Brand extension: using parent brand personality as leverage

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Abstract

Purpose – The purpose of this paper is to investigate the predicting roles of extension naming strategies and categorical fit on the transfer of brand personality from a parent brand to its extension brand. Extension naming strategies include direct and indirect naming, while categorical fit is the similarity between an extended product and its parent brand's cognitive category. Further, the interaction effect and the relative effectiveness of various combinations of the two predictors when determining brand personality transfer are also explored.

Design/methodology/approach – A 2×2 factorial between-subject experimental design with one covariate is used to test the proposed hypotheses. The experiment involves 242 participants from a university in Taiwan.

Findings – The findings show that consumers perceive higher brand personality transfer when a direct naming strategy is applied or when the parent brand extends to a high perceived fit product. The former is the dominant predictor of brand personality transfer. There also exists an interaction effect between extension naming strategies and categorical fit. Specifically, consumers perceive the highest brand personality transfer when a direct naming strategy is applied for a high fit extended product. Moreover, the use of a direct naming strategy for an extended product with a low categorical fit still leads to a higher degree of parent brand personality than both the other cases in which an indirect naming strategy is applied for either high or low fit extended products. Furthermore, irrespective of the degree of categorical fit, the transfer of brand personality is low when an indirect naming strategy is applied.

Originality/value – The current research is pioneer work in identifying the determinants of brand personality transfer. It also notes the interaction effect and the relative effectiveness of the determinants.

Keywords Taiwan, Consumer behaviour, Brands, Brand names, Brand extension, Naming strategy, Categorical fit, Brand personality

Paper type Research paper

Introduction

Brand extension, one of the most universally used marketing strategies (Lau and Phau, 2010), allows marketers to use the positive brand associations of a parent brand as

leverage to benefit a new extended product (Keller and Aaker, 1992; Wu and Lo, 2009). Brand knowledge, a critical determinant in consumer consumption behaviour (Keller *et al.*, 1998), may thus be transferred from a parent brand to the extension brand of the new product (Chowdhury, 2007). Owing to this transfer, the probability of success for the extension brand will be higher and the cost and risk will be lower than if a completely new brand is used for the new product (Martin *et al.*, 2005). Brand personality, one of the essentially abstract and intangible aspects of brand knowledge (Keller, 2003), can help distinguish a brand from competing brands (Aaker, 1996). Due to this capacity for differentiation, brand personality can be used to enhance the brand's competitive advantage in numerous ways such as improving consumer preference, consumer loyalty, and brand equity, especially when facing an increasingly competitive marketplace (Diamantopoulos *et al.*, 2005). One argument connecting the domains of brand extension and brand personality is that a brand extension strategy that transfers more brand personality to an extension brand will be a more successful brand strategy while incurring less marketing expense. This line of reasoning poses a question: which brand extension strategies are more effective at transferring parent brand personality to its extension brand?

In brand extension literature, prior research findings support the notion that brand extension strategies lead to the transfer of brand associations from a parent brand to extension brand. However, existing studies mainly focus on the transfer of brand perception, such as brand beliefs and attitudes (Aaker and Keller, 1990), brand quality (Chowdhury, 2007) and brand affect (Liu *et al.*, 2010; Broniarczyk and Alba, 1994). Very limited research considers the transfer of brand knowledge (Martin and Stewart, 2001; Martin *et al.*, 2005) to the extension brand. Moreover, the few studies that do exist are very broad in nature and lack specific references to brand personality.

It is this gap in the literature that the current research seeks to address. Specifically, an attempt is made to investigate the impacts of the two main brand extension decisions, that is, extension naming strategies and categorical fit, as well as their interaction effect on the transfer of brand personality. According to Aaker and Joachimsthaler (2000), different extension naming strategies (such as direct and indirect naming strategies (Vanhonacker, 2007)) will convey different meanings to consumers, and thus they may have different effects on the transfer of brand personality. In addition, prior research on brand extension always underlines the critical role of categorical fit between the extended product and its parent product category in the transfer process (Liu *et al.*, 2010; Chowdhury, 2007; Martin *et al.*, 2005). Thus, categorical fit may also impact brand personality transfer. Prior research also suggests that the evaluation of the extension brand is jointly affected by the two aforementioned predicting factors (Olavarrieta *et al.*, 2009). This may be because individual extended products, which can have varying levels of product categorical fit with their parent brands, should be branded according to tailored extension naming strategies (Bhat *et al.*, 1998). Thus, these two factors might have an interaction effect on brand personality transfer and a comparison of the effects of various combinations of extension naming strategies and categorical fit on brand personality transfer should be carried out.

