Consumer response to brand extensions: Construal level as a moderator of the importance of perceived fit

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Abstract

One of the most enduring findings from branding research is that consumers evaluate brand extensions on the basis of their perceived fit with the parent brand. In this article, we propose that the importance of perceived fit in extension evaluations is moderated by construal level. We draw upon construal level theory, which posits that individuals can construe stimuli in their environments in terms of abstract and generalized features (high-level construals) or in terms of concrete and contextualized features (low-level construals). Results from three studies confirm that consumers who construe their environment at a higher level place more importance on perceived extension fit in evaluating brand extensions. These consumers evaluate high fit extensions more favorably than moderate fit extensions, consistent with prior research. However, consumers who construe their environment at a lower level do not evaluate high and moderate fit extensions any differently, unless the importance of using fit perceptions is made salient.

Brand extensions are one of the most popular strategies for leveraging brand equity. By launching new products under popular brand names, firms hope that consumers will respond more favorably to the new offering, due to their familiarity with the parent brand, positive feelings toward the parent brand, and positive attribute and non-attribute associations they have with the parent brand. Compared to launching a new product under a new brand name, brand extensions can increase the efficiency of promotional efforts, improve access to distribution channels, and reduce consumers’ perceived risk of purchasing a product or service (Keller, 2002).

What factors determine whether or not a brand extension will be successful? The most important factor identified by prior research is perceived fit. Consumers respond more favorably if they are able to perceive a fit between the extension and the parent brand (Aaker & Keller, 1990; Boush et al., 1987). Perceived fit can be based on the extension being in a product category similar to other products sold by the parent brand (Boush et al., 1987; Keller & Aaker, 1992), complementing use with other products sold by the parent brand (Aaker & Keller, 1990), being in a product category where the parent brand can contribute an appealing attribute (Broniarczyk & Alba, 1994; Herr, Farquar, & Fazio, 1996), having a parent brand with the skill and expertise to make the extension product (Aaker & Keller, 1990), and having a parent brand with an image that is compatible with the extension (Park, Milberg, & Lawson, 1991). Perceived fit can also be heightened by communications providing a plausible link between the extension and parent brand (Bridges, Keller, & Sood, 2000), thereby giving consumers more opportunity to discover possible links (Lane, 2000), or countering negative inferences about the extension (Aaker & Keller, 1990). Perceived fit, no matter how it is defined, is the most important determinant of brand extension success—more important than marketing support, retailer acceptance, and quality of the parent brand (Völkner & Sattler, 2006).

In fact, the role of perceived fit is so widely accepted that researchers have largely neglected the possibility that moderating factors may exist that render perceived fit more or less
influential in brand extension evaluations. The working assumption has been that, for all types of consumers, perceived fit is always important for evaluating brand extensions. To date, the only evidence of moderating factors is found in cross-cultural settings, where researchers have reported that consumers from Eastern cultures place less importance on perceived fit in evaluating brand extensions, relying instead more on background factors, such as corporate brand reputation (Bottomley & Holden, 2001; Han & Schmitt, 1997).

In this paper, we propose that construal level is a key moderator of the importance of perceived fit in brand extension evaluations. We draw upon construal level theory, which posits that individuals can construe stimuli in their environments in different ways—in terms of abstract and generalized features (high-level construals) or in terms of concrete and contextualized features (low-level construals) (Trope & Liberman, 2003). In judgment and decision making settings, individuals favor information, experiences, or events that match their construal level (Nussbaum, Trope, & Liberman, 2003; Trope & Liberman, 2000). Thus, we reason that consumers who construe stimuli in terms of abstract and generalized features (high-level construals) will place more importance on perceived fit, which is a global and abstract assessment of the connections that exist between an extension and parent brand, when evaluating brand extensions. In contrast, consumers who construe stimuli in terms of concrete and contextual features (low-level construals) will place less importance on perceived fit and more importance on more concrete features of the brand extension when evaluating extensions.

We examine this proposition in three experiments. In study 1, we examine construal level as an individual difference variable. We compare consumers with a chronic tendency to construe their environment in an abstract way (high-level construals) with consumers having a chronic tendency to construe their environment in a more concrete way (low-level construals). In study 2, we examine construal level as a contextual variable. Here, we manipulate construal level by varying temporal distance, comparing brand extension evaluations taking place in the near future (low-level construals) versus the distant future (high-level construals). Across both studies, we find that construal level moderates the importance of perceived fit, with greater importance being placed on perceived fit in evaluating brand extensions when high-level construals are favored by consumers. Moreover, in study 3, we examine a strategy for encouraging consumers who favor low-level construals to use perceived fit as important input into brand extension evaluations. Providing a cue for the importance of perceived fit, we find that low-construal consumers respond to brand extensions as if they were high-construal consumers. That is, low-construal consumers evaluated high fit extensions more favorably than moderate fit extensions, consistent with evaluations of high-construal consumers.

