

## How Does the Congruity of Brand Names Affect Evaluations of Brand Name Extensions?

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In 2 studies, the authors examined whether or not G. Mandler's (1982) schema congruity theory would explain students' evaluations of new products purportedly introduced by companies with established brand names that were congruent, moderately incongruent, or extremely incongruent in relationship to the product. Consistent with this theory, results showed that products associated with moderately incongruent brand names were preferred over ones that were associated with either congruent or extremely incongruent brand names. Results suggest that this finding may be mediated by students' greater elaboration of the incongruent brand name and related information and by the process of resolving incongruity.

Brand names that have been trademarked and successfully developed over the years are among the most valuable assets that firms possess. With new-brand introduction costs averaging between \$50 million and \$100 million (Brown, 1985), any attempt to duplicate the recognition, goodwill, and positive associations tied to such established brand names is likely to be prohibitively expensive. For this reason, an increasing number of firms have turned to leveraging their existing brand names by introducing new products under these established names—a practice called *brand name extension*. Along these lines, products ranging from soft drinks to vitamins have been introduced under the Sunkist name, and Kodak has attached its brand name to such varied products as videocassettes, copiers, and batteries. Indeed, estimates suggest that 81% of consumer products introduced in 1990 were brand extensions (Stern, 1992). Furthermore, in 1986 alone, products using licenses or trademarked brand names accounted for over \$15 billion in retail sales and over 34% of apparel and accessory sales (Kesler, 1987).

The success achieved by such brand name extensions has been rather mixed. For example, Levi Strauss, a company whose name is almost synonymous with blue jeans, successfully added both footwear and men's casual pants to the line of products bearing the Levi's name; yet, the introduction of men's three-piece suits under the Levi's name proved to be a very expensive and embarrassing failure (Learning Corporation of America, 1981).

Such observations raise the question of when brand name extensions are most likely to be successful. The degree to which the brand name and the new product are congruent or linked

by common associations would seem to be an important factor in this regard. Yet it is unclear whether people will favor products more when they bear a brand name that is congruent (i.e., closely related), moderately incongruent (somewhat distantly related), or extremely incongruent (unrelated) with associations to the product and its category.

Intuitively, it might seem that people would judge products most favorably when they carry brand names that are congruent with associations tied to the product. By definition, congruent brand names fit product associations in an obvious and meaningful manner, and existing research has found that recall of brand names tends to be enhanced when brand names are meaningful (Kanungo & Dutta, 1966), fitting (Kanungo, 1968), and integratively related to products (Lutz & Lutz, 1977). It seems possible that the recall or familiarity advantage afforded brand name extensions that are congruent with products might translate into greater liking of the product (Moreland & Zajonc, 1979; Zajonc, 1968, 1980).

Despite the intuitive appeal of this view, however, a growing body of research calls this inference into question, suggesting instead that products bearing moderately incongruent brand names may be preferred over those with either congruent or extremely incongruent brand names (Berlyne, 1963; Deci & Ryan, 1985; Fiske & Maddi, 1961; Hunt, 1965). This basic proposition—that people's preferences are related to level of incongruity in an inverted-U-shaped manner—has been observed in a variety of domains, including people's interpersonal preferences (Snyder & Fromkin, 1980), preferences for musical compositions (Vitz, 1966), and infants' preferences for objects (Rheingold, 1985). At present, Mandler (1982) has offered the most detailed explanation for such findings, suggesting that this U-shaped relationship occurs in response to the extent of elaboration prompted by the congruity or incongruity and the success of such elaboration in resolving any incongruity.

More specifically, Mandler (1982) began with the proposition that congruent items (e.g., brand names) tend to produce a mildly favorable response because they do not require resolution and, therefore, are generally predictable and satisfying. However, the predictability of these congruent items renders them of limited interest, so they are relatively immune from

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extensive processing that might itself foster more extreme evaluative responses (Tesser, 1978).

In contrast with congruent items, items that contain some degree of incongruity are believed to generate more extensive processing because people attempt to resolve and find meaning in the incongruity. Mandler (1982) contended that people are likely to resolve or make sense of moderate incongruities by enacting minor changes in their mindsets (e.g., to resolve the presumably moderate inconsistency perceived on learning that Levi Strauss produces casual shoes, one might expand the image held of Levi's from jeans producer to producer of casual apparel). Not only are such moderate incongruities thought to be "interesting and positively valued" (Mandler, 1982, p. 22) in their own right, but the process of resolving such incongruity itself tends to be rewarding and, thus, to contribute to the favorableness of the response. In addition, the relatively extensive processing devoted to moderate incongruities should further enhance the extremity of the favorable response (Tesser, 1978), making moderate incongruities more positively regarded than congruities.