The contributions of this research are three-fold. First, the current research represents a pioneering study in the exploration of the transfer of brand personality through the characteristics of brand extension strategies. More specifically, this research examines extension naming strategies including direct and indirect

naming strategies. There is scant literature which sheds light on connections between brand extension strategies and brand personality (Diamantopoulos *et al.*, 2005) and the existing limited studies on brand extension naming strategies (Olavarrieta *et al.*, 2009) pay insufficient attention to the use of indirect naming strategies (Monga and John, 2010). The current research thus adds value to the extant literature. Second, previous studies only focus on the effect of categorical fit on brand knowledge transfer. The current research supplements the existing body of brand literature by examining the influence of categorical fit as well as the effect of its interaction with extension naming strategies on brand personality transfer. The analysis of this interaction effect will help clarify the relative effectiveness of the various combinations of extension naming strategies and categorical fit when determining brand personality transfer. Third, the findings provide immediate practical insights for managers to make branding decisions which optimally use brand personality transfer as leverage for successful brand extension.

Literature review

Brand personality is defined as a set of human characteristics associated with a brand (Aaker, 1997). A prestige brand is usually marked with clear and distinctive brand personality which is associated more with the symbolic rather than the utilitarian/functional value of the brand (Lau and Phau, 2007). For instance, Swatch signifies daring and youthfulness, Gucci represents sophistication, while Hewlett Packard evokes competence (Phau and Lau, 2000). Therefore, marketers typically spend considerable time, effort, and financial resources not only to get their brands known and recognised (Collins-Dodd and Louviere, 1999), but also to distinguish their brands from others through certain distinct brand personality traits (Parker, 2009). Such distinctive brand personality traits are possibly developed, formed, or perceived through consumer brand interactions (Aaker, 1997), such as from advertising messages and salesperson contacts (Okazaki, 2006), or even through the application of brand extension.

Brand extension is the use of a well-known brand name to introduce a new product (Aaker and Keller, 1990). In the current research, this new product is termed as "extended product", the brand of the extended product is delineated as "extension brand", while the brand name of the extension brand is "extension name". When a parent brand with certain distinct brand personality traits implements a brand extension strategy, these brand personality traits may be presented and perceived in its extension brand. Diamantopoulos *et al.* (2005) and Lau and Phau (2007) explain this phenomenon as the transfer of brand personality from the parent brand to its extension brand.

The argument is consistent with the transferability of brand associations, particularly brand knowledge in the context of brand extension (Batra *et al.*, 2010; Liu *et al.*, 2010; Olavarrieta *et al.*, 2009; among others). The associative network theory that discusses how memory operates (Lynch and Srull, 1982) can illuminate this transferability. According to the theory, when consumers are familiar with and have knowledge about a brand, this brand knowledge is accumulated and stored in their memory in the form of a series of brand associations (Srull and Wyer, 1989; O'Cass and Lim, 2002). As the brand launches an extended product, consumers are exposed to the original brand in a new product context. This brand will stimulate consumers to associate the extension brand with the original brand knowledge (Maoz and Tybout, 2002). Therefore, the original brand knowledge is transmitted to the extension brand (Aaker and Keller, 1990).

Among others, brand personality is a cardinal component of brand knowledge (Diamantopoulos *et al.*, 2005; Martinez *et al.*, 2008). As such, the extension brand is likely to inherit a certain degree of brand personality from its original brand.

Research hypotheses

Based on the aforementioned theoretical background, the effects of the two decisions of a brand extension strategy (i.e. brand extension naming and categorical fit) on the transfer of brand personality from the parent brand to its extension brand are deduced below. The interaction effect of the two predictors is also discussed in the following subsections.

Extension naming strategy effect

An extension naming strategy can be described as the way to designate a brand name for an extended product (Monga and John, 2010). According to Vanhonacker (2007), extension naming strategies are composed of direct and indirect naming. A direct naming strategy refers to the use of the full parent brand name for a new product, such as Harley Davidson leather jackets and Marlboro clothing (Bhat *et al.*, 1998). On the other hand, an indirect naming strategy is concerned with those extension names which are derived from parent brand names but in a distant way, such as endorsed brands, house of brands, sub-brands/range brands (Aaker and Joachimsthaler, 2000; Jaw *et al.*, 2011). Of these, endorsed brand is a typical indirect naming strategy in which the new extended product is given a new and independent brand name endorsed by its parent brand name (Aaker and Joachimsthaler, 2000). Examples include Dockers by Levi's and Lycra by Du Pont. In this endorsed brand method, the brand names "Dockers" and "Lycra" are new brand names presented to consumers by their parent brands "Levi's" and "Du Pont". Classic brand extension research mostly deals with direct naming strategies (Olavarrieta *et al.*, 2009). Since numerous well-known brands also utilise indirect naming strategies, the use of indirect naming strategies should be studied as well (Vanhonacker, 2007).