These findings add to the emergence of construal level theory as an important area of consumer behavior research. Very recently, researchers have linked construal levels to important aspects of consumer decision making, including the formation of consideration sets, methods for evaluating brands, and making purchase decisions (Dhar & Kim, 2007; Kardes, Cronley, & Kim, 2006; Trope, Liberman, & Wakslak, 2007). We add to this line of inquiry by examining the role of construal level in consumer response to branding strategies, specifically brand extensions. Our empirical findings are in line with the key conceptual premise of construal level theory and respond to a recent call for more research on the role of construal level in consumer behavior contexts (Liberman, Trope, & Wakslak, 2007; Lynch & Zauber, 2007).

Conceptual background

Construal level

Construal level theory (CLT) posits that individuals construct different representations of stimuli in their environments, which vary in terms of the degree of abstraction (Freitas, Salovey, & Liberman, 2001; Trope & Liberman, 2003; Vallacher & Wegner, 1987). Individuals who use more abstract mental models construe stimuli with relatively simple, decontextualized, and coherent representations that extract the gist from available information (high-level construals). Therefore, these people tend to be influenced by abstract and general features of stimuli, such as stereotypical features that are the result of abstraction and generalization about the characteristics, attributes, and behaviors of certain types of people, events, or other stimuli (Ashmore & Del Boca, 1981; Fiske & Pavelchak, 1986; Hilton & von Hippel, 1996). In contrast, people who use concrete mental models construe stimuli with relatively complex, contextualized, and incidental representations (low-level construals). Consequently, these individuals tend to be influenced by specific and detailed features of stimuli, as well as contextual details salient at the moment (Fiske & Pavelchak, 1986).

Action identification theory supports a similar distinction. According to this theory, the identities of an action can be arranged in a cognitive hierarchy, from low-level identities specifying how one acts, to high-level identities specifying why one acts (Vallacher & Wegner, 1989). For example, for those thinking about “eating breakfast” with an abstract mindset (high-level construals), “getting nutrition for the day” will make more sense to them than will “pouring milk on cereal.” For those thinking about “eating breakfast” with a concrete mindset (low-level construals), “pouring syrup on a stack of pancakes” will resonate more with them than will “boosting energy for the day.”

Construal levels can be determined by situational or individual factors. Tests of construal level theory have shown that psychological distance is a primary determinant of construal level. Individuals tend to use concrete mental models (low-level construals) when thinking about events in the near future and more abstract mental models (high-level construals) when thinking about events in the distant future (Trope & Liberman, 2000). Construal levels can also vary at the individual level, with individuals having a chronic tendency toward different levels of construal (Freitas et al., 2001; Vallacher & Wegner, 1989). As Vallacher and Wegner (1989)
Based on the results of a pretest that Liberman (2000) tested a change in the weights of abstract low-level construals of options. For instance, Trope and level construals of options than on the value associated with are more likely to be based on the value associated with high- Liberman, 2000). As temporal distance increases, preferences of causal effects, social meanings, and self-descriptive implications (p. 661).

**Influence of construal level on judgment and decision making**

A considerable body of research demonstrates that construal levels influence judgments and choices. Studies of psychological distance as a determinant of construal level have found that differences in construal level lead to differences in the ways that individuals make judgments and decisions about psychologically distant versus near events (Fujita, Henderson, Eng, Trope, & Liberman, 2006; Kardes et al., 2006; Trope & Liberman, 2000). As temporal distance increases, preferences are more likely to be based on the value associated with high-level construals of options than on the value associated with low-level construals of options. For instance, Trope and Liberman (2000) tested a change in the weights of abstract versus concrete features of events, according to temporal distance, by varying the valence of the two types of construals. Based on the results of a pretest that “eating a cake” or “a mother’s party” had a more positive low-level construal than a high-level one, they found that participants rated these experiences as more positive at a near versus distant future time. These results indicate that as temporal distance increases, high-level features become more important than low-level ones in judging preferences.

Moreover, construal levels can influence the preference for certain types of information in making predictions. Nussbaum et al. (2003) report that when participants were allowed to seek new information before making a prediction about a target person, they tended to prefer information about more global traits (which are high-level) when the goal was to predict the target person’s behavior in distant rather than near future situations. Confidence in predictions of future events is also greater for high-level construals. A recent study examining how people use information for prediction finds that people are more confident in theory-based predictions of psychological experiments (which are high-level) when the experiments are expected to take place in the distant versus near future (Nussbaum, Liberman, & Trope, 2006). These findings suggest that individuals with abstract mindsets prefer making predictions on the basis of information and inferences at higher construal levels.

