49 vs. $M_{\text{Low Perceived Image Fit}}$ = 2.39) (see Table 11). Thus, H7 was supported.

Table 11:   Independent Sample T-Test Results between Perceived Fit and Post
              Extension Evaluation of Parent Core Brand Concept

Post Extension Evaluation of Brand Concept						
Perceived Fit	Low Group	High Group	Mean Diff (Std.)	df	t-value	p-value
Perceived Category Fit	2.45 (1.14)	3.50 (0.81)	1.05 (0.13)	238	8.206	< .001
Perceived Image Fit	2.39 (1.14)	3.49 (0.80)	1.10 (0.13)	238	8.775	< .001

Regarding the impact of the type of brand extension strategy (horizontal vs.

vertical) on parent brand concept in relation to perceived fit, Hypothesis 8 stated that the

influence of consumers' perceived fit on consumers' post extension evaluation of the

parent brand concept would create greater impact on the parent brand concept for the

horizontal extension than the vertical extension. To test Hypothesis 8, a series of multiple

regressions were employed using consumers' perceived fit as an independent variable

and consumers' post extension evaluation of the parent brand concept as a dependent

variable.

With respect to the horizontal brand extension strategy, results revealed that one

dimension of consumers' perceived fit influencing consumers' post extension evaluation

of the parent brand concept was significant, $F_{(2, 117)} = 31.557$, $p < 0.001$ (see Table 12). In addition, the model accounted for roughly 35% of the variance explained. Results further revealed that, while perceived category fit positively influenced consumers' post extension evaluation of the parent brand concept ($\beta = 0.396$, t-value $= 3.060$, $p < .01$), perceived image fit did not ($\beta = 0.222$, t-value $= 1.715$, $p > .05$).

With respect to the vertical brand extension strategy, results revealed that two dimensions of consumers' perceived fit influencing consumers' post extension evaluation of the parent brand concept were significant, $F_{(2, 117)} = 38.785$, $p < 0.001$ (see Table 12). In addition, the model accounted for roughly 40% of the variance explained. Results further revealed that perceived category fit and perceived image fit positively influenced consumers' post extension evaluation of the parent brand concept ($\beta = 0.304$, t-value $=$ 2.221, $p < .05$; $\beta = 0.351$, t-value $= 2.555$, $p < .05$, respectively).

When examining beta coefficients for each regression model (by the type of extension), the value of beta coefficient for consumers' perceived category fit for the vertical brand extension was smaller as compared to the value of beta coefficient for consumers' perceived category fit for the horizontal brand extension ($\beta_{Vertical} = 0.304$ vs. $\beta_{Horizontal} = 0.396$). This implies that consumers' perceived category fit exerted stronger influence on consumers' post extension evaluation of the parent brand concept for horizontal brand extension than for the vertical brand extension. However, when examining beta coefficients for perceived image fit for each extension type, results revealed that the value of beta coefficient for consumers' perceived image fit for the vertical brand extension was greater as compared to the value of beta coefficient for

consumers' perceived image fit for the horizontal brand extension ($\beta_{Vertical} = 0.351$ vs. $\beta_{Horizontal} = 0.222$). This implies that consumers' perceived image fit exerted stronger influence on consumers' post extension evaluation of the parent brand concept for vertical brand extension than for the horizontal brand extension. Given these mixed results, it is concluded that H8 was partially supported.

Table 12: Multiple Regression Results of Consumers' Perceived Fit on Their Post Extension Evaluation of Parent Brand Concept by the Type of Extension Strategy

	Types of Extension Strategy					
	Vertical			Horizontal		
Independent variable	Post Extension Evaluation of Brand Concept			Post Extension Evaluation of Brand Concept		
	Coefficients (β)	t-value	p-value	Coefficients (β)	t-value	p-value
Perceived Category Fit	0.304	2.211	$< .05$ (p=.029)	0.396	3.060	$< .01$ (p=.003)
Perceived Image Fit	0.351	2.555	$< .05$ (p=.012)	0.222	1.715	$> .05$ (p=.089)
	$R^2 = 0.399$ Adjusted $R^2 = 0.388$ $F_{(2, 117)} = 38.785$, $p < .001$			$R^2 = 0.350$ Adjusted $R^2 = 0.339$ $F_{(2, 117)} = 31.557$, $p < .001$		

The Impact of a Moderating Role of Perceived Fit on the Relationship Between Brand Extension and Post Extension Evaluation of Brand Equity (Hypotheses 9 and 10)

Hypothesis 9 proposed that, regardless of the type of brand extension, consumers'

post extension evaluation of the parent brand equity would be stronger among those who

displayed a higher degree of perceived fit than those who displayed a lower degree of

perceived fit after the extension. A similar procedure in testing Hypothesis 7 was

followed. That is, relying on the median split technique, the mean scores for both

perceived category fit and perceived image fit were employed to divide the participants

into two groups, i.e., low vs. high on perceived category fit and perceived image fit,

respectively.

To test hypothesis 9, multivariate analysis of variance (MANOVA) was employed

using perceived category fit and perceived image fit as independent variables and three

dimensions of consumers' post extension evaluation of the parent brand equity as

dependent variables (i.e., brand awareness, brand association, and perceived quality).

Results showed that the main effect of perceived category fit had a significant

relationship with the two dimensions and a marginally significant relationship with

consumers' post extension evaluation of the parent brand equity, $F = 4.233$, p < .01. In

addition, results also revealed that the main effect of perceived image fit had a significant

relationship with all three dimensions of consumers' post extension evaluation of the

parent brand equity, $F = 13.739$, p < .001 (see Table 13).

Related to the main effect of perceived category fit, further analysis of variance

(ANOVA) was employed to examine the differences between two different groups (low

vs. high) across three dimensions of consumers' post extension evaluation of the parent

brand equity. The ANOVA models indicated significant differences in the groups for

brand association ($F = 12.616$, $p < .001$) and perceived quality ($F = 6.381$, $p < .05$), and marginally significant differences in the groups for brand awareness ($F = 3.701$, $p = 0.056$). In order to conduct group comparisons, we further employed *post hoc* tests (i.e., Tukey HSD tests), to examine the differences between groups for brand awareness, brand association, and perceived quality. Results revealed that there were significant differences between low and high perceived category fit groups for brand awareness ($M_{High} = 2.67$ vs. $M_{Low} = 1.91$, $p < .05$), brand association ($M_{High} = 3.12$ vs. $M_{Low} = 2.10$, $p < .05$), and perceived quality ($M_{High} = 3.17$ vs. $M_{Low} = 2.34$, $p < .05$) (see Table 13).

Related to the main effect of perceived image fit, further analysis of variance (ANOVA) was also employed to examine the differences between two different groups (low vs. high) across three dimensions of consumers' post extension evaluation of the parent brand equity. The ANOVA models indicated significant differences in the groups for brand awareness ($F = 29.732$, $p < .001$), brand association ($F = 29.856$, $p < .001$), and perceived quality ($F = 15.416$, $p < .001$). In order to conduct group comparisons, we further employed *post hoc* tests (i.e., Tukey HSD tests), to examine the differences between groups for brand awareness, brand association, and perceived quality. Results revealed that there were significant differences between low and high perceived image fit groups for brand awareness ($M_{High} = 2.72$ vs. $M_{Low} = 1.80$, $p < .05$), brand association ($M_{High} = 3.12$ vs. $M_{Low} = 2.03$, $p < .05$), and perceived quality ($M_{High} = 3.18$ vs. $M_{Low} = 2.28$, $p < .05$) (see Table 13). Based on these results, it is concluded that H9 was supported.

Table 13:   Multivariate Analysis of Variance (MANOVA) Results on the Impact of
              Perceived Fit on Post Extension Evaluation of Brand Equity

Perceived Fit	MEAN (Std.)			Multivariate *F* (p-value)
	Brand Awareness	Brand Association	Perceived Quality	
Category Fit				4.233
Low	1.91	2.10	2.34	(p < .01)
	(0.72)	(0.84)	(0.98)	
High	2.67	3.12	3.17	
	(0.80)	(0.71)	(0.75)	
Mean Diff	0.76	1.02	0.83	
	(0.85)	(0.98)	(0.84)	
Type III Sum of Squares	1.906	6.830	4.556	
df	1	1	1	
F-value	3.701	12.616	6.381	
p-value	0.056	< .001	0.012	
Image Fit				13.739
Low	1.80	2.03	2.28	(p < .001)
	(0.69)	(0.85)	(0.97)	
High	2.72	3.12	3.18	
	(0.75)	(0.66)	(0.75)	
Mean Diff	0.92	1.09	0.90	
	(0.81)	(0.84)	(0.86)	
Type III Sum of Squares	15.312	16.164	11.006	
df	1	1	1	
F-value	29.732	29.856	15.416	
p-value	< .001	< .001	< .001	

Regarding the impact of the type of brand extension strategy (horizontal vs.

vertical) on parent brand equity in relation to perceived fit, hypothesis 10 stated that the

influence of consumers' perceived fit on consumers' post extension evaluation of the

parent brand equity would create greater dilution on the parent brand equity for the

horizontal extension than the vertical extension. To test hypothesis 10, a series of

multiple regressions were employed using consumers' perceived fit as an independent

variable and consumers' post extension evaluation of the parent brand equity as a

dependent variable.