In the application of a direct naming strategy, the extension name is identical to its parent brand name. Such an identical brand name serves as an encoding/retrieval cue for consumers to entirely bind/bundle up the extension brand with its parent brand. A parent brand that possesses unique and distinctive brand personality can help consumers explain and express their particular personality (Phau and Lau, 2000) and facilitate their identification with the brand name (Aaker, 1997), thus increasing the personal meanings of the brand name for consumers (Kressman *et al.*, 2006) and providing symbolic benefits to consumers (Diamantopoulos *et al.*, 2005). A direct extension name, by virtue of the parent brand personality, will promise similar desired symbolic benefits for consumers (Lau and Phau, 2007). As such, a high degree of parent brand personality will be transferred to and perceived in the direct extension brand. Conversely, in the case of employing an indirect naming strategy, the difference between the two brand names triggers the perception of distinctness of the extension brand from the parent brand, while their similarity can still allow a certain leverage of the parent brand knowledge (Aaker and Joachimsthaler, 2000). Thus, only a partial original schema of the parent brand knowledge can be kept but with addenda to the extension brand (Olavarrieta *et al.*, 2009). That is, compared to a direct extension name, an indirect extension name is less associated with its parent brand and renders less symbolic benefits of the parent brand to consumers. Thus, there is less transfer of

brand knowledge and, particularly in the current context, less transfer of brand personality from the parent brand. This comparative proposition is consistent with Olavarrieta *et al.* (2009) who argue that an extension brand using the full parent brand name allows a greater transfer of brand associations and attitudes in comparison with the use of sub-brands or extension brands. In line with the foregoing discussion, the following hypothesis is proposed:

H1. Compared with an indirect naming strategy, a direct naming strategy has more brand personality transfer from a parent brand to its extension brand.

Categorical fit effect
Categorical fit is identified as the similarity between an extended product and its parent brand's cognitive category (Keller and Aaker, 1992), i.e. an overall and holistic perception of the parent brand's products (Smith and Andrews, 1995). The judgment of categorical fit in the current context can be calibrated by the exemplar view of the categorisation theory (Lau and Phau, 2007) which describes how people categorise a new instance (Cohen and Basu, 1987). According to its exemplar view, a new extended product is categorised holistically (not compositionally) as consumers compare the new extended product to one or more exemplars (such as parent brand products) of the parent brand's cognitive category. Consumers will evaluate the broad similarity between the extended product and the exemplars to determine the degree of categorical fit.

In the case of a high categorical fit between the new extended product and its parent brand products, they have more shared and less unique functional attributes (Keller and Aaker, 1992). Thus, the extended product derives more utilitarian benefits from the parent brand. The more the overlap of functional attributes and the higher the similarity of utilitarian benefits, the greater the likelihood that the extended product is perceived to belong to its parent brand's cognitive category (Yeung and Wyer, 2005). A stronger linkage between the parent brand's product category and the extension product is thus developed (Lau and Phau, 2007). This helps transmit consumers' attitude, belief, and knowledge associated with the parent brand to the extended product (Martin *et al.*, 2005). As a result, the parent brand personality may be conveyed into the extended product. On the other hand, when there is a low categorical fit, the extended product is deemed as possessing less utilitarian-based similarity with its parent product (Aaker and Keller, 1990). The extended product cannot be fully integrated into the parent brand's cognitive category. Instead, it is placed only in a sub cognitive category of its parent brand (Sinn *et al.*, 2007). Hence, less brand knowledge and fewer personality traits are transmitted to and perceived in the extended product (Bhat *et al.*, 1998).

Prior studies on brand extension also provide evidence of the effect of categorical fit on the transfer of parent brand associations such as beliefs and attitudes (Aaker and Keller, 1990), perceived brand quality (Chowdhury, 2007), brand affect (Liu *et al.*, 2010), and brand knowledge (Martin *et al.*, 2001) to their extended products. The consensus of the extant literature is that the higher the categorical fit, the greater the transferability. Based on the aforesaid theoretical ground and empirical evidence, the current research therefore hypothesises that:

H2. Compared with a low categorical fit extended product, a high fit extended product has greater brand personality transfer from a parent brand to its extension brand.