Finally, Mandler (1982) suggested that extremely incongruent items stimulate as much processing as moderate incongruities or, if a person is highly tenacious in seeking resolution, possibly more. However, unlike moderate incongruities, extreme incongruities are unlikely to be resolved. Therefore, extreme incongruities typically stimulate negative feelings of frustration and helplessness. Moreover, the extensive processing devoted to extreme incongruities is likely to enhance the negativity of the response.

Thus, this theorizing implies that a nonmonotonic, or inverted-U-shaped, relationship is likely to exist between brand name incongruity and evaluative responses, assuming that the favorableness of one's feelings associated with either the product or the brand name is not so extreme or strongly held as to overwhelm these more subtle effects (Mandler, 1982). In the present study, we examined this proposition and explored the extent to which it may account for people's responses to brand name extensions. On the basis of Mandler's theorizing, we offer several predictions that relate to this proposition and the process believed to be responsible for the inverted-U-shaped relationship.

Our first hypothesis concerned product evaluations. We expected that products associated with moderately incongruent brand names would be evaluated more favorably than those associated with either congruent brand names or extremely incongruent brand names.

Three remaining hypotheses related to people's thoughts. In Hypothesis 2 we contended that, because associating an extremely incongruent brand name with a product should produce substantial negative feelings, a greater proportion of negative thoughts and a smaller proportion of positive thoughts should be produced when a product possesses an extremely incongruent brand name rather than a brand name that is either congruent or moderately incongruent. For Hypothesis 3 we expected that, because associating a product with an incongruent brand name rather than a congruent brand name should lead to more extensive processing of the incongruent brand name, products bearing incongruent brand names should stimulate greater consideration or mention of the brand name and should stimulate more thoughts implying surprise concerning the in-

congruity of the brand name. Finally, with Hypothesis 4 we maintained that, because associating an incongruent brand name rather than a congruent brand name with a product should encourage more extensive processing of advertising information that is potentially relevant for resolving the incongruity, an ad for a product with an incongruent brand name should receive increased thought in general, a larger proportion of thoughts concerning specific message content, and a smaller proportion of global thoughts that do not directly relate to specific message material.

## Study 1

### *Pilot Study 1*

As a test of the preceding predictions, we conducted a pilot study to identify pairs of products and brand names that represented varying degrees of congruity. Eight men and eight women were presented with pairs of company brand names and products that ostensibly represented alternative levels of congruity or incongruity. On 10-point scales, ranging from *extremely unlikely* (1) to *extremely likely* (10), subjects rated how likely it was that each product would be offered by the specified company. In each case, the product presented was a type of book (e.g., a book describing different ways of preparing steak, and a book concerning the benefits of vitamin D). The decision to hold constant the general product category was intended to ensure some degree of product equivalence across the incongruity manipulations.

On the basis of the data, we identified two company brand names that, when paired with the same book, would enable a comparison between a brand name extension that was moderately incongruent and a brand name extension that was congruent. The results of *t* tests suggested that a book containing information about the sources and value of vitamin D was perceived as extremely likely to be offered by the Dairy Association (congruent,  $M = 8.94$ ) but only moderately likely to be offered by Coppertone, a company brand name associated with suntanning products (moderately incongruent,  $M = 4.00$ ),  $t(15) = 5.78$ ,  $p < .01$ . Presumably, the pairing of this vitamin D book with the Dairy Association was seen as congruent because dairy products are commonly known to provide a source of vitamin D, whereas the pairing of the vitamin D book with Coppertone was viewed as moderately incongruent because reconciling or perceiving a fit between these items requires recognizing a less obvious fact: that exposure to the sun, which is associated with the Coppertone name, also provides vitamin D.