In sum, the evidence suggests that construal levels influence judgment and decision making by a preference for information, experiences, or events that match the individual’s abstract or concrete mindset. These findings are reminiscent of the matching effect found in studies of attitudes and persuasion. Researchers have found that persuasive appeals are more effective when they match an individual’s goals, attitude bases, or processing styles. For example, emotional appeals are more effective than rational appeals when an individual’s attitude is affectively-based (Edwards, 1990; Fabrigar & Petty, 1999), strong arguments are more effective when they match the functional bases of an individual’s attitude (Petty & Wegener, 1998), and messages emphasizing promotion (vs. prevention) benefits are more persuasive for individuals with goals that are more promotion focused (Aaker & Lee, 2001). Information that matches an individual’s goals, or processing style is thought to be more influential because it is perceived as more valid (Lavine & Snyder, 1996), is more important (Lee, Aaker, & Gardner, 2000), and/or receives more elaboration (Petty & Wegener, 1998).

**Influence of construal level on brand extension evaluations**

Perceived fit has been identified as the most important driver of brand extension evaluation (Völckner & Sattler, 2006). Perceived fit is a global assessment of the connections that exist between the extension and parent brand, based on factors such as being in similar product categories, sharing an important attribute, or complementing each other in usage situations (Keller, 2002). Extensions that are perceived as a good fit with a well-regarded parent brand receive favorable evaluations. Extensions that are perceived as a poor fit with a parent brand are evaluated in a less favorable light.

We propose that the importance of perceived fit in brand extension evaluation is moderated by construal level. Specifically, we argue that a global and abstract concept, such as perceived fit, is a better match for consumers with an abstract mindset (who favor high-level construals), with the result that perceived fit is more important for these consumers versus those with a more concrete mindset. Prior research has shown that people with an abstract mindset base their judgments and predictions on higher-level construals of available information, whereas people with a concrete mindset base their judgments and predictions on lower-level construals of available information (Liberman & Trope, 1998; Trope & Liberman, 2003). Because perceived fit is a global judgment based on available information about the extension and parent brand, and global judgments of this sort are high-level construals, consumers with an abstract mindset are likely to place greater importance on perceived fit. However, consumers with a concrete mindset are unlikely to do so because perceived fit is a global judgment that does not match their propensity to construe stimuli at a more concrete and contextualized level. For these consumers, brand extension evaluations are more likely to be based on low-level construals of available information, such as assessments of the concrete attributes of the extension product and the purchase/usage context.

In study 1, we examine this proposition by investigating the moderating effect of construal level as an individual difference variable. We compare brand extension evaluations for consumers who have a chronic tendency to construe stimuli at a global and abstract level (high-level construals) with consumers who have a chronic tendency to construe stimuli at a more concrete and contextualized level (low-level construals). To detect the importance placed on extension fit, consumers were asked to evaluate brand extensions that varied in terms of fit.
scores 13 or below were classified as low construals whereas scores 14 or above were classified as high construals. These brands were chosen to be as similar as possible to one another, with the exception of Nike being a broader brand than New Balance ($M_{\text{Nike}} = 4.90$ vs. $M_{\text{New Balance}} = 3.68$; $p < .01$). The consideration of both a broad and a narrow brand was deemed important, as prior brand extension research has shown that brand breadth can affect brand extension evaluation processes (Boush & Loken, 1991).

To allow for more direct comparisons between brands, we identified brand extensions that could be used for both brands. Based on a pretest with participants similar to those in the main study, we selected comfort insoles as the high-fit extension for both brands (perceived fit: $M_{\text{Nike}} = 5.86$ vs. $M_{\text{New Balance}} = 5.83$) and treadmills as the moderate-fit extension for both brands (perceived fit: $M_{\text{Nike}} = 3.73$ vs. $M_{\text{New Balance}} = 3.38$), with perceived fit to the Nike/New Balance brand measured on two 7-point scales (1 = inconsistent/typical to 7 = consistent/typical).

Sample and procedure

One-hundred-fifty-eight undergraduates participated in the study in order to fulfill a course requirement. To begin, participants were asked about their familiarity (1 = unfamiliar to 7 = familiar scale) and attitudes toward the brands (1 = unfavorable to 7 = favorable scale). Next, respondents were shown a brief description of one of the brand extensions from either Nike or New Balance and were asked for their evaluations of the extension on three 7-point scales (poor/excellent, inferior/superior, and undesirable/desirable). After providing their evaluations, participants were asked to turn to the next page of the survey, where they were asked to list thoughts that came to mind as they rendered their evaluations. The participants then filled out the Behavior Identification Form, which was used to identify individuals with a chronic tendency toward low- versus high-level construals. Next, they judged the fit of the brand extension with the brand (Nike or New Balance) on two 7-point scales (inconsistent/consistent and atypical/typical), similar to scales used in past brand extension research (e.g., Loken & John, 1993). Finally, participants completed several demographic questions and were thanked and dismissed. They were debriefed in a classroom setting at the close of the data collection.