With respect to the horizontal brand extension strategy, results revealed that only

perceived image fit influenced consumers' post extension evaluation of the parent brand

equity in terms of brand awareness was significant, $F_{(2, 117)} = 28.543, p < 0.001$ (see Table

14). In addition, the model accounted for roughly 33% of the variance explained. Results

further revealed that, while perceived image fit positively influenced consumers' post

extension evaluation of the brand awareness ($\beta = 0.524$, t-value $= 3.974$, $p < .001$),

perceived category fit did not ($\beta = 0.059$, t-value $= 0.446$, $p > .05$). In addition, results

also showed that only perceived image fit influenced consumers' post extension

evaluation of the parent brand equity in terms of brand association was significant, $F_{(2, 117)}$

$= 47.236, p < 0.001$ (see Table 14). In addition, the model accounted for roughly 45% of

the variance explained. Results further revealed that, while perceived image fit positively

influenced consumers' post extension evaluation of the brand association ($\beta = 0.640$, t-

value $= 5.352$, $p < .001$), perceived category fit did not ($\beta = 0.035$, t-value $= 0.285$, $p >$

.05). Lastly, in terms of perceived quality dimension of brand equity, results showed that

only perceived image fit influenced consumers' post extension evaluation of the parent

brand equity in terms of perceived quality was significant, $F_{(2, 117)} = 16.676, p < 0.001$

(see Table 14). In addition, the model accounted for roughly 22% of the variance

explained. Results further revealed that while perceived image fit positively influenced

consumers' post extension evaluation of perceived quality ($\beta = 0.348$, t-value = 3.454, $p < .05$), perceived category fit did not ($\beta = 0.142$, t-value = 1.000, $p > .05$).

With respect to the vertical brand extension strategy, results revealed that only perceived image fit influenced consumers' post extension evaluation of the parent brand equity in terms of brand awareness was significant, $F_{(2, 117)} = 43.411$, $p < 0.001$ (see Table 14). In addition, the model accounted for roughly 43% of the variance explained. Results further revealed that, while perceived image fit positively influenced consumers' post extension evaluation of the brand awareness ($\beta = 0.463$, t-value = 3.445, $p < .001$), perceived category fit did not ($\beta = 0.211$, t-value = 1.571, $p > .05$).). In addition, results also showed that both perceived category fit and perceived image fit of consumers' perceived fit influenced consumers' post extension evaluation of the parent brand equity in terms of brand association were significant, $F_{(2, 117)} = 77.901$, $p < 0.001$ (see Table 14). In addition, the model accounted for roughly 57% of the variance explained. Results further revealed that both perceived category fit and perceived image fit positively influenced consumers' post extension evaluation of brand association ($\beta = 0.369$, t-value = 3.175, $p < .01$; $\beta = 0.416$, t-value = 3.580, $p < .001$, respectively). Lastly, in terms of perceived quality dimension of brand equity, results showed that only perceived image fit of consumers' perceived fit influenced consumers' post extension evaluation of the parent brand equity in terms of perceived quality was significant, $F_{(2, 117)} = 40.973$, $p < 0.001$ (see Table 14). In addition, the model accounted for roughly 41% of the variance explained. Results further revealed that, while perceived image fit positively influenced

consumers' post extension evaluation of perceived quality ($\beta = 0.446$, t-value = 3.276, p < .001), perceived category fit did not ($\beta = 0.218$, t-value = 1.601, $p > .05$).

When examining beta coefficients for each regression model (by the type of extension), the value of beta coefficient for consumers' perceived image fit for the vertical brand extension was smaller as compared to the value of beta coefficient for consumers' perceived image fit for the horizontal brand extension for brand awareness and brand association (for brand awareness: $\beta_{Vertical} = 0.463$ vs. $\beta_{Horizontal} = 0.524$; for brand association: $\beta_{Vertical} = 0.416$ vs. $\beta_{Horizontal} = 0.640$). This implies that consumers' perceived image fit exerted stronger influence on consumers' post extension evaluation of the parent brand equity in terms of brand awareness and brand association for horizontal brand extension than for the vertical brand extension. Related to perceived quality, however, when examining beta coefficients for perceived category fit and perceived image fit for each extension type, results revealed that the value of beta coefficient for both consumers' perceived category fit and perceived image fit for the vertical brand extension were greater as compared to the value of beta coefficient for both consumers' perceived category fit and perceived image fit for the horizontal brand extension (perceived category fit: $\beta_{Vertical} = 0.218$ vs. $\beta_{Horizontal} = 0.142$; perceived image fit: $\beta_{Vertical} = 0.446$ vs. $\beta_{Horizontal} = 0.348$). This implies that consumers' perceived category and image fit exerted stronger influence on consumers' post extension evaluation of perceived quality dimension of the parent brand equity for vertical brand extension than for the horizontal brand extension. Given these mixed results, it is concluded that H10 was also partially supported.

Table 14:   Multiple Regression Results of Consumers' Perceived Fit on Their Post Extension Evaluation of Parent Brand Equity by the Type of Extension Strategy

Independent variable	Post Extension Evaluation of Brand Equity					
	Vertical			Horizontal		
	Brand Awareness			Brand Awareness		
	Coefficients (β)	t-value	p-value	Coefficients (β)	t-value	p-value
Perceived Category Fit	0.211	1.571	> .05 (p=.119)	0.059	0.446	> .05 (p=.656)
Perceived Image Fit	0.463	3.445	< .001	0.524	3.974	< .001
	$R^2 = 0.426$ Adjusted $R^2 = 0.416$ $F_{(2, 117)} = 43.411, p < .001$			$R^2 = 0.328$ Adjusted $R^2 = 0.316$ $F_{(2, 117)} = 28.543, p < .001$		
	Brand Association			Brand Association		
	Coefficients (β)	t-value	p-value	Coefficients (β)	t-value	p-value
Perceived Category Fit	0.369	3.175	p < .01	0.035	0.285	p > .05 (p=.773)
Perceived Image Fit	0.416	3.580	p < .001	0.640	5.352	p < .001
	$R^2 = 0.571$ Adjusted $R^2 = 0.564$ $F_{(2, 117)} = 77.901, p < .001$			$R^2 = 0.447$ Adjusted $R^2 = 0.437$ $F_{(2, 117)} = 47.236, p < .001$		
	Perceived Quality			Perceived Quality		
	Coefficients (β)	t-value	p-value	Coefficients (β)	t-value	p-value
Perceived Category Fit	0.218	1.601	p > .05 (p=.112)	0.142	1.00	p > .05 (p=.319)
Perceived Image Fit	0.446	3.276	p < .001	0.348	3.454	p < .05
	$R^2 = 0.412$ Adjusted $R^2 = 0.402$ $F_{(2, 117)} = 40.973, p < .001$			$R^2 = 0.222$ Adjusted $R^2 = 0.209$ $F_{(2, 117)} = 16.676, p < .001$		

The results of all hypotheses testing are summarized in Table 15.

Table 15: Summary of the Results of Hypotheses

	Hypothesis Number and Its Description	Analysis Employed	Testing Results
H1	Consumers' initial favorable evaluation of parent brand equity will positively influence their attitudes towards brand extension.	Multiple Regression	Partially supported
H2	Regardless of the type of brand extension, consumers' post extension evaluation of the core brand concept will be significantly different than the initial evaluation of the core brand concept after the extension.	Paired Sample T-Test	Supported
H3	Vertical brand extension will create a greater dilution effect on the parent core brand concept than horizontal brand extension.	One-way ANOVA	Not Supported
H4	Regardless of the type of brand extension, consumers' post extension evaluation of the parent brand's equity will be significantly different than initial evaluation of the parent brand's equity after the extension	Paired Sample T-Test	Supported
H5	Vertical brand extension will create a greater dilution effect on parent brand equity than horizontal brand extension.	One-Way ANOVA	Not Supported
H6	Regardless of the type of brand extension, consumers' favorable attitudes toward brand extension will positively influence their post extension evaluation of the parent brand equity after the extension.	Simple Regression	Supported
H7	Regardless of the type of brand extension, consumers' post extension evaluation of the parent core brand concept will be more favorable among those who display a higher degree of perceived fit than those who display a lower degree of perceived fit.	Independent Sample T-Test	Supported
H8	The influence of consumers' perceived fit on post extension evaluation of the parent core brand concept will create a greater dilution effect for horizontal	Multiple Regression	Partially Supported

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extension than vertical extension.