Next, we identified pairs of a book and company brand name that allowed a comparison of a moderately incongruent versus an extremely incongruent brand name extension. Here the same company brand names were used as in the initial comparison, but the type of book was different. This was done to ensure that the overall pattern of treatment effects could not be attributed simply to differences in how favorably subjects regarded the particular company brand names that were examined and to ensure that any advantage of a moderately incongruent brand name was generalizable to different products (i.e., types of books). Our *t* tests indicated that a book conveying information about festive ways of preparing steak was perceived as moderately likely to be offered by the Dairy Association (moderately

incongruent,  $M = 3.50$ ) but as extremely unlikely to be offered by Coppertone (extremely incongruent,  $M = 1.69$ ),  $t(15) = -3.61, p < .01$ . Presumably, the pairing of this book about steak preparation with the Dairy Association was seen as moderately incongruent because reconciling or perceiving a fit between these two items requires recognizing the moderately apparent fact that both dairy products and steak are derived from a common source (cows). By contrast, it is not at all clear what, if any, connection links Coppertone with steak.

Thus, on the basis of these data, we identified pairs of products and company brand names that represented three different levels of congruity. We used these pairings in Study 1 to test our hypotheses.

## Method

**Subjects and materials.** The subjects were 43 women who agreed to participate in a new product evaluation. The basic experimental materials were ads that described two new books. One book purportedly presented information about "festive ways to prepare and serve steak," whereas the other book featured information concerning "the importance of and sources for obtaining vitamin D." These book descriptions were constructed to be identical in length (180 words each) and as similar to each other as possible in structure and content. This was accomplished by using identical statements when possible and, in all other cases, by using language that was comparable in the number and sequence of ideas conveyed. For example, although the steak book was said to present "an unusual compilation of recipes which suggest how steak can be the ideal choice for formal dinners, barbecues, or appetizers and can be prepared variously by grilling, marinating, or broiling," the vitamin D book was said to present "an unusual compilation of scientific evidence which suggests that this vitamin not only maintains healthy skin, bones, and teeth but also aids treatment of some glandular, hormonal, and metabolic imbalances."

Near the end of each book description, either Coppertone or the Dairy Association was identified as the purported producer of the book, thereby varying the degree of congruity between the product and the company brand name. Specifically, for the book about sources of vitamin D, a comparison of the Coppertone brand name condition with Dairy Association brand name condition enabled us to test subjects' reactions to moderately incongruent and congruent brand name extensions, respectively. Likewise, for the book that featured tips on steak preparation and presentation, a comparison of the Dairy Association condition with the Coppertone condition enabled us to test subjects' reactions to moderately incongruent and extremely incongruent brand name extensions, respectively.

**Procedure and dependent variables.** All subjects were randomly assigned a booklet. Each booklet contained one of the four book descriptions, which varied in the book topic represented (vitamin D vs. steak preparation) and the brand name of the company producing the book (Coppertone vs. the Dairy Association).

After reading the book descriptions, subjects completed a series of questions concerning their leisure-time activities and their general knowledge of books (e.g., the number of books they had read in the past year, the book stores they were aware of, and their favorableness toward reading). These questions were intended to limit short-term-memory effects.

Next, subjects completed eight 7-point evaluation scales that assessed how valuable, desirable, satisfying, informative, worthwhile, helpful, popular, and high in quality they thought the described books would be. Subjects' scale responses ranged from how *unlikely* (1) to how *likely* (7) a book was to possess these qualities. These scales loaded on a single factor; in a confirmatory factor analysis (CFA) that estimated a single-factor model (unweighted least squares estimation) with EQS (Bentler,

1989), we found the comparative fit index (CFI) to be .89 (Bentler, 1990). Thus, we averaged the scales to form a single evaluation index ( $\alpha = .90$ ). Subjects then performed a thought-listing task in which they reported all thoughts that had crossed their minds while reading about the book.

Finally, subjects were asked to indicate their favorableness toward and familiarity with the Dairy Association and Coppertone. These items were included to ascertain whether differences on these dimensions might account for any observed treatment effects. In assessing favorableness toward the company brand names, subjects checked one of five categories ranging from *extremely unfavorable* (1) to *extremely favorable* (5). Familiarity with the Dairy Association and Coppertone was rated on a 4-point scale ranging from *none at all* (1) to *high* (4).

## Results

Analyses of variance (ANOVAs) of subjects' favorableness toward and familiarity with the Dairy Association and Coppertone brand names revealed no significant treatment effects ( $p > .05$ ). Thus, such differences are unlikely to account for effects observed on other measures.