Results

Preliminary analysis

Brand extension measures were analyzed in a 2 (Construal Level: High, Low) × 2 (Extension Fit: High, Moderate) × 2 (Brand: Nike, New Balance) analysis of variance. There were no significant effects involving the brand factor, neither main effects nor interactions ($p$’s > .10). Thus, we pooled data for Nike and New Balance for the remaining analyses.

Manipulation checks

Manipulations of brand extension fit were examined by performing a 2 (Extension Fit) × 2 (Construal Level) ANOVA on respondent perceptions of brand extension fit. Two items measuring extension fit were summed for this purpose.

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(Cronbach’s $\alpha=.95$). As expected, the analysis revealed a significant main effect of fit level ($F(1,154)=65.58$, $p<.001$), with comfort insoles ($M=5.55$) perceived as more consistent with the Nike/New Balance brand than were treadmills ($M=3.49$). In addition, fit perceptions did not differ for low-construal and high-construal consumers ($p>.10$), allowing us to rule out the possibility that differences in perceived fit were responsible for construal level differences in brand extension evaluations.³

Differences between low- and high-construal groups were examined to validate the measures used to assign respondents to a group. Specifically, we examined the types of thoughts respondents listed when evaluating brand extensions, coding thoughts as representative of more abstract generalized thinking about the brand extension (e.g., stereotypical features of the parent brand) or representative of more concrete contextualized thinking about the brand extension (e.g., buying or usage context for the extension product). Each respondent’s thought listing was coded for the number of abstract and concrete thoughts by two independent coders (82% agreement). An overall measure of abstract thinking was computed for each respondent by adding the number of abstract thoughts and then subtracting the number of concrete thoughts. A 2 (Extension Fit) × 2 (Construal Level) ANOVA was performed on this measure, revealing a significant main effect of construal level. As expected, respondents assigned to the high-construal group exhibited more abstract thinking during the brand evaluation process than respondents assigned to the low-construal group ($F(1, 152)=4.69$, $p<.05$).

**Brand extension evaluations**

Prior to our main analysis, a 2 (Extension Fit) × 2 (Construal Level) ANOVA was performed on parent brand familiarity and attitudes to detect whether differences in these factors might confound the results for brand extension evaluations. The analysis revealed no significant differences for parent brand familiarity or parent brand attitudes across experimental conditions ($p’s>.10$).

A 2 (Extension Fit) × 2 (Construal Level) analysis of variance was performed on brand extension evaluations, summing the three evaluation measures from the survey ($\alpha=.85$). The results revealed a significant main effect of extension fit level ($F(1, 154)=13.34$, $p<.001$), which was qualified by an expected construal level x extension fit interaction ($F(1, 154)=7.16$, $p<.01$; see Fig. 1).⁴ Consistent with our hypothesis, high-construal participants evaluated the high fit extension ($M=4.99$) more favorably than the moderate fit extension ($M=4.85$) did not differ from one another ($p>.20$).

**Weight of perceived extension fit**

Compared to low-construal consumers, high-construal consumers were predicted to place more weight on extension fit as input into making their brand extension evaluations. To test this prediction, we developed a regression equation for each construal group, with brand extension evaluation as the dependent variable, and brand extension fit and parent brand attitude as the independent variables:

Group 1 (People with a low-level construal):

Brand Extension Evaluation

\[
\beta_{10} + \beta_{11}\text{PerceivedFit} + \beta_{12}\text{BrandAttitude} + \epsilon \quad (1)
\]

Group 2 (People with a high-level construal):

Brand Extension Evaluation

\[
\beta_{20} + \beta_{21}\text{PerceivedFit} + \beta_{22}\text{BrandAttitude} + \epsilon \quad (2)
\]

Following the procedure suggested by Gujarati (1970), we compared $\beta_{11}$ (i.e., the impact of perceived fit on brand extension evaluations among people with low-level construals) and $\beta_{21}$ (i.e., the impact of perceived fit on brand extension evaluations among people with high-level construals). In order to test for statistically significant differences across groups, we combined the two equations above into one using dummy coding:

Brand Extension Evaluation

\[
\beta_0 + \beta_1 \times D + \beta_2\text{PerceivedFit} + \beta_3\text{BrandAttitude} + \epsilon \quad (3)
\]

\[D = 1 \text{ (if a high – level construal)}
\]

\[0 \text{ (if a low – level construal)}
\]

In terms of interpretation, we can conclude that the impact of perceived extension fit for Group 1 ($\beta_{21}$) is not the same as that for Group 2 ($\beta_2 + \beta_3$) if $\beta_3$ is significantly different from

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³ In other situations, it is possible that construal level could influence perceived fit by affecting the type of information used for judging fit. In our case, we selected extensions that would be perceived equally in terms of fit across construal levels to provide a clean test for our extension evaluation hypotheses.

⁴ A separate regression analysis performed with construal level as a continuous variable confirmed these results. Specifically, the interaction term was still significant ($\beta=.086$; $p<.01$).
regressions is the Chow test (Chow, 1960). However, from the results of the Chow test, we cannot determine which sets of coefficients cause differences in parent brand attitudes.