H9	Regardless of the of brand extension, consumers' post extension evaluation of the parent brand equity will be stronger among those who display a higher degree of perceived fit than those who display a lower degree of perceived fit.	MANOVA	Supported
H10	The influence of consumers' perceived fit on the post extension evaluation of parent brand equity will create a greater dilution effect for horizontal extension than vertical extension.	Multiple Regression	Partially Supported

Chapter Summary

This chapter presents statistical findings related to hypotheses addressed in

Chapter 2. In the next chapter, a discussion of conclusions related to these findings is

addressed. Implications are provided. The chapter is then concluded with limitations and

future research directions.

CHAPTER V

DISCUSSION AND CONCLUSIONS

The overall objective of this study is to assess the impact of brand extensions on the parent core brand concept and brand equity in the apparel context. Specifically, this study investigates whether the relationships among consumers' initial evaluation of parent core brand concept and parent core brand equity, consumers' attitudes toward brand extensions, and consumers' post extension evaluation of parent core brand concept and brand equity exist. In addition, this study also examines whether brand extensions have an effect on consumers' evaluations of parent core brand concept and brand equity. If yes, this study further examines whether these effects are different or similar based on brand extension types (horizontal vs. vertical). Last, the study seeks to examine whether consumers' perceived fit moderates the effects of different types of brand extensions and consumers' post extension evaluations of parent core brand concept and brand equity. If yes, this study also further examines whether these moderating effects are different or similar based on brand extension types. All testable hypotheses have been answered in the previous chapter.

This chapter is structured as follows. First, a discussion of major findings is offered, followed by a conclusion of the study. Second, the theoretical and practical implications are provided. Last, the limitations associated with the present study are addressed, followed by brief suggestions for future research directions.

Discussion of Findings

The study is guided by three primary research questions. The first research question is to explore the relationships among consumers' initial evaluation of parent brand equity, consumer's attitudes toward brand extensions, and consumers' post extension evaluation of parent brand equity. Hypotheses 1 and 6 were employed to assess this first research question.

The second research question is to examine the effects of brand extension types (horizontal vs. vertical) on consumers' post extension evaluations of parent brand concept and brand equity. Hypotheses 2, 3, 4, and 5 were employed to assess this research question.

Finally, hypotheses 7 through 10 were utilized to assess the third research question that deals with an assessment of the moderating effect of consumers' perceived fit on the relationships between brand extension types and consumers' post extension evaluations of parent core brand concept and brand equity.

Objective 1: Examining the relationship among consumers' initial evaluations of parent brand equity, consumers' attitudes toward brand extensions, and consumers' post extension evaluations of parent brand equity

As indicated earlier, the current study conceptualized brand equity as a tridimensional construct, consisting of brand awareness, brand association, and perceived quality (Bauer et al., 2005; Buil et al., 2009). A number of researchers have found positive relationships between consumers' initial evaluations of these three dimensions of brand equity (i.e., brand awareness, brand association, and perceived quality) and their

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attitudes toward brand extensions (Buil et al., 2009; de Ruyter & Wetzels, 2000; Macdinald & Sharp, 2000; Pappu et al., 2005). The results from the current study somewhat supported previous studies, indicating that only brand awareness and brand association positively influenced consumers' attitudes toward brand extension (de Ruyter & Wetzels, 2000; del Rio, Vazquez, & Iglesias, 2001; Macdinald & Sharp, 2000; Pappu et al., 2005). That is, consumers are likely to exhibit favorable attitudes toward brand extension when they are aware of the original brand and can associate the brand with favorable attributes and benefits derived from using the brand (Pitta & Katsanis, 1995). However, the current study did not find the influence of perceived quality on consumers' attitudes toward brand extension. This result is contradictory to previous studies that reported a positive relationship between perceived quality and consumers' attitudes toward brand extension (Bottomley & Holden, 2001; Buil et al., 2009; Park & Kim, 2001). This may be because consumers neither have a positive feeling about extension strategy employed by these two apparel brands, Lands' End and Vera Wang, nor believe that the type of extension strategy employed by these two brands are ideal to the brand. That is, the two vertical extensions, intimate apparel for Lands' End and men's wear for Vera Wang, may be considered to be irrelevant by the consumers, and hence the perceived quality did not have any influence on consumers' attitudes toward brand extension.

Results of the study lend further support to previous studies that revealed that consumers' attitudes toward brand extension positively influenced their post extension evaluation of the parent brand equity related to brand awareness, brand association, and

perceived quality (Buil et al., 2009; Chen & Chen, 2000; Kim et al., 2001). That is, consumers with favorable attitudes toward brand extensions are likely to display positive evaluations of the parent brand equity after the extension in terms of brand awareness, brand association, and perceived quality.

Objective 2: Examining the effect of brand extensions on consumers' post extension evaluations of parent core brand concept and brand equity

A central focus of the study is to determine whether brand extension strategy affects consumers' post extension evaluations of parent core brand concept and brand equity. If yes, we further determine whether such effects differ depending on the types of brand extension strategy (horizontal vs. vertical). By definition, horizontal extension strategy occurs when the original brand has been extended to a new product (either the same product class or a new product category). Vertical extension strategy, in contrast, occurs when the original brand has been extended to the same product category (Chung et al., 2001). Previous studies have indicated that consumers evaluate the parent core brand concept differently after the extension (Kim et al., 2001; Park et al., 1991; Pitta & Katsanis, 1995). In examining the impact of brand extension on consumers' post extension evaluation of parent brand concept, the current study's results indicate that regardless of the types of brand extension, consumers are less likely to evaluate parent core brand concept favorably after the extension as compared to their initial evaluation of parent core brand concept. However, when further examining whether a vertical extension strategy would create greater dilution effect on the parent core brand concept as compared to a horizontal extension strategy, our results are contrary to previous studies

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(Dacin & Smith, 1994; Ries & Trout, 1986) who found that a vertical brand extension tends to produce a negative impact on the parent core brand concept. This is due to the fact that the consumers' did not evaluate the extended brand similar to the parent brand in terms of its brand concept. The Lands' End brand possesses functional core brand concept, but when it is extended to camera and intimate apparel, the consumers might not associate these extensions with its core brand concept or core brand values. Likewise, the Vera Wang brand possesses the prestige core brand concept, and its extension categories of camera and men's apparel might not create any positive association among the consumers. Further, Vera Wang, with its vertical extension of men's wear, and Lands' End, with its vertical extension of intimate apparel, might be considered as inappropriate extended products related to its parent brand concept and hence the vertical brand extensions did not create any significant dilution effect on the parent brand concept.

Our findings also confirm previous studies that showed that, despite the types of brand extension, consumers tend to evaluate the parent brand equity differently after the extension (Aaker, 1991; Buil et al., 2009; Pitta & Katsanis, 1995). That is, consumers are less likely to evaluate the parent brand equity favorably in terms of brand awareness, brand association, and perceived quality after the extension as compared to their evaluations of the parent brand equity before the extension. Surprisingly, however, when further examining whether the dilution effect on parent brand equity is likely to be generated from a vertical brand extension rather than from a horizontal brand extension, our study did not find support for this prediction (Kim et al., 2001; Pitta & Katsanis,

1995). In this case, the vertically extended brands are positioned closely to the parent brand and there is no negative association formed with the vertically extended brands. This may be that the vertically extended brands were consistent with the parent brand equity. Thus, consumers did not evaluate the vertically extended brands negatively, as opposed to the previous literature.

Objective 3: Examining moderating effects of consumers' perceived fit on the relationships between types of brand extensions and consumers' post extension evaluations of parent core brand concept and brand equity

A number of researchers have suggested that consumers may evaluate brand extensions based on their attitudes towards the parent brand and their attitudes towards the extension category (Buil et al., 2009; Czellar, 2003). In addition, researchers argued that a higher perceived fit between the parent brand and the extended brand is related to a positive evaluation of the extension and the parent brand equity (Aaker & Keller, 1990; Boush & Loken, 1991). The results from the current study supported previous studies, indicating that high perceived category fit and high perceived image fit positively influenced consumers' post extension evaluation of the parent core brand concept (Aaker & Keller, 1990; Park et al., 1991). That is, consumers' attitudes toward brand extensions are likely to be positive when the extensions are consistent with the brand concept of the parent brand and also when the extended products are similar to the parent brand (Park et al., 1991).

Regarding the impact of the type of brand extension strategy (horizontal vs. vertical) on parent brand concept in relation to perceived fit, consumers' perceived

category fit exerted a stronger influence on consumers' post extension evaluation of the parent brand concept for horizontal brand extension than for the vertical brand extension. In contrast, consumers' perceived image fit exerted stronger influence on consumers' post extension evaluation of the parent brand concept for vertical brand extension than for the horizontal brand extension. This may be that the two brands; Lands' End and Vera Wang, with their vertical brand extensions had a more positive impact among the consumers. The vertically extended brands, intimate apparel and men's wear, may possess a stronger fit and are perceived to be more consistent with the parent brand concept than the horizontally extended brand (i.e., camera).

A number of researchers contended that a higher perceived fit between the parent brand and the extended brand positively influences consumer evaluation of the extension and the parent brand equity (Aaker & Keller, 1990; Boush & Loken, 1991). The study's results supported previous studies, indicating that high perceived category fit and high perceived image fit positively influence consumers' post extension evaluation of the parent brand equity (Aaker & Keller, 1990; Park et al., 1991).