Next, we used an ANOVA to examine Hypothesis 1, in which we predicted that brand name extensions that were moderately incongruent would be preferred over congruent and extremely incongruent ones. A main effect of book topic emerged on the evaluation index,  $F(1, 30) = 6.36, p < .01$ , such that the book about sources of vitamin D was preferred over the book about steak preparation. Subjects' thoughts suggested that this may have occurred because the vitamin D book was viewed as more novel, perhaps suggesting that subjects preferred a product that contained some degree of novelty or incongruity. Of greater interest, however, was the interaction of book topic and company brand name,  $F(1, 30) = 8.41, p < .01$ , that also emerged on the evaluation index and qualified the main effect. Treatment means for this and all other measures are reported in Table 1.

In an ANOVA, planned comparisons performed on the Book Topic  $\times$  Company Brand Name interaction revealed support for Hypothesis 1. That is, brand name extensions with company brand names that were moderately incongruent were preferred over brand name extensions with company brand names that were congruent or extremely incongruent. Specifically, the book about vitamin D was evaluated more favorably when the company brand name was the moderately incongruent *Coppertone* rather than the congruent *Dairy Association*,  $F(1, 30) = 5.90, p < .05$ . Likewise, the book about steak preparation was evaluated more favorably when it carried the moderately incongruent Dairy Association name as opposed to the extremely incongruent Coppertone name,  $F(1, 30) = 3.71, p < .05$ .

Next, we examined data from the thought-listing task to investigate the remaining hypotheses, in which we attempted to track the process that we thought mediated these evaluation effects. Two judges independently coded these data, and the few discrepancies that occurred were resolved by a discussion between the judges. After recording the overall number of thoughts generated, we coded thoughts in the following manner: the proportion of thoughts concerning specific message content (e.g., "it's good to include a chart"), the proportion of global thoughts that did not directly relate to specific message material (e.g., "I felt the book was a good idea"), mention of the company brand name, and indication of surprise concerning the relationship between the book topic and the brand name ("It's

Table 1  
 Study 1: Treatment Means and Standard Deviations for Dependent Measures

Measure	Vitamin D book				Steak book			
	Dairy association (congruent)		Coppertone (moderately incongruent)		Dairy association (moderately incongruent)		Coppertone (extremely incongruent)	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
Evaluations	4.57	1.06	5.39	0.57	4.58	0.96	3.99	1.06
Overall no. of thoughts	3.58	1.62	3.43	2.23	3.50	1.76	4.36	1.43
Proportion of:								
Message-content thoughts	.14	.17	.40	.32	.43	.34	.34	.30
Global thoughts	.67	.32	.36	.36	.36	.36	.44	.30
Positive thoughts	.45	.32	.56	.38	.34	.39	.49	.28
Negative thoughts	.29	.34	.23	.27	.39	.34	.38	.24
Mentioned book producer brand name <sup>a</sup>	.00	.00	.43	.54	.00	.00	.18	.41
Expressed surprise about producer <sup>a</sup>	.00	.00	.43	.54	.00	.00	.19	.41

<sup>a</sup> Coded as 0 = no mention and no expression of surprise and 1 = mention and expression of surprise.

unusual that a cookbook like this is released by Coppertone"). In addition, we recorded the proportions of total thoughts that were positive, negative, or neutral.

In Hypothesis 2, we predicted that extreme incongruity between product and company brand name would result in a greater proportion of negative and a smaller proportion of positive thoughts than would moderate incongruity and congruity. Yet ANOVAs revealed no evidence of these effects on either positive thoughts ( $ps > .05$ ) or negative thoughts ( $ps > .05$ ).

However, log-linear analyses revealed support for Hypothesis 3, in which we predicted that, relative to congruent brand name extensions, incongruent brand name extensions would result in more elaborate processing of the incongruent information—as indicated by more mentions of the company brand name,  $\chi^2(1, N = 39) = 4.00, p < .05$ —and more expressions of surprise concerning the degree of congruity between the book topic and the company brand name,  $\chi^2(1, N = 39) = 4.00, p < .05$ . Comparisons by *t* test of the three treatments that represented moderate or extreme incongruity (i.e., steak book–Coppertone, steak book–Dairy Association, or vitamin D book–Coppertone) with that representing congruity (i.e., vitamin D book–Dairy Association) revealed that greater mention of the company brand name occurred when the book topic and company brand name were incongruous than when they were congruous,  $t(37) = -2.43, p < .05$ . Likewise, *t* tests indicated that expressions of surprise concerning the relationship between the book topic and the company brand name were more frequent when these features were incongruous rather than congruous,  $t(37) = -2.43, p < .05$ .