Interaction effect

Apart from the two main effects of extension naming strategies (direct vs indirect) and categorical fit (high vs low) above, their interaction effect which is comprised of four combinations or scenarios (Figure 1) is also likely to have differing effects on brand personality transfer. In Scenario I when a direct extension name (i.e. the same brand name as the parent brand) is applied to a high fit extended product, the product will be treated as a member of the parent brand (Bhat *et al.*, 1998). Thus, the parent brand knowledge and subsequently brand personality will be best transferred to the extension brand (Martin and Stewart, 2001). Meanwhile, the other three scenarios in which the extended product has a low categorical fit or in which an indirect naming strategy was applied all reflect that the extension brand has either less connection with or less similarity to its parent brand (Aaker, 2007; Vanhonacker, 2007). Thus, fewer of the parent brand's characteristics and related brand knowledge will be transferred to the extension brand (Martin *et al.*, 2005). According to the aforementioned arguments, it is reasonable to expect that Scenario I, i.e. when the parent brand utilises a direct naming strategy to a high fit extended product, will have the highest brand personality transfer.

In Scenario II, a direct naming strategy is used to name a low fit extended product. As the extension name is identical to the parent brand name which possesses clear and distinctive personality traits, according to Broniarczyk and Alba (1994), the influence of the parent brand name on the evaluation of its extension brand is so strong that it can override the effect of categorical fit. A brand name with clear and distinctive personality traits can help consumers express their self-images and enhance their self-concepts/egos (Lau and Phau, 2007), thus bringing symbolic benefits to consumers (Diamantopoulos *et al.*, 2005). When consumers pursue symbolic benefits from such a brand name, they may not restrict their purchases to a single product category (Broniarczyk and Alba, 1994). Therefore, as long as the extension name is identical to its parent brand name, although the categorical fit is low, consumers will still perceive the extension brand as carrying sufficient parent brand personality to satisfy their symbolic needs compared with the indirect extension brand which has a new and dependent brand name and is endorsed by its parent brand. The indirect extension brand, regardless of a high or low categorical fit as in Scenario III or Scenario IV, respectively, will distance itself from its parent brand (Aaker and Joachimsthaler, 2000) and cause consumers to perceive fewer symbolic benefits. As a result, such an indirect extension brand can be perceived as sharing a lower degree of brand personality with its parent brand in comparison with the direct extension brand in Scenario II.

As for the relative personality transfer of Scenarios III and IV, both have an indirect extension name but allied with different levels of categorical fit. The evaluation of the symbolic benefits of the extension brand is less affected by the evaluation of categorical

Figure 1.
The interaction between extension naming strategies and categorical fit

fit which is mainly associated with utilitarian benefits (Lau and Phau, 2010). Therefore, even though the extended product in Scenario III has a higher categorical fit than that in Scenario IV, consumers cannot seek higher symbolic benefits from the indirect extension brand. As the perception of symbolic benefits is likely to reflect the existing parent brand personality in the extension brand (Aaker, 1997), only limited parent brand personality will be transferred to the extension brand, and the transfer of parent brand personality to the extension brand will be low in both scenarios.

The aforementioned arguments regarding comparisons among the four scenarios lead to the following hypotheses:

H3. Naming strategy and categorical fit will interact such that, (a) Scenario I of a direct extension name applied to a high fit extended product will bring the highest brand personality transfer; (b) Scenario II of a direct extension name applied to a low fit extended product has a higher brand personality transfer than the scenarios of indirect extension names applied to either high or low fit extended products (Scenarios III and IV, respectively); and (c) Scenarios III and IV have insignificantly different effects on brand personality transfer.

Research methodology

An experimental approach was used in the current study. A three-stage pre-test and a 2×2 factorial experiment with one covariate in the main study were employed to test the proposed hypotheses. More detailed discussion follows.

Pre-test

The main tasks of the pre-test were to determine:

- an appropriate parent brand and its distinct brand personality traits (pre-test I);
- extended products with a high and a low categorical fit with their parent brands (pre-test II); and
- suitable nominated extension names for use in indirect naming strategies (pre-test III).