Regarding the impact of the type of brand extension strategy (horizontal vs. vertical) on parent brand equity in relation to perceived fit, the outcome of the result was mixed. Consumers' perceived image fit exerted a stronger influence on consumers' post extension evaluation of the parent brand equity in terms of brand awareness and brand association for horizontal brand extension than for the vertical brand extension. However, consumers' perceived category and image fit exerted a stronger influence on consumers' post extension evaluation of perceived quality dimension of the parent brand equity for

vertical brand extension than for the horizontal brand extension. This can be explained that, because the horizontal brand extension (camera) of both apparel brands (Lands' End and Vera Wang) was associated with the core brand values and beliefs, and the consumers are aware about the product features (camera) against the core brand equity. But in terms of the vertically extended brands (Lands' End and Vera Wang), consumers might have a higher perceived category fit and image fit for the perceived quality dimension as compared to horizontally extended brands (i.e., camera). That is, consumers are aware of the perceived quality of the parent brand and in turn had a higher perceived category fit and image fit for the perceived quality dimension for vertically extended brands as compared to horizontally extended brands. The vertically extended brands (intimate apparel for Lands' End and men's wear for Vera Wang) are closer to their parent brand in terms of product category and consumers are aware of the perceived quality of the parent brand. Hence, the positive evaluation of the perceived quality of the parent brand was transferred to the vertically extended brands. The perceived quality scales suggest that the vertically extended brands are evaluated positively by the consumers based on the image of the parent brand and its high perceived quality.

Conclusions

Overall, the study's findings contribute to our understanding concerning the impact of brand extensions on parent core brand concept and brand equity in the context of apparel. Three research objectives addressed in the current study have been mostly supported by the research findings. First, the evidence confirms that there are positive

relationships among consumers' initial evaluations of the parent brand equity, their attitudes toward the extensions, and their post extension evaluations of the parent brand equity. Second, this research demonstrates that brand extension strategies (horizontal vs. vertical) have an impact on consumers' post extension evaluations of the parent core brand concept and brand equity. However, the magnitude of the impact on consumers' evaluations of the parent core brand concept and brand equity tends to be similar regardless of the types of brand extension strategies. That is, a vertical brand extension strategy did not create a greater dilution effect on the parent core brand concept and brand equity than the horizontal brand extension. Finally, our findings advance the branding literature in that consumers' perceived fit moderates the relationship between brand extension strategy (regardless of the types of extension) and consumers' post extension evaluation of the parent core brand concept and brand equity. That is, consumers' post extension evaluation of the parent core brand concept and parent brand equity tend to be more favorable among those who displayed a higher degree of perceived fit (both category and image fit) than those who displayed a lower degree of perceived fit. However, when examining the moderating effects of consumers' perceived fit in relation to the types of extension, findings showed that only image fit tends to produce a stronger impact on consumers' evaluation of the parent brand concept when the apparel product is vertically extended rather than horizontally extended. In addition, image and category fit tend to produce a stronger impact on consumers' evaluation of the parent brand equity when the apparel product is vertically extended rather than horizontally extended.

Managerial and Theoretical Implications

The conclusions obtained have several implications for marketing practitioners and for academic researchers. This research has important contributions for apparel brand managers whose business revenue streams depend on brand extension strategy. The results indicate that the parent brand equity is likely to create a positive impact on the consumers' attitudes toward brand extension. Thus, apparel companies should concentrate on building and enhancing its parent brand equity. Furthermore, results also show that consumers' favorable attitudes toward the brand extension tend to positively influence the parent brand equity after the extension. For this reason, we recommend that the brand managers should not yield to the success of the brand extension; they must further enhance their brand by means of various promotions. This will have a positive impact on the parent brand equity in the long run.

The current study also provides information regarding the effect of brand extension on parent core brand concept and brand equity. The results revealed that consumers' evaluation of the parent brand concept and parent brand equity tend to differ before and after the extension has taken place. The stronger the brand equity before the extension, the better the consumers' evaluation of the parent brand equity after an extension. The influence of perceived fit also plays a vital role in the evaluation of brand extension. Companies should launch products with a high degree of perceived fit in order to obtain positive evaluations of the new product (Buil et al., 2009). Our study shows that, while both types of perceived fit are important in consumer evaluations of

extensions, image fit has a greater effect on consumers' attitude towards brand extensions.

In addition, it is important for firms to have strong and well-known brands to leverage their value through brand extensions (Pitta & Katsanis, 1995; Rangaswamy et al., 1993). The company with strong parent brand equity is likely to be successful in launching new brands in the market. The parent brand's original equity may be used as a safeguard in promoting any extended brands, thus avoiding brand equity dilutions. Companies can also use marketing mix variables, such as product design or advertising campaigns, to increase perceived fit of extended brands. Such promotions could lead to a greater exposure to the brand extensions which leads to a more favorable consumer evaluation.

In terms of theoretical implications, the current study extends the brand management literature by incorporating apparel brands as the product cue along with other variables such as brand equity, brand concept and perceived fit. Furthermore, the current study also provides methodological contributions. That is, while some previous studies on brand extension have been mainly conducted in a laboratory setting using fictitious brands, causing one to question external validity of the results (Lahiri & Gupta, 2009); the current study was conducted using actual apparel brand names available in the market to overcome the concern related to generalizability.

Research Limitations and Future Research Directions

With respect to limitations, one must be cautious about generalizing these results. Although the current study employs the use of existing apparel brand names (Lands' End vs. Vera Wang), the selection of product category/types for each type of brand extension strategy is associated with novel product types/categories (e.g., camera, intimate apparel, men's jeans) that have not been available for any of the apparel brands investigated in the current study. That is, Vera Wang neither carries men's jeans, nor cameras. Likewise, Lands' End neither carries intimate apparel, nor cameras. As a result, these novel product types/categories may not create anticipated effects on the parent core brand concept and brand equity after the extension. Future research may want to employ existing extended product types/categories to examine their impacts on the parent brand concept and brand equity. In addition, an introduction of a step-up or step-down vertical brand extension concept may help one to overcome some of the insignificant findings currently found in the study. Also, since the current study is an experimental study, a more elaborate and clearer scenario related to brand extension strategy may produce better results.

A second limitation of the current study is also associated with the generalizibility of the results because of the use of college students. Although a student sample is desirable for theory testing (Ahluwalia & Gurham-Canli, 2000; Buil et al., 2009; Chen & Liu, 2004; Lane, 2000; Kim et al., 2001; Martinez & Chernatony, 2004; Park et al., 1991; van Riel & Ouwersloot, 2005), it poses certain limitations pertaining to generalizability. Further research should be conducted via the use of non-student populations. Another

possibility for future work would include extension strategy of other products and/or services.

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APPENDIX A

SELECTION OF STIMULI AND PRETEST INSTRUMENT

Pretest # 1

<u>Direction</u>: I am conducting a study to understand the impact of core brand concept on consumers' attitudes and preferences with regard to apparel brands. Thus, this pretest is designed to solicit your answers related to apparel brands in order to select two different apparel brands that possess distinct core brand concept.

Before you begin, I would like to introduce definitions of functional and prestige brand concepts.

Function-oriented brands possess unique aspects related to product performance such as durability, and reliability

Prestige-oriented brands are viewed as expressive of self-concepts or images such as luxury, and status.

Please keep in mind of these definitions when listing five apparel brands for each core concept

Please list five apparel brands you believe that their core brand concept is **<u>prestige oriented</u>**.

1. _____
2. _____
3. _____
4. _____
5. _____

Please list five apparel brands you believe that their core brand concept is **<u>function oriented</u>**.

1. _____
2. _____
3. _____
4. _____
5. _____

Thank you!!!

Pretest #2

Direction: I am conducting a study to understand the impact of core brand concept on consumers' attitudes and preferences with regard to apparel brands. Thus, this pretest is designed to solicit your answers related to apparel brands in order to select two different apparel brands that possess distinct core brand concept. In this study, I ask you to answer the following questions based on your overall impression of that particular brand.

Before you begin, I would like to introduce definitions of functional and prestige brand concepts.

Function-oriented brands possess unique aspects related to product performance such as durability, and reliability

Prestige-oriented brands are viewed as expressive of self-concepts or images such as luxury, and status.

****Please keep in mind of these definitions when answering the following questions.***

To what extent do you evaluate the following apparel brands in terms of their core brand concept?

1. Nike

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

2. North Face

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

3. Gap

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

4. Polo Ralph Lauren

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

5. Brooks Brother

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

6. LL Bean

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

7. Eddie Bauer

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

8. Lands' End

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

9. Vera Wang

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

10. Burberry

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

11. Armani

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

12. Coach

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

Thank you!!!

APPENDIX B

FINAL INSTRUMENT

THE UNIVERSITY *of* NORTH CAROLINA
GREENSBORO

Dear Students:

I am a master's student majoring in Consumer Apparel Retail Studies at The University of North Carolina at Greensboro. I am conducting research to understand consumer responses to brand extension. Therefore, your input is important to my study.