Finally, we conducted *t* tests to examine Hypothesis 4, in which we predicted that, relative to congruity, incongruity between a brand name and a product would stimulate a greater overall number of thoughts, a larger proportion of thoughts concerning specific message content, and a smaller proportion of global thoughts. A comparison of the three treatments repre-

sented moderate or extreme incongruity with the treatment representing congruity revealed support for this prediction on each measure, except for the overall number of thoughts produced ( $ps > .05$ ): A greater proportion of thoughts about specific message content,  $t(37) = -3.31, p < .01$ , and a smaller proportion of global thoughts,  $t(37) = 2.37, p < .05$ , were generated when the company brand name was incongruent with the book topic than when it was congruent.

### Discussion

The findings from Study 1 are consistent with the view that brand name extensions that carry moderately incongruent brand names are likely to be evaluated more favorably than those carrying either congruent or extremely incongruent brand names. In addition, the data provide partial support for the process thought to mediate these outcomes. Ads for brand name extensions with incongruent, rather than congruent, brand names appeared to receive heightened processing of the incongruent brand name as well as of ad information that might explain the incongruity. This was observed in the form of greater thought about the brand names, more expressions of surprise concerning the relationship between the product and the brand name, more thoughts about message content that potentially might explain the incongruity, and fewer global thoughts that were largely unrelated to message content. Nonetheless, contrary to expectations, products associated with incongruent company brand names did not stimulate more negative and fewer positive thoughts, and incongruent brand names did not appear to heighten the overall number of thoughts generated.

Although it is unclear why these effects were not observed, one factor that may have contributed to these findings is that the company brand name was always identified very late in the ad for the book. Perhaps subjects would have devoted greater attention to this information had the company brand name ap-

Table 2  
Results of Pilot Study 2

Type of product	Company brand name					
	Kellogg		Peter Pan		Frito-Lay	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
Peanut-butter-flavored cereal	7.90 <sup>a</sup>	1.55	5.24 <sup>b</sup>	2.39	2.81 <sup>c</sup>	1.81
Corn chips	3.86 <sup>b</sup>	1.90	2.00 <sup>c</sup>	1.18	8.71 <sup>a</sup>	0.46
Peanut-butter-covered crackers	2.00 <sup>c</sup>	0.53	6.70 <sup>a</sup>	0.64	4.60 <sup>b</sup>	0.61

<sup>a</sup> Brand name is congruent with the product. <sup>b</sup> Brand name is moderately incongruent with the product.

<sup>c</sup> Brand name is extremely incongruent with the product.

peared earlier in the message, when evaluative reactions to objects are typically thought to be formed (Lichtenstein & Srull, 1987). In turn, this greater attention devoted to the ad message might have strengthened the anticipated treatment effects. We explored this possibility in a second study by inserting the company brand name early in the product description.

In the second study we also explored the robustness of effects. This was done by investigating whether the effects would generalize when three different company brand names were fully crossed with three different types of products, such that for each product each brand name represented a different level of congruity. At the same time, however, we held the product description constant across treatments. By using this design, we extended Study 1 in several ways. First, we provided three separate tests (each using a different product) of whether the three levels of congruity for brand name extensions would exhibit an inverted-U-shaped relationship with evaluations. Second, in Study 2 we eliminated the possibility that any observed treatment effects would simply be due either to subjects' a priori favorableness toward or familiarity with the particular company brand names used or to variations in subjects' favorableness toward the product description used.

## Study 2

### Method

**Materials.** We conducted a second pilot study among 11 men and 13 women to identify three types of products that, when paired with three company brand names, would result in the brand names representing different levels of congruity for each of the three products. Using the same procedure and the 10-point scales as in Pilot Study 1, we identified three products and three brand names that met this criterion. Table 2 shows the level of congruity represented by each product type-company brand name combination and the scores that Pilot Study 2 subjects assigned to each such combination (higher numbers indicate greater likelihood that the product would be produced by the company with that brand name). For each product, *t* tests revealed that scores assigned to the congruent versus moderately incongruent brands and to the moderately incongruent versus extremely incongruent brands were significantly different at the  $p < .05$  level or better.

Next, we developed an ad that described a product that could be categorized as any of the three types of products identified for use in the study (i.e., a peanut-butter-flavored cereal, corn chips, or peanut-butter-covered crackers). The ad discussed features common to each of these types of products, such as the product's "lively and unique flavor that comes from its delightful combination of more healthful ingredients";

"low fat content, absence of preservatives, but high fiber"; "variety of package sizes to fit any number of needs"; and "toasty brown color."

