

AN EXPLORATORY STUDY OF CROSS-NATIONAL DIFFERENCES IN PERCEPTIONS OF FIT BETWEEN A BRAND AND ITS EXTENSION

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ABSTRACT

In this study, we found that there were some differences in how consumers from different national cultures, the U.S., Japan, and Germany, perceived the two dimensions of fit, product category fit and brand image fit, between a parent brand and its hypothetical extension. Similarly, differences in perception were also observed with the various facets or components of these two dimensions of fit.

LITERATURE REVIEW

Perceptions of Fit Between a Brand and its Extension

The management of brands is one of the quintessential marketing activities. Recent academic research has focused on consumer evaluation of brand extensions (new products introduced using the name of an existing brand). Factors influencing consumer attitude toward a brand extension include attitude toward the parent brand, and perceptions of fit or similarity between the parent brand and the extension (Aaker and Keller 1990; Park, Milberg, and Lawson 1991).

Fit between the parent brand and the extension, the focus of this paper, has been conceived and operationalized in different ways by different researchers. Some researchers have left it to consumers to decide overall fit (Boush and Loken 1991). Others have asked consumers about some specific facets of fit such as complementarity, substitutability, and similarity of manufacturing process (Aaker and Keller 1990) or consistency with a parent brand's symbolic or functional concept (Park, Milberg, and Lawson 1991).

In a recent study, Bhat and Reddy (1997) proposed a comprehensive typology of consumer perceptions of fit, and empirically demonstrated that perceived fit comprised two dimensions, 1) product category fit (similarity of the product

categories of the parent brand and the extension), and 2) brand image fit (fit of the extension with the parent brand's non-product associations). They also examined the bases of these types of fit (termed facets in this paper). Product category fit may be based on such facets as similarity of raw materials used, manufacturing or technology, usage (including complementarity and substitutability), markets or users, and place of sale. Brand image fit, on the other hand, comprises the fit of the extension with the specific attributes of the parent brand, including the brand's quality and price level. Bhat and Reddy's (1997) scale of the overall dimensions of fit and their underlying facets was based on a U.S. sample. It would be interesting to see whether non-U.S. consumers have similar views on perceived fit and its facets.

Cross-National Differences

The increasing globalization of business has meant that some brands are available in a number of countries. Examples include Coca Cola, Sony, McDonalds, Motorola, Nike, and Ericsson.

As a brand goes global, a manager needs to understand consumer attitudes and perceptions about the brand in foreign countries. If consumer attitudes are similar to those in the U.S., little change is necessary in brand strategy. It therefore becomes crucial to know whether consumer attitudes toward that brand are similar to or different from those in the U.S.

Some empirical research is supportive of the possibility of differences across national cultures. For example, a content analysis of print ads in three Chinese societies, Hong Kong, China, and Taiwan, revealed marked differences in the types of appeals used in the ads (Tse, Belk, and Zhou 1989). Similarly, Zandpour, Chang, and Catalano (1992) reported differences in the approaches used in U.S., French, and Taiwanese ads. Obviously, differences in the appeals or

statements about whether the extension was 1) similar to (SIMILAR) and 2) like (LIKE) a watch for Seiko or a cellular phone for Motorola. The individual facets of product category fit were measured with statements about how the extension related to the core parent brand product in the following contexts: 1) usage on similar occasions (SIMILAR OCCASIONS), 2) sold in similar stores (SIMILAR STORES), 3) physical resemblance (RESEMBLANCE), 4) usage by similar people (SIMILAR USERS), 5) usage instead (SUBSTITUTABLE), 6) usage of different technologies in manufacture (DIFFERENT TECHNOLOGY), 7) similar uses (SIMILAR USES), 8) similar features (SIMILAR FEATURES), 9) usage together (COMPLEMENTARY), 10) similar materials (SIMILAR MATERIALS), 11) similar manufacturing (SIMILAR MANUFACTURING), and 12) similar benefits (SIMILAR BENEFITS).

General brand image fit was measured with items about whether the extension was not a typical brand product (NOT TYPICAL), and whether the extension was a good example of the type of products for which the brand was well known for (GOOD EXAMPLE). The specific facets of brand image fit were measured with items about the extension's fit with each of the attributes identified with the parent brand in the pretest. Lastly, respondents supplied demographic information.

Data Collection

International students attending the first day of orientation in a large university in California and for whom this was the first visit to the U.S. were requested to participate in this survey. This was done to ensure that they were not biased in their responses by what they had seen in the U.S. Next, responses were obtained from U.S. students at the same university. The number of usable surveys from the U.S., Japanese, and German students was 22, 30, and 17 respectively.