You are invited to voluntarily participate in this study and your input is important to my study. Please take about 10 to 15 minutes to complete this study. However, you can choose not to participate in this study as well. There are no risks or benefits to those who participate in this study. If you decide to participate in this study, you are agreeing that you are at least 18 years old and can read and understand English. There are no right or wrong answers to the questions. Your answers will be kept confidential. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable.

Thank you in advance for your participation. If you have any questions, please feel free to ask the researchers. We would be glad to assist you. In addition, if you have questions concerning your rights as a research subject, you may contact the University of North Carolina at Greensboro Institutional Review Board at 1-336-256-1482.

Sincerely,

Dilip Doraiswamy   Kittichai (Tu) Watchravesringkan, Ph.D.

Master's Student   Assistant Professor
Consumer, Apparel, & Retail Studies   Consumer, Apparel, & Retail Studies
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Greensboro, NC 27402   Greensboro, NC 27402
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Direction: Please read the following information about Lands' End.

LANDS'END

Lands' End is a global multi-channel retailer designing and selling classically styled apparel, swimwear and outerwear for Women, Men and Kids. (www.landsend.com)

Based on above information, please answer the following questions.

Do you know this brand?   ___Yes   ___No

	Not familiar at all				Very familiar
How much do you familiarize with this brand?	1	2	3	4	5

	Not knowledgeable all				Very knowledgeable
How much do you know about this brand?	1	2	3	4	5

To what extent do you evaluate <u>Lands' End brands</u> in terms of its core brand concept?

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

By function-oriented, we mean the brand *possesses unique aspects related to product performance such as durability, and reliability*

By prestige-oriented, we mean the brand is *viewed as expressive of self-concepts or images such as luxury, and status.*

Based on information above about **<u>Lands' End brand</u>**, please indicate your
agreement or disagreement with the following statements.

		Strongly disagree				Strongly agree
1.	When I think of apparel of this nature, Lands' End is the brand that comes to mind.	1	2	3	4	5
2.	I know what Lands' End brand looks like.	1	2	3	4	5
3.	I can recognize Lands' End among other competing brands in this nature.	1	2	3	4	5
4.	I am aware of Lands' End brand.	1	2	3	4	5
5.	I have difficulty in imagining Lands' End brand in my mind.	1	2	3	4	5
6.	I trust the company which makes Lands' End brand.	1	2	3	4	5
7.	I like the company which makes Lands' End brand.	1	2	3	4	5
8.	I would feel proud to own products from the company which makes Lands' End brand.	1	2	3	4	5
9.	There are reasons to buy this Lands' End brand over competitors in this nature.	1	2	3	4	5
10.	The Lands' End brand has a personality.	1	2	3	4	5
11.	This Lands' End brand is different from competing brands in this nature.	1	2	3	4	5
12.	The Lands' End brand is of high quality.	1	2	3	4	5
13.	Compared to other brands in this nature, Lands' End brand is of very high quality	1	2	3	4	5
14.	The Lands' End brand is the best name in its product class of this nature.	1	2	3	4	5
15.	Lands' End brand must be very good quality.	1	2	3	4	5

16.	Lands' End brand is reliable.	1	2	3	4	5
17.	Lands' End brand is durable.	1	2	3	4	5
18.	Lands' End brand is functional.	1	2	3	4	5
19.	If I need a product of this nature, it makes sense to buy Lands' End brand instead of any other brand, even if they are the same.	1	2	3	4	5
20.	Even if another brand has same features as Lands' End brand, I would prefer to buy Lands' End if I need a product of this nature.	1	2	3	4	5
21.	If there is another brand as good as Lands' End brand, I prefer to buy Lands' End brand if I need a product of this nature.	1	2	3	4	5
22.	If another brand is not different from Lands' End brand in anyway, it seems smarter to purchase Lands' End brand if I need a product of this nature.	1	2	3	4	5

Please read the following scenario prior to answering the following questions.

Assuming that Lands' End has just recently introduced its new product line to the "<u>Camera</u>" category to compete against other camera brands with similar price points

Based on the above scenario, please rate the scales below, by checking (X) in the empty space, according to how you would feel about **<u>a Camera by Lands' End.</u>**

Not at all   _____: _____: _____: _____: _____ Very
interested   interested

Bad   _____: _____: _____: _____: _____ Good

Unfavorable   _____: _____: _____: _____: _____ Favorable

Dislike   _____: _____: _____: _____: _____ Like

Given an extension strategy of Lands' End brand to "Camera," please indicate your agreement or disagreement with the following statements.

		Strongly disagree				Strongly agree
1.	The extension is similar to the core brand's products.	1	2	3	4	5
2.	The core brand product attributes are consistent with the extended products.	1	2	3	4	5
3.	The product extension fits with the brand image.	1	2	3	4	5
4.	The product extension conveyed the same impressions as the parent brand.	1	2	3	4	5
5.	Launching the extension is appropriate for the company.	1	2	3	4	5
6.	When I think of product of this nature (Camera), Lands' End brand is the brand that will come to mind.	1	2	3	4	5
7.	I think I know what Lands' End camera looks like.	1	2	3	4	5
8.	I think I will recognize Lands' End camera among other competing brands in this nature.	1	2	3	4	5
9.	I think I will be aware of Lands' End camera.	1	2	3	4	5
10.	I think I will have difficulty in imagining Lands' End camera in my mind.	1	2	3	4	5
11.	I think I will trust the company which makes Lands' End camera.	1	2	3	4	5
12.	I think I will like the company which makes Lands' End camera.	1	2	3	4	5
13.	I would feel proud to own products from the company which makes Lands' End camera.	1	2	3	4	5
14.	There are reasons to buy this Lands' End camera over competitors in this nature.	1	2	3	4	5

15.	The Lands' End camera has a personality.	1	2	3	4	5
16.	I think that this Lands' End camera is different from competing brands in this nature.	1	2	3	4	5
17.	I believe that the Lands' End camera will be of high quality.	1	2	3	4	5
18.	Compared to other brands in this nature (camera), Lands' End brand will be of very high quality	1	2	3	4	5
19.	I believe that the Lands' End brand will be the best name in camera category.	1	2	3	4	5
20.	I believe that Lands' End camera must be very good quality.	1	2	3	4	5
21.	I believe that Lands' End camera is reliable.	1	2	3	4	5
22.	I believe that Lands' End camera is durable.	1	2	3	4	5
23.	I believe that Lands' End camera is functional.	1	2	3	4	5
24.	If I need a product of this nature (camera), it makes sense to buy Lands' End brand instead of any other brand, even if they are the same.	1	2	3	4	5
25.	Even if another brand has the same features as Lands' End, I think I would prefer to buy Lands' End if I need a product of this nature (camera).	1	2	3	4	5
26.	If there is another brand as good as Lands' End brand, I prefer to buy Lands' End brand if I need a product of this nature (camera).	1	2	3	4	5
27.	If another brand is not different from Lands' End brand in anyway, it seems smarter to purchase Lands' End brand if I need a product of this nature (camera).	`1	2	3	4	5
28.	I think that the product extension (camera) for Lands' End is too far from its core brand.	1	2	3	4	5

Section VI: Demographic Information

1. Gender: _____ Male _____ Female

2. Age _____ 18-20 _____ 21-23

   _____ 24-26 _____ 27-30

   _____ 30 and above

3. Major: _____

4. Ethnicity _____ White/Caucasian _____ Black/African American

   _____ Hispanic/Latin _____ Asian

   _____ Multi-racial

5. Year at school: _____ Freshmen _____ Sophomore

   _____ Junior _____ Senior

6. Your monthly gross income (including scholarships, earnings, allowances etc.):

   _____ Under $500 _____ $500 - $749

   _____ $750 – $999 _____ $1,000 – $1,499

   _____ $1,500 - $1,999 _____ $2,000 or more

☺ **THANK YOU VERY MUCH** ☺

Dear Students:

I am a master's student majoring in Consumer Apparel Retail Studies at The University of North Carolina at Greensboro. I am conducting research to understand consumer responses to brand extension. Therefore, your input is important to my study.

You are invited to voluntarily participate in this study and your input is important to my study. Please take about 10 to 15 minutes to complete this study. However, you can choose not to participate in this study as well. There are no risks or benefits to those who participate in this study. If you decide to participate in this study, you are agreeing that you are at least 18 years old and can read and understand English. There are no right or wrong answers to the questions. Your answers will be kept confidential. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable.

Thank you in advance for your participation. If you have any questions, please feel free to ask the researchers. We would be glad to assist you. In addition, if you have questions concerning your rights as a research subject, you may contact the University of North Carolina at Greensboro Institutional Review Board at 1-336-256-1482.

Sincerely,

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Direction: Please read the following information about Lands' End.

LANDS'END

Lands' End is a global multi-channel retailer designing and selling classically styled apparel, swimwear and outerwear for Women, Men and Kids. (www.landsend.com)

Based on above information, please answer the following questions.