Discussion

Our findings support the idea that construal level influences the importance of extension fit in consumer evaluations of brand extensions. High fit extensions were evaluated more favorably than moderate fit extensions for high-construal consumers; evaluations did not differ for low-construal consumers. Additionally, the weight placed on perceived extension fit as input into brand extension evaluations was much greater for high-construal than for low-construal consumers. These patterns were consistent across different types of parent brands, regardless of whether they were broad brands (Nike) or narrow brands (New Balance). Overall, these results add to prior research by identifying construal level as a moderator of the well-accepted relationship between brand extension fit and brand extension evaluation.

In the next study, we replicate our results with a different brand (MTV) and different brand extensions (high fit: music downloading; moderate fit: travel agency). We do so to rule out the possibility that something unique to the Nike/New Balance brands or brand extensions drove the results obtained in the first study. We also manipulate construal level in the next study. In study 1, construal level was measured as chronic individual difference, which could be correlated with other factors affecting extension evaluations. To rule out this possibility, we manipulate construal level in the next study via temporal distance. Drawing on the premise that temporally distant (near) future events tend to be represented with abstract (concrete) concepts (Trope & Liberman, 2003), we varied the temporal distance of brand extension introductions. Since people are more likely to use abstract mental models and to rely on coherent representations that extract the gist from available information when an event is expected to occur in the distant versus near future, we expect consumers to place more importance on fit perceptions when evaluating brand extensions that will be available in the distant future versus the near future. Formally,

H3. Consumers evaluating a brand extension that will be available in the distant future will place more weight on perceived extension fit in their extension evaluations compared to consumers evaluating a brand extension that will be available in the near future.

Further, we predict that differences in brand extension evaluations for high versus moderate fit extensions will be greater for consumers evaluating a brand extension that will be available in the distant future. Following the logic presented in Study 1, consumers who place a greater importance on perceived fit will evaluate high fit extensions more favorably than moderate fit extensions. Because consumers evaluating a brand extension available in the distant future place more importance on perceived fit, it follows that these consumers will evaluate high versus moderate fit extensions more positively than will consumers who place less importance on perceived fit (i.e., consumers who evaluate an extension available in the near future). Formally,

H4. Differences in brand extension evaluations for high versus moderate fit extensions will be greater for brand extensions that will be available in the distant versus near future.

Study 2

Our hypotheses were tested in a 2 (Temporal Distance: Near Future, Distant Future) × 2 (Extension Fit: High, Moderate) between-subjects design. Construal level was manipulated in this study by varying the time when the brand extension would be available for purchase.

Sample and procedure

A total of ninety undergraduates enrolled in introductory marketing courses participated in the study in order to fulfill a course requirement. These participants were given a survey asking about their opinions concerning new products. First, the participants encountered temporal distance manipulations from the cover sheet. Those assigned to the near future condition were informed that the new products would be launched very soon. In contrast, those assigned to the distant future condition were informed that the new products would be launched six to eight months from the present. Next, participants were asked to turn the page and examine a recent (fictitious) press release. This press release briefly described: 1) the company name; 2) the type of new product; and 3) when the new product would be available. An MTV music downloading service and an MTV travel agency were chosen as the high and moderate fit extensions, respectively. After viewing the press release, participants were asked for their evaluations of the new 5 Another way of testing equality between sets of coefficients in two linear regressions is the Chow test (Chow, 1960). However, from the results of the Chow test, we cannot determine which sets of coefficients cause differences between the two models, as the Chow test only indicates whether there is a structural change in the relationship between the regressed Y and the regressors (Greene, 2000; Gujarati, 2003). The comparison of the impact of fit perceptions is our primary interest, so we adopted a dummy coding approach that can pinpoint what causes the structural change. That is, we can examine whether the impact of perceived fit differs across people with high- versus low-level construals. Similar findings are obtained, however, using a Chow test ($F(2, 152)=2.94; p<.06$).
MTV services and their perceptions of how these services fit with the MTV brand. Finally, participants were debriefed and thanked.

Results

Manipulation check

Measures of perceived extension fit were analyzed to check the adequacy of the brand extensions chosen for the study. As expected, a 2 (Temporal Distance) × 2 (Extension Fit) ANOVA performed on the perceived fit measure (Cronbach’s α = .95) revealed a significant main effect of fit level (F(1, 86) = 66.79, p < .001), indicating that the music downloading service was perceived as more consistent with the MTV brand (M = 5.97) than the travel agency (M = 3.83). Also, fit perceptions did not differ across temporal distance conditions, allowing us to rule out the possibility that differences in perceived fit could be responsible for differences in brand extension evaluations in the near versus distant future.