**Procedure and dependent variables.** Forty-seven men and 46 women were randomly assigned an ad for either a peanut-butter-flavored cereal, corn chips, or peanut-butter-covered crackers in which the brand name of the company producing the product was varied. The brand name was either Kellogg, Peter Pan, or Frito-Lay, and it always appeared in the second statement of the message.

After reading the ad and completing a filler task intended to clear their memory, subjects completed seven 7-point evaluation scales assessing how appealing, appetizing, tasty, satisfying, expensive, worthwhile trying, and desirable the product was likely to be. A rating of 1 indicated that the product did not possess the characteristic, and a rating of 7 indicated the product did possess the characteristic. These items loaded on a single factor, and in a CFA that estimated a single-factor model (maximum likelihood estimation) with EQS (Bentler, 1989), we found the CFI to be .96 (Bentler, 1990). Thus, we averaged the scales to form a single evaluation index ( $\alpha = .93$ ). After the evaluation task, subjects completed a thought-listing task similar to that used in Study 1.

Next, we asked subjects two open-ended questions that were intended to offer further insight into the process underlying the anticipated evaluations effects. They were asked to identify the brand name of the company that produced the advertised product and, if possible, to explain specifically why they thought this company might produce such a product. These questions were coded dichotomously, such that correct brand name identifications were coded 1 (and incorrect identifications were coded 0) and successful attempts to list a specific reason why the company produced the product were coded 1 (and unsuccessful attempts were coded 0). It was reasoned that, given such a direct request to identify the product producer, nearly all subjects probably would do so, indicating that all subjects had processed the company brand name to some degree. However, we expected that subjects who were told that a company with a congruent or moderately incongruent brand name was the product producer would more frequently identify a specific reason why the company might develop such a product than would subjects who were told that a company with an extremely incongruent brand name was the producer.

### Results and Discussion

Thoughts were coded in the same way as in Study 1. Treatment means for all measures are reported in Table 3, and a summary of all treatment effects appears in Tables 4 and 5.

An ANOVA performed on evaluations revealed a significant Type of Product  $\times$  Company Brand Name interaction,  $F(4, 83) = 7.23, p < .01$ . As we anticipated in Hypothesis 1, ANOVAs indicated that subjects' evaluations of each of the three products exhibited an inverted-U-shaped pattern, such that products

Table 3  
Study 2: Treatment Means and Standard Deviations for Dependent Measures

Measure	Product																							
	Peanut-butter-flavored cereal						Corn chips						Peanut-butter-covered crackers											
	Congruent						Incongruent						Congruent						Incongruent					
	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD						
Evaluations	4.19	1.03	5.16	1.20	3.44	1.54	4.47	1.33	5.64	0.64	3.48	0.92	3.86	1.11	4.61	1.52	3.01	1.37						
Overall no. of thoughts	3.63	1.19	4.87	2.23	5.91	2.71	4.90	3.35	6.00	2.28	5.00	1.85	4.00	1.60	4.50	1.96	4.14	1.83						
Proportion of:																								
Positive thoughts	0.30	0.38	0.39	0.32	0.11	0.18	0.29	0.35	0.47	0.31	0.04	0.08	0.18	0.26	0.43	0.32	0.13	0.16						
Negative thoughts	0.33	0.38	0.26	0.37	0.59	0.40	0.32	0.28	0.04	0.07	0.68	0.29	0.43	0.24	0.13	0.15	0.55	0.34						
Message-content thoughts	0.50	0.29	0.78	0.25	0.91	0.12	0.58	0.27	0.88	0.14	0.83	0.22	0.43	0.35	0.84	0.21	0.96	0.07						
Global thoughts	0.50	0.29	0.22	0.25	0.09	0.12	0.42	0.27	0.12	0.14	0.17	0.22	0.57	0.35	0.16	0.21	0.04	0.07						
Mentioned company brand name <sup>a</sup>	0.00	0.00	0.30	0.48	0.50	0.52	0.20	0.42	0.33	0.52	0.50	0.54	0.13	0.35	0.47	0.52	0.55	0.52						
Expressed surprise about company <sup>a</sup>	0.00	0.00	0.20	0.42	0.29	0.47	0.10	0.32	0.17	0.41	0.38	0.52	0.00	0.00	0.20	0.41	0.18	0.41						
Identified company brand name on direct inquiry <sup>b</sup>	0.88	0.35	1.00	0.00	1.00	0.00	0.82	0.41	1.00	0.00	0.88	0.35	1.00	0.00	0.83	0.36	0.90	0.29						
Explained product-brand name relationship <sup>b</sup>	1.00	0.00	1.00	0.00	0.21	0.21	0.73	0.47	1.00	0.00	0.50	0.54	1.00	0.00	0.86	0.36	0.17	0.39						