Do you know this brand?   ___Yes   ___No

	Not familiar at all			Very familiar
How much do you familiarize with this brand?	1	2	3	4	5

	Not knowledgeable all			Very knowledgeable
How much do you know about this brand?	1	2	3	4	5

To what extent do you evaluate <u>Lands' End brands</u> in terms of its core brand concept?

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

By function-oriented, we mean the brand *possesses unique aspects related to product performance such as durability, and reliability*

By prestige-oriented, we mean the brand is *viewed as expressive of self-concepts or images such as luxury, and status.*

Based on information above about **Lands' End brand**, please indicate your agreement or disagreement with the following statements.

		Strongly disagree			Strongly agree	
1.	When I think of apparel of this nature, Lands' End is the brand that comes to mind.	1	2	3	4	5
2.	I know what Lands' End brand looks like.	1	2	3	4	5
3.	I can recognize Lands' End among other competing brands in this nature.	1	2	3	4	5
4.	I am aware of Lands' End brand.	1	2	3	4	5
5.	I have difficulty in imagining Lands' End brand in my mind.	1	2	3	4	5
6.	I trust the company which makes Lands' End brand.	1	2	3	4	5
7.	I like the company which makes Lands' End brand.	1	2	3	4	5
8.	I would feel proud to own products from the company which makes Lands' End brand.	1	2	3	4	5
9.	There are reasons to buy this Lands' End brand over competitors in this nature.	1	2	3	4	5
10.	The Lands' End brand has a personality.	1	2	3	4	5
11.	This Lands' End brand is different from competing brands in this nature.	1	2	3	4	5
12.	The Lands' End brand is of high quality.	1	2	3	4	5
13.	Compared to other brands in this nature, Lands' End brand is of very high quality	1	2	3	4	5
14.	The Lands' End brand is the best name in its product class of this nature.	1	2	3	4	5
15.	Lands' End brand must be very good quality.	1	2	3	4	5

16.	Lands' End brand is reliable.	1	2	3	4	5
17.	Lands' End brand is durable.	1	2	3	4	5
18.	Lands' End brand is functional.	1	2	3	4	5
19.	If I need a product of this nature, it makes sense to buy Lands' End brand instead of any other brand, even if they are the same.	1	2	3	4	5
20.	Even if another brand has same features as Lands' End brand, I would prefer to buy Lands' End if I need a product of this nature.	1	2	3	4	5
21.	If there is another brand as good as Lands' End brand, I prefer to buy Lands' End brand if I need a product of this nature.	1	2	3	4	5
22.	If another brand is not different from Lands' End brand in anyway, it seems smarter to purchase Lands' End brand if I need a product of this nature.	1	2	3	4	5

Please read the following scenario prior to answering the following questions.

Lands' End is planning to extend its product line to the "<u>Intimate Apparel</u>" category to capture more women's apparel market share.

Based on the above scenario, please rate the scales below, by checking (X) in the empty space, according to how you would feel about **<u>Intimate Apparel by Lands' End.</u>**

Not at all interested	_____:	_____:	_____:	_____:	_____ Very interested
Bad	_____:	_____:	_____:	_____:	_____ Good
Unfavorable	_____:	_____:	_____:	_____:	_____ Favorable
Dislike	_____:	_____:	_____:	_____:	_____ Like

Given an extension strategy of Lands' End brand to "<u>Intimate Apparel</u>," please indicate your agreement or disagreement with the following statements.

		Strongly disagree			Strongly agree	
1.	The extension is similar to the core brand's products.	1	2	3	4	5
2.	The core brand product attributes are consistent with the extended products.	1	2	3	4	5
3.	The product extension fits with the brand image.	1	2	3	4	5
4.	The product extension conveyed the same impressions as the parent brand.	1	2	3	4	5
5.	Launching the extension is appropriate for the company.	1	2	3	4	5
6.	When I think of apparel of this nature (Intimate apparel), I think that Lands' End brand is the brand that will come to mind.	1	2	3	4	5
7.	I think I can picture what Lands' End intimate apparel looks like.	1	2	3	4	5
8.	I think I will recognize Lands' End intimate apparel among other competing brands in this nature.	1	2	3	4	5
9.	I think I will be aware of Lands' End intimate apparel.	1	2	3	4	5
10.	I think I will have difficulty in imagining Lands' End intimate apparel in my mind.	1	2	3	4	5
11.	I think I will trust the company which makes Lands' End intimate apparel.	1	2	3	4	5
12.	I think I will like the company which makes Lands' End intimate apparel.	1	2	3	4	5
13.	I would feel proud to own products from the company which makes Lands' End intimate apparel.	1	2	3	4	5
14.	There are reasons to buy this Lands' End intimate apparel over competitors in this nature.	1	2	3	4	5

15.	The Lands' End intimate apparel has a personality.	1	2	3	4	5
16.	I think that this Lands' End intimate apparel is different from competing brands in this nature.	1	2	3	4	5
17.	I believe that the Lands' End intimate apparel will be of high quality.	1	2	3	4	5
18.	Compared to other brands in this nature (intimate apparel), Lands' End brand will be of very high quality	1	2	3	4	5
19.	I believe that the Lands' End brand will be the best name in intimate apparel category.	1	2	3	4	5
20.	I believe that Lands' End intimate apparel must be very good quality.	1	2	3	4	5
21.	I believe that Lands' End intimate apparel is reliable.	1	2	3	4	5
22.	I believe that Lands' End intimate apparel is durable.	1	2	3	4	5
23.	I believe that Lands' End intimate apparel is functional.	1	2	3	4	5
24.	If I need a product of this nature (intimate apparel), it makes sense to buy Lands' End brand instead of any other brand, even if they are the same.	1	2	3	4	5
25.	Even if another brand has the same features as Lands' End, I think I would prefer to buy Lands' End if I need a product of this nature (intimate apparel).	1	2	3	4	5
26.	If there is another brand as good as Lands' End brand, I prefer to buy Lands' End brand if I need a product of this nature (intimate apparel).	1	2	3	4	5
27.	If another brand is not different from Lands' End brand in anyway, it seems smarter to purchase	`1	2	3	4	5

Lands' End brand if I need a product of this nature (intimate apparel).

| 28. | I think that the product extension (Intimate apparel) for Lands' End is too far from its core brand. | 1 | 2 | 3 | 4 | 5 |

Section VI: Demographic Information

1. Gender: _____ Male   _____ Female

2. Age   _____ 18-20   _____ 21-23

                  _____ 24-26   _____ 27-30

                  _____ 30 and above

3. Major: _____

4. Ethnicity   _____ White/Caucasian   _____ Black/African American

                  _____ Hispanic/Latin   _____ Asian

                  _____ Multi-racial

5. Year at school: _____ Freshmen   _____ Sophomore

                     _____ Junior   _____ Senior

6. Your monthly gross income (including scholarships, earnings, allowances etc.):

                  _____ Under $500   _____ $500 - $749

                  _____ $750 – $999   _____ $1,000 – $1,499

                  _____ $1,500 - $1,999   _____ $2,000 or more

THE UNIVERSITY of NORTH CAROLINA
GREENSBORO

Dear Students:

I am a master's student majoring in Consumer Apparel Retail Studies at The University of North Carolina at Greensboro. I am conducting research to understand consumer responses to brand extension. Therefore, your input is important to my study.

You are invited to voluntarily participate in this study and your input is important to my study. Please take about 10 to 15 minutes to complete this study. However, you can choose not to participate in this study as well. There are no risks or benefits to those who participate in this study. If you decide to participate in this study, you are agreeing that you are at least 18 years old and can read and understand English. There are no right or wrong answers to the questions. Your answers will be kept confidential. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable.

Thank you in advance for your participation. If you have any questions, please feel free to ask the researchers. We would be glad to assist you. In addition, if you have questions concerning your rights as a research subject, you may contact the University of North Carolina at Greensboro Institutional Review Board at 1-336-256-1482.

Sincerely,

Dilip Doraiswamy

Master's Student
Consumer, Apparel, & Retail Studies
University of North Carolina
Greensboro, NC 27402
Tel: 336-609-1869
Email: dvdorais@uncg.edu

Kittichai (Tu) Watchravesringkan, Ph.D.
Assistant Professor
Consumer, Apparel, & Retail Studies
University of North Carolina
Greensboro, NC 27402
Tel: 336-256-2474
Email: k_watchr@uncg.edu

Direction: Please read the following information about Vera Wang.

VERA WANG

Vera Wang brands started off with bridal wears and extended to ready-to-wear women's apparel with the couture like-quality, style and design. These collections are positioned at the highest end of the luxury market. (www.veragwang.com).

Based on above information, please answer the following questions.

Do you know this brand?   ___Yes   ___No

	Not familiar at all				Very familiar
How much do you familiarize with this brand?	1	2	3	4	5

	Not knowledgeable all				Very knowledgeable
How much do you know about this brand?	1	2	3	4	5

To what extent do you evaluate <u>Vera Wang brands</u> in terms of its core brand concept?