Brand extension evaluations

A 2 (Temporal Distance) × 2 (Extension Fit) analysis of variance with age as a covariate (ANCOVA) was conducted on extension evaluations, measured by summing four evaluation items on the survey (Cronbach’s α = .90). The analysis revealed significant main effects of temporal distance (F(1, 85) = 11.62, p < .01) and extension fit (F(1, 85) = 20.00, p < .001). More importantly, these results were qualified by a significant two-way interaction between temporal distance and extension fit (F(1, 85) = 4.16, p < .05; see Fig. 2). Consistent with our hypothesis, participants assigned to the distant future condition (with a brand extension launch expected in six to eight months) evaluated a high fit extension (M = 5.86) more favorably than a moderate fit extension (M = 4.43) (F(1, 85) = 20.53, p < .001). In contrast, the participants assigned to the near future condition (with a brand extension launch expected in a week) were not as sensitive to the level of perceived fit in rendering their evaluations of the extensions (high fit: M = 4.63; moderate fit: M = 4.09; p > .05).

Discussion

Our findings confirm that construal levels moderate the importance placed on perceived fit in brand extensions. Consumers who evaluated brand extensions described as available in the distant future (evoking high-level construals) placed greater weight on perceived fit in rendering their extension evaluations than did consumers evaluating brand extensions described as available in the near future (evoking low-level construals). Further, differences in extension evaluations for high versus moderate fit extensions were greater for consumers judging extensions becoming available in the distant versus near future. Thus, consumers who favor high-level construals, based on temporal distance (study 2) or chronic individual tendencies (study 1), consider perceived fit as more important input into brand extension evaluations. These findings are consistent with the idea that construal levels influence extension evaluations by shifting preferences for information that matches an individual’s abstract or concrete mindset.

Given these findings, is it possible to increase the importance placed on perceived fit among consumers who tend to favor low-level construals? Brand extensions that fit well with the parent brand usually have a natural advantage in terms of consumer acceptance, requiring less investment in marketing communications and sales promotion. But, as we have seen, low-construal consumers are not swayed by perceived fit, thereby reducing one of the main factors firms can rely on for launching successful brand extensions.

In the next study, we examine a strategy for encouraging low-construal consumers to use perceived fit as important input into their brand extension evaluations. Recall our earlier discussion of why high-construal individuals use perceived extension fit when evaluating brand extensions. Perceptions of extension fit, which are abstract generalized assessments of the connections existing between an extension and parent brand, match the mindsets of consumers that construe stimuli at a more abstract level (high-level construals). Information matching an individual’s mindset is thought to be more influential because it is perceived as more important, more valid, and worthy of more consideration (Lavine & Snyder, 1996; Lee et al., 2000; Petty &
were classified as high (vs. low) construal. New brands were classified as high level and low-level construals. High-construal consumers, we expected the information to have little or no effect, given that perceived fit is already important to these consumers as evidenced by their more favorable evaluations for high fit than moderate fit extensions. For high-construal consumers, we expected the information to have little or no effect, given that perceived fit is already important to these consumers as evidenced by their more favorable evaluations for high fit than moderate fit extensions. Thus, we predicted:

H5a. Without an information cue, differences in brand extension evaluations for high versus moderate fit extensions will be greater for consumers with a chronic tendency toward high-level (vs. low-level) construals.

H5b. With an information cue, differences in brand extension evaluations for high versus moderate fit extensions will be similar for consumers with a chronic tendency toward high-level and low-level construals.

Study 3

A 2 (Construal Level: High, Low) × 2 (Extension Fit: High, Moderate) × 2 (Information Cue: Present, Absent) between-subjects design was used to investigate these predictions. As before, construal level was measured using the Behavior Identification Form (BIF). Individuals scoring 14 or above were classified as “high” construal, whereas individuals with scores of 13 or below were classified as “low” construal. New Balance was the focal brand, and the same types of brand extensions used in study 1 (shoe insoles as a high-fit extension and treadmills as a moderate-fit extension) were employed in this study. An information cue, consisting of an article about fit being important in many different contexts, was developed to increase perceptions of perceived fit as being important and useful for brand extension evaluations.

Sample and procedure

One-hundred-thirty-seven undergraduates participated in the study in order to fulfill a course requirement. The experimenter informed participants that they would be asked to complete a number of unrelated tasks during the study. Instructions and questions for each task were included in a survey booklet, with the section for each task separated by a distinct heading and typed in a different font and font size, which furthered perceptions that the tasks were unrelated to each other. Participants were first asked about their attitudes toward several brands. Next, one-half of the respondents were asked to perform a task prior to the main brand extension evaluation task. Participants in this condition were asked to read an article entitled “Successful Marriages, Friendships, and New Products: Fit is Important!” and evaluate the article on several dimensions related to writing quality. The article described fit as a good predictor of relationship success and new product success (see appendix A). A pretest confirmed that individuals reading this article considered fit to be more important and useful in these contexts than did individuals who did not read the article (M = 6.00 and M = 5.08, respectively; F(1, 27)=10.35, p < .01).