RESULTS

Data collected from students from three countries, the U.S., Japan, and Germany, were analyzed using analysis of variance (ANOVA) to detect the existence of overall differences in perceptions of the different types of fit among the three countries. Multiple comparisons to detect differences between pairs of the countries were then made using Tukey's Studentized Range (HSD) test. For

both tests, statistical significance was assessed at $\alpha = .05$.

For the Seiko razor, there were no differences observed among the countries with respect to the two measures of general product category fit and brand image fit. However, when the individual facets of product category fit were considered, differences in fit perceptions among the countries were noted concerning SIMILAR STORES, RESEMBLANCE, SIMILAR USES, SIMILAR MATERIALS, and SIMILAR MANUFACTURING. Further investigation revealed that Americans tended to see less similarity in the types of stores in which a razor and a watch could be sold than the Japanese. Americans and Germans tended to see little physical resemblance between razors and watches, relative to the Japanese. Americans and Japanese were more in agreement on the lack of similarity of materials used in razors and watches than the Germans were. Lastly, Germans tended to find the manufacturing processes for watches and razors less similar than the Americans did.

As far as the individual facets of brand image fit are concerned, differences among the three countries were limited to peoples' perceptions of similarity of the extension's reliability with that of the parent brand. This difference could be attributed to the fact that the Americans and the Germans thought the Seiko razor's reliability was closer to the Seiko parent brand's reliability than the Japanese.

For the Motorola watch, there were differences among the countries with respect to general product category fit. This difference could be attributed to the higher ratings of the Japanese relative to the others on the items SIMILAR and LIKE. When individual facets of fit are considered, differences in fit perceptions between the countries were noted with regard to SIMILAR OCCASIONS, SUBSTITUTABLE, SIMILAR USES, and SIMILAR BENEFITS. When examining differences between pairs of countries, the Japanese felt that the watch and the cellular phone were used on more similar occasions and had more similar uses than the Germans. The Japanese considered the watch more of a substitute for a cellular phone than the Americans or the Germans. The similarity of benefits offered by a watch and a phone was also higher according to the Japanese.

Regarding the brand image fit of the Motorola watch, statistically significant differences were noted among the three countries with both

measures of general brand image fit. Investigating these differences further, it was noted that the Americans were more likely than the Japanese to regard the Motorola watch extension as typical of the Motorola brand, but the Japanese were more likely to regard the extension as a good example of the Motorola brand than the Germans. When the individual facets of brand image fit are considered, the Germans were not as likely as the Americans or the Japanese to regard the Motorola watch as being as high tech as the Motorola brand. At the same time, the Americans were more likely to consider the Motorola watch to be as reliable as other Motorola products than the Japanese and the Germans.

CONCLUSIONS

The objective of this study was to explore whether consumers' perceptions of the fit between a brand and its extension were similar across different national cultures. Bhat and Reddy's (1997) scales of the dimensions of fit and the bases or facets underlying these dimensions were used to compare these expected differences. Generally, we expected to see that U.S. consumers would judge extensions to be less similar than Germans and in turn, Germans would judge extensions to be less similar than the Japanese.

Our results suggest that there are a large number of similarities as well as differences in the way consumers in different cultures construe fit. The number of differences between individual pairs of countries was quite high with one extension, the Motorola watch. As expected, on most dimensions and facets of fit, Americans were less likely to rate an extension as fitting the parent brand than the Germans or the Japanese. Similarly, the Germans were less likely to see similarities than the Japanese.

Replication with more brands, a wider range of extensions, a larger pool of nations, and a diversity of consumer subjects would be helpful in generalizing the findings of this study. The differences observed among consumers in different nations in our study does point to the need for testing theories and measures across national cultures. Managers would benefit from studying cross-national differences in consumer attitudes and perceptions with respect to fit in deciding to introduce extensions and to localize marketing strategies.

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Locations of Observation

Three central locations were selected for observation: the Silom financial district (located in central Bangkok), the Ladprao branch of Central Department Store (located in northern Bangkok), and Ratchawong Ferry Pier (which is a gateway to western Bangkok). These three locations are the major business districts where it is likely to find working people who represent Bangkok's working population.

Time of Observation

The observation was done over five work days of the same week, starting on Monday. The Monday-Friday schedule represents regular work days in Thailand, and the typical work hours in Bangkok are from 8 AM to 5 PM. All five work days must be included so as to meet the objective of the study that has to do with whether office workers dress in accordance with Thailand's traditional colors of the days. While some people also work on Saturdays and Sundays, they are usually allowed to dress casually. The weekend was thus excluded from the study because of the study's emphasis on people who wear regular work-related clothes.