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

By function-oriented, we mean the brand *possesses unique aspects related to product performance such as durability, and reliability*

By prestige-oriented, we mean the brand is *viewed as expressive of self-concepts or images such as luxury, and status.*

Based on information above about **Vera Wang brand**, please indicate your agreement or disagreement with the following statements.

		Strongly disagree				Strongly agree
1.	When I think of apparel of this nature, Vera Wang is the brand that comes to mind.	1	2	3	4	5
2.	I know what Vera Wang brand looks like.	1	2	3	4	5
3.	I can recognize Vera Wang among other competing brands in this nature.	1	2	3	4	5
4.	I am aware of Vera Wang brand.	1	2	3	4	5
5.	I have difficulty in imagining Vera Wang brand in my mind.	1	2	3	4	5
6.	I trust the company which makes Vera Wang brand.	1	2	3	4	5
7.	I like the company which makes Vera Wang brand.	1	2	3	4	5
8.	I would feel proud to own products from the company which makes Vera Wang brand.	1	2	3	4	5
9.	There are reasons to buy this Vera Wang brand over competitors in this nature.	1	2	3	4	5
10.	The Vera Wang brand has a personality.	1	2	3	4	5
11.	This Vera Wang brand is different from competing brands in this nature.	1	2	3	4	5
12.	The Vera Wang brand is of high quality.	1	2	3	4	5
13.	Compared to other brands in this nature, Vera Wang brand is of very high quality	1	2	3	4	5
14.	The Vera Wang brand is the best name in its product class of this nature.	1	2	3	4	5
15.	Vera Wang brand must be very good quality.	1	2	3	4	5

16.	Vera Wang brand is luxurious.	1	2	3	4	5
17.	Vera Wang brand is prestigious.	1	2	3	4	5
18.	Vera Wang brand signals high status.	1	2	3	4	5
19.	If I need a product of this nature, it makes sense to buy Vera Wang brand instead of any other brand, even if they are the same.	1	2	3	4	5
20.	Even if another brand has same features as Vera Wang brand, I would prefer to buy Vera Wang if I need a product of this nature.	1	2	3	4	5
21.	If there is another brand as good as Vera Wang brand, I prefer to buy Vera Wang brand if I need a product of this nature.	1	2	3	4	5
22.	If another brand is not different from Vera Wang brand in anyway, it seems smarter to purchase Vera Wang brand if I need a product of this nature.	1	2	3	4	5

Please read the following scenario prior to answering the following questions.

Assuming that Vera Wang has just recently introduced its new product line to the "Camera" category to compete against other camera brands with similar price points

Based on the above scenario, please rate the scales below, by checking (X) in the empty space, according to how you would feel about **a Camera by Vera Wang.**

Not at all interested	_____: _____: _____: _____: _____	Very interested
Bad	_____: _____: _____: _____: _____	Good
Unfavorable	_____: _____: _____: _____: _____	Favorable
Dislike	_____: _____: _____: _____: _____	Like

Given an extension strategy of Vera Wang brand to "Camera," please indicate your agreement or disagreement with the following statements.

		Strongly disagree				Strongly agree
1.	The extension is similar to the core brand's products.	1	2	3	4	5
2.	The core brand product attributes are consistent with the extended products.	1	2	3	4	5
3.	The product extension fits with the brand image.	1	2	3	4	5
4.	The product extension conveyed the same impressions as the parent brand.	1	2	3	4	5
5.	Launching the extension is appropriate for the company.	1	2	3	4	5
6.	When I think of product of this nature (Camera), Vera Wang brand is the brand that will come to mind.	1	2	3	4	5
7.	I think I know what Vera Wang camera looks like.	1	2	3	4	5
8.	I think I will recognize Vera Wang camera among other competing brands in this nature.	1	2	3	4	5
9.	I think I will be aware of Vera Wang camera.	1	2	3	4	5
10.	I think I will have difficulty in imagining Vera Wang camera in my mind.	1	2	3	4	5
11.	I think I will trust the company which makes Vera Wang camera.	1	2	3	4	5
12.	I think I will like the company which makes Vera Wang camera.	1	2	3	4	5
13.	I would feel proud to own products from the company which makes Vera Wang camera.	1	2	3	4	5
14.	There are reasons to buy this Vera Wang camera over competitors in this nature.	1	2	3	4	5
15.	The Vera Wang camera has a personality.	1	2	3	4	5
16.	I think that this Vera Wang camera is different	1	2	3	4	5

from competing brands in this nature.

17.	I believe that the Vera Wang camera will be of high quality.	1	2	3	4	5
18.	Compared to other brands in this nature (camera), Vera Wang brand will be of very high quality	1	2	3	4	5
19.	I believe that the Vera Wang brand will be the best name in camera category.	1	2	3	4	5
20.	I believe that Vera Wang camera must be very good quality.	1	2	3	4	5
21.	I believe that Vera Wang camera is luxurious.	1	2	3	4	5
22.	I believe that Vera Wang camera is prestigious.	1	2	3	4	5
23.	I believe that Vera Wang camera signals high status.	1	2	3	4	5
24.	If I need a product of this nature (camera), it makes sense to buy Vera Wang brand instead of any other brand, even if they are the same.	1	2	3	4	5
25.	Even if another brand has the same features as Vera Wang, I think I would prefer to buy Vera Wang if I need a product of this nature (camera).	1	2	3	4	5
26.	If there is another brand as good as Vera Wang brand, I prefer to buy Vera Wang brand if I need a product of this nature (camera).	1	2	3	4	5
27.	If another brand is not different from Vera Wang brand in anyway, it seems smarter to purchase Vera Wang brand if I need a product of this nature (camera).	`1	2	3	4	5
28.	I think that the product extension (camera) for Vera Wang is too far from its core brand.	1	2	3	4	5

Section VI: Demographic Information

1. Gender: _____ Male   _____ Female

2. Age   _____ 18-20   _____ 21-23

                    _____ 24-26   _____27-30

                    _____ 30 and above

3. Major: _____

4. Ethnicity   _____ White/Caucasian   _____ Black/African American

                    _____ Hispanic/Latin   _____ Asian

                    _____ Multi-racial

5. Year at school: _____ Freshmen   _____Sophomore

                    _____Junior   _____Senior

6. Your monthly gross income (including scholarships, earnings, allowances etc.):

                    _____Under $500   _____$500 - $749

                    _____$750 – $999   _____$1,000 – $1,499

                    _____$1,500 - $1,999   _____$2,000 or more

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Vera Wang brands started off with bridal wears and extended to ready-to-wear women's apparel with the couture like-quality, style and design. These collections are positioned at the highest end of the luxury market. (www.veragwang.com).

Based on above information, please answer the following questions.

Do you know this brand?   ___Yes   ___No

	Not familiar at all			Very familiar
How much do you familiarize with this brand?	1	2	3	4	5

	Not knowledgeable all			Very knowledgeable
How much do you know about this brand?	1	2	3	4	5

To what extent do you evaluate <u>Vera Wang brands</u> in terms of its core brand concept?

Function-oriented			Equally			Prestige-oriented
1	2	3	4	5	6	7

By function-oriented, we mean the brand *possesses unique aspects related to product performance such as durability, and reliability*

By prestige-oriented, we mean the brand is *viewed as expressive of self-concepts or images such as luxury, and status.*

Based on information above about **<u>Vera Wang brand</u>**, please indicate your agreement or disagreement with the following statements.

		Strongly disagree				Strongly agree
1.	When I think of apparel of this nature, Vera Wang is the brand that comes to mind.	1	2	3	4	5
2.	I know what Vera Wang brand looks like.	1	2	3	4	5
3.	I can recognize Vera Wang among other competing brands in this nature.	1	2	3	4	5
4.	I am aware of Vera Wang brand.	1	2	3	4	5
5.	I have difficulty in imagining Vera Wang brand in my mind.	1	2	3	4	5
6.	I trust the company which makes Vera Wang brand.	1	2	3	4	5
7.	I like the company which makes Vera Wang brand.	1	2	3	4	5
8.	I would feel proud to own products from the company which makes Vera Wang brand.	1	2	3	4	5
9.	There are reasons to buy this Vera Wang brand over competitors in this nature.	1	2	3	4	5
10.	The Vera Wang brand has a personality.	1	2	3	4	5
11.	This Vera Wang brand is different from competing brands in this nature.	1	2	3	4	5
12.	The Vera Wang brand is of high quality.	1	2	3	4	5
13.	Compared to other brands in this nature, Vera Wang brand is of very high quality	1	2	3	4	5
14.	The Vera Wang brand is the best name in its product class of this nature.	1	2	3	4	5
15.	Vera Wang brand must be very good quality.	1	2	3	4	5

16.	Vera Wang brand is luxurious.	1	2	3	4	5
17.	Vera Wang brand is prestigious.	1	2	3	4	5
18.	Vera Wang brand signals high status.	1	2	3	4	5
19.	If I need a product of this nature, it makes sense to buy Vera Wang brand instead of any other brand, even if they are the same.	1	2	3	4	5
20.	Even if another brand has same features as Vera Wang brand, I would prefer to buy Vera Wang if I need a product of this nature.	1	2	3	4	5
21.	If there is another brand as good as Vera Wang brand, I prefer to buy Vera Wang brand if I need a product of this nature.	1	2	3	4	5
22.	If another brand is not different from Vera Wang brand in anyway, it seems smarter to purchase Vera Wang brand if I need a product of this nature.	1	2	3	4	5

Please read the following scenario prior to answering the following questions.