Note. Respectively, the company brand names that were congruent, moderately incongruent, and extremely incongruent were Kellogg, Peter Pan, and Frito-Lay for peanut-butter-flavored cereal; Frito-Lay, Kellogg, and Peter Pan for corn chips; and Peter Pan, Frito-Lay, and Kellogg for peanut-butter-covered crackers.

<sup>a</sup> Coded as 0 = no mention and no expression of surprise and 1 = mention and expression of surprise. <sup>b</sup> Coded as 0 = false identification and lack of explanation and 1 = correct identification and provide explanation.

were evaluated more favorably when the company brand name was moderately incongruent with the product than when it was either congruent or extremely incongruent with the product ( $p < .01$ ). Thus, an advantage accrued to brand extensions that bore moderately incongruent company brand names.

ANOVAs performed on subjects' thoughts also revealed significant Type of Product  $\times$  Company Brand Name interactions for the proportion of negative thoughts generated,  $F(4, 81) = 8.14, p < .01$ , and the proportion of positive thoughts generated,  $F(4, 81) = 5.69, p < .01$ . Consistent with Hypothesis 2 was that,

for each of the three products, ANOVAs indicated that subjects exposed to the extremely incongruent company brand name produced a greater proportion of negative thoughts and a smaller proportion of positive thoughts than did subjects exposed to the congruent and moderately incongruent brand names ( $p < .05$ ).

Log-linear analyses also revealed a significant Type of Product  $\times$  Company Brand Name interaction on mentions of the company brand name,  $\chi^2(4, N = 90) = 14.06, p < .01$ , and a marginal interaction on spontaneous expressions of surprise

Table 4  
Results of Analyses of Variance for Treatment Effects on Evaluations and Thoughts

Measure	Evaluations	Overall no. of thoughts	Proportion of:				dfs <sup>a</sup>
			Positive thoughts	Negative thoughts	Message-content thoughts	Global thoughts	
Type of product (P)	2.10	1.59	0.07	0.12	0.19	0.19	2, 81
Co. brand name (B)	0.19	0.49	0.83	1.77	1.87	1.87	2, 81
P $\times$ B	7.23*	1.25	5.69*	8.14*	12.58*	12.58*	4, 81
MS <sub>e</sub>	1.68	4.93	0.88	0.10	0.05	0.05	NA

Note. Co. = company; NA = not applicable.

<sup>a</sup> Because two subjects completed the evaluation measures but not the thoughts measures, degrees of freedom for evaluations were 2 and 83 for the main effects and 4 and 83 for the interactions.

\*  $p < .01$ .

Table 5  
 Study 2: Results of Log-Linear Analysis for Treatment Effects on Thoughts

Measure	Mention of co. brand name	Expressed surprise about co.	Identified co. brand name on inquiry	Explained product-brand name relationship	df
Type of product (P)	1.93	1.93	1.20	1.20	2
Co. brand name (B)	0.20	0.20	0.43	0.43	2
P × B	14.06*	8.98	3.65	48.17*	4

Note.  $N_s = 90$ . All values are chi-squares produced from log-linear analyses. Co. = company.

\*  $p < .01$ .

concerning the company brand name,  $\chi^2(4, N = 90) = 8.98, p > .05$ . For both measures, results of separate chi-square analyses for each product generally supported Hypothesis 3, in which we predicted that company brand names that were moderately and extremely incongruent with a product would receive greater processing than would congruent ones, resulting in more mentions of the company brand name and more expressions of surprise. Specifically, for each product except corn chips, both mentions of the company brand name and expressions of surprise were significantly more frequent when the company brand name was moderately or extremely incongruent with the product than when it was congruent ( $ps < .05$ )—except for expressions of surprise for cereal, where effects were marginal ( $p > .05$ ).