Results

Manipulation checks

Respondents’ perceptions of brand extension fit were analyzed to check the adequacy of the brand extensions chosen for the study. As expected, a 2 (Construal Level) × 2 (Extension Fit) × 2 (Information Cue) ANOVA performed on perceived extension fit revealed a significant main effect of extension fit level (F(1, 129) = 71.98, p < .001), with shoe insoles perceived as more consistent with the New Balance brand (M = 5.66) than were treadmills (M = 3.44). Thus, the manipulation of fit level was successful.

Brand extension evaluations

A 2 (Construal Level) × 2 (Extension Fit) × 2 (Information Cue) ANOVA was performed on brand extension evaluations, averaging the three evaluation measures from the survey (α = .84). The results revealed a significant main effect of extension fit level (F(1, 129) = 19.77, p < .001) and a significant main effect of information cue (F(1, 129) = 10.69, p < .01), which were qualified by an expected three-way interaction (F(1, 129) = 4.51, p < .05; see Fig. 3).6 Further analysis of the three-way interaction revealed that the two-way interaction between construal level and extension fit was significant when the information cue was absent (F(1, 129) = 4.98, p < .05), replicating our previous findings. Without an information cue, high-construal consumers evaluated the high fit extension (M = 5.67) more favorably than the moderate fit extension (M = 4.53) (F(1, 129) = 16.58, p < .001); low-construal consumers did not differ in their evaluations of the high fit (M = 5.07) and moderate fit (M = 4.88) extensions (p > .35). However, when an information cue was provided, the two-way interaction between extension fit and construal level was not significant (F < 1). Of interest here is the fact that low-construal consumers evaluated the high fit extension (M = 4.95) more favorably than the moderate fit (M = 3.89) extension (F(1, 129) = 9.50, p < .01), which is a pattern typically found only for high-construal consumers. Thus, an information cue encouraged low-construal consumers to use perceived fit in rendering their brand extension evaluations, as expected.

Discussion

We find that low-construal consumers can be encouraged to use perceived fit in evaluating brand extensions by cueing them to the importance of perceived fit. Without an information cue, these consumers evaluated high and moderate fit extensions similarly. With an information cue, low-construal consumers

6 A separate regression analysis performed with construal level as a continuous variable confirmed these results. Specifically, the three-way interaction term was marginally significant (ß = –.12; p < .07).
evaluated high fit extensions more favorably than moderate fit extensions, consistent with evaluations of high-construal consumers.

Thus, by increasing perceptions of the importance of extension fit, low-construal consumers responded to brand extensions as if they were high-construal consumers. This finding suggests that communication strategies may be able to overcome the tendency of low-construal consumers to ignore extension fit. Moreover, our findings provide further evidence that differences in brand extension evaluation for low- versus high-construal consumers are due to the importance that perceived fit plays in the evaluation process. High-construal consumers use perceived fit as a diagnostic cue for evaluating brand extensions, but low-construal consumers only do so when they receive information cueing them to the importance of perceived fit.

**General discussion**

One of the most well established findings from brand extension research is that consumers evaluate brand extensions on the basis of their perceived fit with the parent brand. In fact, the degree to which an extension fits with a parent brand has been identified as the primary determinant for the success of brand extensions (Bottomley & Holden, 2001; Völckner & Sattler, 2006). Research has neglected the possibility that perceived fit may be more or less influential depending on factors that exist at the individual or situational level.

We find that construal level is a moderator of the relationship between perceived fit and brand extension evaluations. Results from three studies indicate that consumers who construe stimuli at a higher level, based on a chronic tendency (studies 1 and 3) or a situational factor (study 2), place more importance on perceived fit in evaluating brand extensions. These consumers are more sensitive to the level of perceived fit, evaluating high fit extensions more favorably than moderate fit ones. Consumers who construe their environments at a lower level are less sensitive to the level of perceived fit, evaluating moderate versus high fit extensions in a similar way.

**Theoretical contributions**

Our findings contribute to an emerging stream of research that explores personal, situational, and cultural differences in consumer responses to brand extensions. To date, researchers have identified several factors that affect how consumers judge perceived fit, including cultural differences in styles of thinking (Monga & John, 2007; Ng & Houston, 2006) and situational differences in mood (Barone & Miniard, 2002; Barone et al., 2000). For example, researchers have found that consumers from Eastern cultures, with a more holistic style of thinking, perceive higher levels of extension fit than do consumers from Western cultures, with a more analytic style of thinking (Monga & John, 2007; Ng & Houston, 2006). Our findings suggest that personal, situational, and cultural factors may also influence the weight that consumers place on fit perceptions once these perceptions have been formed. Once consumers have found a link connecting a brand extension to the parent brand, factors such as construal level determine whether or not perceptions of fit are used in evaluating brand extensions.