Vera Wang is planning to extend its product line to the "Men's Jeans" category to capture more men's apparel market share.

Based on the above scenario, please rate the scales below, by checking (X) in the empty space, according to how you would feel about **Men's Jeans by Vera Wang.**

Not at all interested	_____: _____: _____: _____: _____	Very interested
Bad	_____: _____: _____: _____: _____	Good
Unfavorable	_____: _____: _____: _____: _____	Favorable
Dislike	_____: _____: _____: _____: _____	Like

Given an extension strategy of Vera Wang brand to "Men's Jeans," please indicate your agreement or disagreement with the following statements.

		Strongly disagree				Strongly agree
1.	The extension is similar to the core brand's products.	1	2	3	4	5
2.	The core brand product attributes are consistent with the extended products.	1	2	3	4	5
3.	The product extension fits with the brand image.	1	2	3	4	5
4.	The product extension conveyed the same impressions as the parent brand.	1	2	3	4	5
5.	Launching the extension is appropriate for the company.	1	2	3	4	5
6.	When I think of apparel of this nature (Men's jeans), I think that Vera Wang brand is the brand that will come to mind.	1	2	3	4	5
7.	I think I can picture what Vera Wang men's jeans looks like.	1	2	3	4	5
8.	I think I will recognize Vera Wang men's jeans among other competing brands in this nature.	1	2	3	4	5
9.	I think I will be aware of Vera Wang men's jeans.	1	2	3	4	5
10.	I think I will have difficulty in imagining Vera Wang men's jeans in my mind.	1	2	3	4	5
11.	I think I will trust the company which makes Vera Wang men's jeans.	1	2	3	4	5
12.	I think I will like the company which makes Vera Wang men's jeans.	1	2	3	4	5
13.	I would feel proud to own products from the company which makes Vera Wang men's jeans.	1	2	3	4	5
14.	There are reasons to buy these Vera Wang men's jeans over competitors in this nature.	1	2	3	4	5

15.	The Vera Wang men's jean has a personality.	1	2	3	4	5
16.	I think that these Vera Wang men's jean is different from competing brands in this nature.	1	2	3	4	5
17.	I believe that the Vera Wang men's jeans will be of high quality.	1	2	3	4	5
18.	Compared to other brands in this nature (men's jeans), Vera Wang brand will be of very high quality	1	2	3	4	5
19.	I believe that the Vera Wang brand will be the best name in men's jeans category.	1	2	3	4	5
20.	I believe that Vera Wang men's jeans must be very good quality.	1	2	3	4	5
21.	I believe that Vera Wang men's jean is luxurious.	1	2	3	4	5
22.	I believe that Vera Wang men's jean is prestigious.	1	2	3	4	5
23.	I believe that Vera Wang men's jean signals high status.	1	2	3	4	5
24.	If I need a product of this nature (men's jeans), it makes sense to buy Vera Wang brand instead of any other brand, even if they are the same.	1	2	3	4	5
25.	Even if another brand has the same features as Vera Wang, I think I would prefer to buy Vera Wang if I need a product of this nature (men's jeans).	1	2	3	4	5
26.	If there is another brand as good as Vera Wang brand, I prefer to buy Vera Wang brand if I need a product of this nature (men's jeans).	1	2	3	4	5
27.	If another brand is not different from Vera Wang brand in anyway, it seems smarter to purchase Vera Wang brand if I need a product of this nature (men's jeans).	`1	2	3	4	5
28.	I think that the product extension (Men's jeans) for	1	2	3	4	5

Vera Wang is too far from its core brand.

Section VI: Demographic Information

1. Gender: _____ Male   _____ Female
2. Age   _____ 18-20   _____ 21-23

                   _____ 24-26   _____27-30

                   _____ 30 and above

3. Major: _____
4. Ethnicity   _____ White/Caucasian   _____ Black/African American

                   _____ Hispanic/Latin   _____ Asian

                   _____ Multi-racial

5. Year at school: _____ Freshmen   _____Sophomore

                   _____Junior   _____Senior

6. Your monthly gross income (including scholarships, earnings, allowances etc.):

                   _____Under $500   _____$500 - $749

                   _____$750 – $999   _____$1,000 – $1,499

                   _____$1,500 - $1,999   _____$2,000 or more

☺ THANK YOU VERY MUCH ☺

APPENDIX C

IRB APPROVAL

THE UNIVERSITY of NORTH CAROLINA
GREENSBORO

To: Kittichai Watchravesringkan
Cons, Apparel, and Ret Stds
202 Stone Building

From: UNCG IRB

Date: 1/07/2011

RE: Notice of IRB Exemption
Exemption Category: 2.Survey, interview, public observation
Study #: 11-0013

Study Title: Assessing the Impact of Brand Extension on Brand Concept on Brand Equity: The Moderating Effects of Perceived Fit

This submission has been reviewed by the above IRB and was determined to be exempt from further review according to the regulatory category cited above under 45 CFR 46.101(b).

Study Description:

The purpose of the study is to enrich our understanding of the impact of brand extensions on patent core brand concept and brand equity in the context of apparel.

Investigator's Responsibilities

Please be aware that any changes to your protocol must be reviewed by the IRB prior to being implemented. The IRB will maintain records for this study for three years from the date of the original determination of exempt status.

CC:Dilip Doraiswamy, Chris Farrior, (ORED), Non-IRB Review Contact, (ORC), Non-IRB Review Contact

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UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

Project Title: <u>Assessing the Impact of Brand Extension on Brand Concept on Brand Equity: The Moderating Effects of Perceived Fit</u>

Project Director: <u>Dr. Kittichai (Tu) Watchravesringkan</u>

Participant's Name: _____

What is the study about?

The purpose of the study is to enrich our understanding of the impact of brand extensions on parent core brand concept and brand equity in the context of apparel.

Why are you asking me?

You are eligible to participate in this study because you are at least 18 years old, read and speak English, and are likely to purchase apparel products.

What will you ask me to do if I agree to be in the study?

If you agree to participate, your participation will involve reading a brief hypothetical scenario in the survey about brand extension strategy conducted by apparel retailers. Then, you will be asked to fill out a survey pertaining to your evaluation of attitudes toward extension strategy, brand concept and brand equity. It will take 10-15 minutes to complete this study. There are no right or wrong answers to the questions. You are allowed to work at your own pace. You may choose not to answer some or all of the questions. You may stop filling out this survey at any time if you feel uncomfortable.

Is there any audio/video recording?

No

What are the dangers to me?

There are no anticipated risks from participating in this research. The Institutional Review Board at University of North Carolina at Greensboro has determined that participation in this study poses no risk to participants.

If you have any concerns about your rights or how you are being treated please contact Mr. Eric Allen in the Office of Research Compliance at UNCG at (336) 256-1482. Questions about this project or benefits or risks associated with being in this study can be answered by Kittichai (Tu) Watchravesringkan by calling 336-256-2474 or sending an email at k_watchr@uncg.edu.

Are there any benefits to me for taking part in this research study?

There are no direct benefits to participants in this study.

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Are there any benefits to society as a result of me taking part in this research?

This research benefits society by helping us to understand the impact of brand extension strategy on consumers' evaluations of brand concept and brand equity. That could lead to improved brand positioning strategy and better serve consumers about brand choices.

Will I get paid for being in the study? Will it cost me anything?

There are no costs to you or payments made for participating in this study.

How will you keep my information confidential?

Only principal investigator and the student researcher will have access to information you provided. In order to maintain your confidentiality, neither your name nor address will be asked. Your answers will be kept confidential. Questionnaires will be assigned an id number so that all participants remain anonymous. No link will be made between participant's names and their survey answers. The research data will be kept for 3 years in a locked filing cabinet in a locked private office on UNC-Greensboro campus, after which all documents will be shredded and computer files will be deleted. All information obtained in this study is strictly confidential unless disclosure is required by law.

What if I want to leave the study?

You have the right to refuse to participate or to withdraw at any time, without penalty. If you do withdraw, it will not affect you in any way. If you choose to withdraw, you may request that any of your data which has been collected be destroyed unless it is in a de-identifiable state.

Voluntary Consent by Participant:

By signing this consent form you are agreeing that you read, or it has been read to you, and you fully understand the contents of this document and are openly willing consent to take part in this study. All of your questions concerning this study have been answered. By signing this form, you are agreeing that you are 18 years of age or older and are agreeing to participate, or have the individual specified above as a participant participate, in this study described to you by Dilip Doraiswamy.

Signature: _____ Date: _____