The prediction that company brand names incongruent with the product would prompt more extensive processing of the ad message also received support. ANOVAs revealed Type of Product × Company Brand Name interactions on the proportion of thoughts generated concerning specific message content,  $F(4, 81) = 5.13, p < .01$ , and on the proportion of global thoughts that were not directly related to specific message material,  $F(4, 81) = 7.77, p < .01$ . An ANOVA of the overall number of thoughts subjects generated, however, revealed no treatment effects ( $p > .05$ ). As we predicted in Hypothesis 4, for each product, ANOVAs indicated that more specific thoughts related to message content and fewer global thoughts (with the exception of corn chips,  $p > .05$ ) were produced when the product was made by a company with a moderately or extremely incongruent brand name than when the product was made by a company with a congruent brand name ( $ps < .01$ ).

Finally, results of log-linear analyses of subjects' responses to the two direct questions we asked offered support for the view that the inverted-U-shaped relationship between brand name incongruity and subjects' product evaluations was likely to have been mediated by subjects' successful reconciliation of the product-brand name incongruity when this incongruity was moderate rather than extreme. Specifically, as anticipated, subjects in all conditions generally correctly identified the company brand name of the producer when directly asked for this information ( $p > .05$ ). This suggests that subjects generally processed or encoded the brand name. Yet log-linear analysis revealed a Type of Product × Company Brand Name interaction,  $\chi^2(4, N = 90) = 48.17, p < .01$ , on subjects' responses to why the company with that brand name would produce the advertised product. These data indicated that subjects more frequently offered a specific explanation (e.g., "the product is similar to their corn flakes but it's a corn chip") when the brand name of the company was congruent or moderately incongruent with the prod-

uct than when it was extremely incongruent. Although separate chi-square analyses for each product revealed that this effect was marginal for corn chips,  $\chi^2(4, N = 90) = 2.71, p > .05$ , it was significant for each of the other two products ( $ps < .01$ ). Hence, our findings are concordant with the view that people's greater ability to resolve relationships between products and company brand names that are moderately incongruous as opposed to extremely incongruous may substantially contribute to their preference for brand name extensions bearing company brand names that are moderately incongruent with products.

### General Discussion

Results of the two studies reported in this research support the view that brand name extensions are evaluated more favorably when a product's brand name is moderately incongruent with the product than when it is either congruent or extremely incongruent with the product. People's preference for products with moderately incongruent brand names seems to occur because they process ads more extensively when products bear incongruent brand names and they experience the satisfaction associated with identifying a meaningful relationship that fits the brand name with the product, which occurs only when the brand name incongruity is moderate, not extreme.

Although the current findings are consistent with the view that products representing brand name extensions that are moderately incongruent may possess an advantage over those that represent brand name extensions that are either congruent or extremely incongruent, future research needs to address several issues. Although our findings are useful conceptually, they do not establish the threshold beyond which a brand name is viewed as either moderately incongruent or extremely incongruent with a product. Furthermore, although pilot data established the levels of congruity between the brand names and products, manipulation checks were not administered to confirm these manipulations among subjects in either Study 1 or Study 2.

In addition, it may be that products bearing company brand names that are moderately incongruent will be regarded relatively unfavorably if associations to the brand name are negative when viewed in relationship to the product. For example, if the producers of Ivory soap extended their brand name to a new toothpaste, consumers might regard this presumably moderately incongruent product quite unfavorably because associations with the negative taste of soap may taint perceptions of the toothpaste.

Along similar lines, it is uncertain whether or not people's preferences for brand name extensions that involve a company

brand name that is moderately incongruent will generalize when the product in question belongs to a product category toward which people are generally unreceptive to novelty or deviations from the norm. That is, although consumers may react positively to casual clothing introduced under the McDonald's (McKid's) brand name because they can establish a fit between the product and the brand name (e.g., McDonald's makes both food and clothing for fun, casual occasions) and because novelty in the casual clothing category is desirable, introducing professional business clothing under the McDonald's name might produce unfavorable responses, even if consumers can identify a rationale for this association (e.g., McDonald's epitomizes an American business success story and America is a business capital). Rejection of such moderate incongruity might occur because novelty, though positively valued in many or most contexts (Mandler, 1982), may be frowned on where professional business clothing is concerned.

Nonetheless, the present research suggests that—such speculations about qualifying conditions aside—companies that introduce new and diverse products as brand name extensions may experience an advantage beyond that associated with the enhanced recognition power of the established brand name. When a new product is introduced as a brand extension bearing a moderately incongruent brand name, the process of establishing a connection between the brand name and the product can itself enhance evaluations of the product. It may be that this advantage of a moderately incongruent brand name will be most beneficial for undifferentiated “me too” brands that otherwise would possess little novelty or point of difference.

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