Why do some consumers place more weight on perceived fit in the process of evaluating brand extensions? We have reasoned that perceived fit is an abstract generalized assessment of the connections that exist between a brand extension and the parent brand. As such, perceived fit is more likely to be used by consumers who construe their environments in terms of abstract generalized features (high-level construals). Thus, construal level influences extension evaluations by making perceived fit more important when it matches an individual’s abstract mindset. This view is consistent with our findings from study 3, where we manipulated the importance of fit perceptions using an information cue. When fit perceptions were described as important and useful in judgment contexts, low-construal consumers evaluated brand extensions on the basis of extension fit. When no cue was given, low-construal consumers reverted to their natural inclinations to ignore perceived fit in evaluating extensions. Consistent with the accessibility-diagnosticity perspective (Ahluwalia & Güirhan-Canli, 2000; Feldman & Lynch, 1988), our research suggests that extension fit is deemed as more diagnostic to consumers.
who have a tendency to construe their environments in more abstract generalized terms.

Directions for future research

Our findings raise a number of issues worthy of future research. First, we might consider the possibility that construal level influences judgments of perceived fit, in addition to the construal level effects on the weight placed on perceived fit in evaluating brand extensions. As noted in Lynch and Zauberman (2007), psychological distance can influence both mental representation of inputs and the effective weights given to decision criteria. In our studies, we selected brand extensions that evoked the same fit perceptions among high- and low-construal consumers to provide a cleaner test of our predictions. However, the description of consumers with a tendency toward low- versus high-level construals suggests that these groups could have different perceptions of brand extension fit as well, based on the type of information (abstract, concrete) they use for thinking about extension fit. Thus, although this research illuminates a new area where construal levels can affect consumers’ judgment and decision making, there remains room for research on the conditions under which people with different construal levels generate different fit perceptions.

Second, it may be useful to examine the role that construal level plays in designing successful marketing communications for brand extensions. Marketers could decide whether or not to highlight the fit between a new product and the parent brand, given that fit is more or less important depending on construal level. For high-construal consumers, we would expect that messages communicating how well the extension fits with the parent brand, along with other abstract or generalized information (e.g., quality awards, the Good Housekeeping seal), would be more persuasive than messages describing specific attributes and usage contexts. In contrast, for low-construal consumers, we would expect messages focusing on more specific and contextual information, such as detailed information (e.g., length of warranty) or attribute-aligned comparisons to other brands (Malkoc, Zauberman, & Ulu, 2005), would be more persuasive.

Third, future research might examine the moderating effect of construal level for different types of brand extensions. In our studies, we examined high and moderate fit extensions, but not low fit extensions. Although managerial interest is usually focused on the high and moderate fit levels, low fit extensions might produce additional insights into the differences between low- and high-construal consumers. Two outcomes seem possible. One, consistent with our reasoning, the low fit extension might be evaluated less favorably by high-construal consumers but not low-construal consumers. Two, the fit between the extension and parent brand may be so obviously poor that both low-construal and high-construal consumers may use perceived fit to arrive at an unfavorable extension evaluation.

Finally, one could examine additional factors that influence construal levels since the implications of construal level facilitate a better understanding of preference formation (Kardes et al., 2006; Liberman & Trope, 1998). In our studies, we examine construal level as a function of individual differences and temporal distance. However, sensory distance (Kardes et al., 2006), spatial distance (Fujita et al., 2006), and power priming (Smith & Trope, 2006) have also been found to influence mental construal levels. These dimensions suggest additional avenues for future research examining the role of construal level on consumer response to brand extensions.

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Appendix A. Article used in the information cue condition

Successful marriages, friendships, and new products: fit is important!!

Ernest W. Burgess, a sociology professor at Harvard University, has spent the last twenty years conducting research on successful marriages. While a number of factors are important, Dr. Burgess has found that marital success depends primarily on the “fit” between marriage partners—that is, how similar they are in terms of basic values, interests, and hopes. Similarly, researchers have found that long-lasting friendships, like marriages, also depend on a good fit between two people. Irrespective of race, gender, and age, the better two people’s needs, attitudes, personalities, and interests “fit” together, the more rewarding and long lasting the relationships between them will be.

As such, the quality of match (or fit) is an important factor influencing the success of relationship among human beings. However, the importance of perfect fit can be also seen in business practices, such as new product development. In fact, both business analysts and strategic consultants strongly argue that fit is all about successful new product launching.

A recent study by McKinsey and Company proves that new products that are similar to other products produced by a firm are more successful. Firms such as 3 M and P&G have had many new product successes closely tied to products they already make. Other firms, such as Eddie Bauer and Starbucks, have been successful launching new products that consumers can use with their existing products. For example, Starbucks has launched a successful line of cappuccino makers that consumers can use with the ground coffee purchased at their neighborhood Starbucks.

In sum, researchers in different areas all agree that “fit” is important—whether you are looking for a successful marriage, long-lasting friendship, or great new product idea!

References