Observation Instrument: Contents

Structured observation is compatible with the goals of this study, and a record sheet was designed for this purpose. The record sheet asks for the following information: (1) location of observation, (2) day of the week, (3) a participant's gender, (4) color of the participant's upperwear, and (5) color of the participant's lowerwear. The record sheet lists 13 common colors: white, light blue, dark blue, green, yellow, pink, cream, black, gray, brown, red, orange, and purple. Beyond these 13 common categories, an "others" check box was provided to accommodate the other colors not on the list.

Three observers were assigned to each location. They recorded their data on a record sheet. The data were permanently recorded at the end of each day.

Training Procedure

A meeting was set up to discuss the observation criteria so that all observers could have a mutual understanding regarding what was considered to

be a plain color. Different shades of a color were disregarded. For instance, dark brown, medium brown, and light brown were to be recorded as "brown." In the case of a person wearing two pieces of upperwear with different colors, a major or dominant color was chosen and recorded. The observers were told to ignore those people in company uniforms.

The observers were instructed to watch people who were at least 20 years old, and age determination was based on a person's facial and physical appearances, demeanor, and styles of clothing. In addition, the observers were informed to observe only the people who passed in front of them in one direction. This procedure was necessary so as to avoid recording the same participants more than once.

Each observer's observation time was limited to 45 minutes at one time and at each location. The 45-minute time frame was long enough to gather the needed data before fatigue might set in. This was an attempt to minimize the instrumental decay problem.

SAMPLE

A total of 1,644 people were observed. In terms of sex, there were 672 men and 972 women, accounting for 41% and 59% of the sample respectively.

People who went inside the Silom Complex Building or the Ladprao branch of Central Department Store were found to use their break to have lunch or take care of personal activities (e.g., shopping for household necessities, visiting beauty salons, etc.). In contrast, such activities were more limited at the Ratchawong location where it serves as a junction for a bus terminal and a boat pier. This is the place where people from many parts of town switch their transportation modes.

The three locations were crowded with working people. On the one hand, it was fortunate because so many participants could be observed in an efficient manner. On the other hand, because of the crowd, the observation was also somewhat difficult.

Some people were on their own, while many others showed up in a group. For example, the men who were observed in the Silom and Ladprao

MARKETING IMPLICATIONS

To appeal to women, it is apparent that fashion designers, clothing manufacturers, and retailers should have an inventory that focuses mainly on the black and brown colors. These two colors apply to both upperwear and lowerwear.

It is interesting to note Thai women's recent acceptance of the black color. Traditionally, black was perceived as a color of tragedy, and it was associated with bad luck. In addition, dark-colored clothing seems to be out of place in Thailand where the weather is hot and humid. The embrace of the dark colors in general and the black color in particular is thus surprising. Apparently, women now seem to believe that a dark color enhances their appearance, making them look slimmer and more professional. Also the popularity of dark colors could be attributed to the influence of Western fashion designers.

It appears that Thai men are relatively conservative. As such, compared to women and their color selection, men's color choices are much more limited. Their choices of white and light blue for their upperwear are due to the fact that these colors, not being "loud" or "conspicuous," are considered to be "polite" or "proper." Furthermore, these two colors are versatile in the sense that they are all-purpose colors that are appropriate for many social occasions.

Regarding men's lowerwear, the preferred colors are black and gray. This may be due to the fact that clothing items of these two colors are relatively easy to take care of. In terms of both the upperwear and lowerwear together, a white shirt and a black pair of slacks are the most popular combination. In second place is a combination of a light blue shirt and a pair of slacks. Men probably believe that the white-black combination should enhance their professional appearances.

To some large extent, it may be futile for

marketers to emphasize the traditional color-day association. Their advertisements instead should focus on the most popular colors. There is nothing wrong with featuring a woman in a black dress in an advertisement in order to connote luxury and prestige.

On the other hand, while it is true that the color-day association has weakened considerably, the color-day tradition is not obsolete. Periodically, a marketing campaign based on this tradition could possibly arouse consumer interests.

CONCLUSION

This study has demonstrated that direct observation can yield behavioral information that may provide a basis for a marketing decision. Clothing manufacturers, in planning their production volumes and color assortment, should heed the findings of the study so that they can procure the necessary materials while preventing shortage of a popular color and overstock of a less popular one. This implication applies as well to manufacturers of related items (e.g., scarves, belts, handbags, shoes, and jewelry). These products, in general, should focus on the most popular colors.

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