Participants selected for the pre-test were in line with the qualified research sample in the main study, i.e. university students. This segment was chosen due to concerns of environmental homogeneity. By limiting participation to university students, variance among subjects was reduced (Kim *et al.*, 2008). The selection of university students was also consistent with previous brand extension experiment research such as Buil *et al.* (2009) and Diamantopoulos *et al.* (2005). All evaluation and scale items in the pre-test were based on a seven-point Likert-type scale.

In a brand extension and brand personality transfer context, the parent brand should be familiar to consumers, hold positive consumer attitude, and possess clear and distinctive brand personality traits (Martin *et al.*, 2005). Therefore, the initial task of the pre-test, pre-test I, was to select a prestige brand because such brands are usually well-known and preferred (Monga and John, 2010). According to Lau and Phau (2007), such brands also possess clear and distinctive brand personality. Five prestige brands were identified through a group discussion of five university students. Levi's was nominated as the most well-known among university students in Taiwan. The selection of Levi's was validated by a test among an additional 35 university students.

They were requested to indicate the degree of their familiarity with and their attitude towards Levi's. They were also questioned about their perceptions of Levi's brand personality traits. Adapted from Salinas and Pérez's (2009) work, a one-item scale of familiarity was used for the test and the mean value was found to be 6.5. A four-item scale (including good, positive, like, and favourable) from Monga and Gesk (2007) was used to test positive attitude towards Levi's and a mean value of 5.0 was obtained ($\alpha = 0.92$). Finally, following the prior literature (Mengxia, 2007; He, 2010), Aaker *et al.*'s (2001) 36-item brand personality scale was utilised to draw and portray Levi's personality traits. A threshold of 5.0 as suggested by Park *et al.* (1996) was applied. Five brand personality traits with mean values equal to/exceeding the threshold were identified. Levi's was perceived as contemporary, free, youthful, energetic, and stylish.

In pre-test II, the main product category of Levi's offerings was determined, followed by the selection of high and low categorical fit extended products associated with Levi's. Five university students were involved in a detailed discussion, and Levi's was considered as part of the apparel category. Then, four possible extended product categories which were not a part of Levi's current offerings were chosen. A group of another 35 university students then participated in rating the categorical fit between Levi's and the four extended products. The three item product categorical fit scale (logical, appropriate and similar) from the frequently cited Keller and Aaker's (1992) work (Taylor and Bearden, 2002; Diamantopoulos *et al.*, 2005) was adapted. The findings prompted the choices of perfume and MP3 player for a high and a low categorical fit as their mean values were the highest ($M = 4.1$, $\alpha = 0.92$) and lowest ($M = 2.8$, $\alpha = 0.96$), respectively. Their mean values were statistically different.

As in pre-test III, it was apparent that Levi's should be employed in the case of a direct naming strategy. Thus, the major task at this stage was to determine suitable indirect brand names for the two extended products, i.e. perfume and MP3 player. Positive consumer attitude towards the two extension names and their associations with the parent brand, Levi's, were taken as the two appropriate brand name criteria. Five university students in a group discussion listed six brand names for each of them. "Inspire" by Levi's and "Endless-Loop" by Levi's dominated as the most appropriate for each of them. Another 35 university students then took part in scoring the two brands. The rating was based on the above attitude scale, and the one-item association scale suggested by Park *et al.* (1996). The results confirmed that "Inspire" by Levi's and "Endless-Loop" by Levi's were appropriate brand names for perfume and MP3 player, respectively, in terms of both positive attitude ((M, α) = (4.67, 0.90) and (4.02, 0.88), respectively) and association ($M = 5.24$ and 4.61, respectively).

The experimental design of the main study

The current research employed a 2×2 factorial experiment to test the proposed hypotheses. The two manipulated treatments were extension naming strategies and categorical fit. Extension naming strategies included direct (Levi's for both perfume and MP3 player) and indirect naming strategies ("Inspire" by Levi's for perfume; "Endless-Loop" by Levi's for MP3 player); categorical fit was set to be high (perfume) and low (MP3 player). Four scenarios were thus formed for the main study.

In order to avoid some errors outside the control of the experiment and consistent with prior brand extension research (Keller and Aaker, 1992; Xue, 2008), extended product involvement was introduced as a potential covariate in all four scenarios.

In the present context, extended product involvement refers to consumers' perceived relevance of the extended product category to their needs, values, and interests (Nkwocha *et al.*, 2005). The variation of the subjects' product involvement is shown to affect brand extension evaluation (Baker *et al.*, 2002) and brand personality perception (Kressmann *et al.*, 2006). Hence, it is likely to influence the transmission of brand personality and so its potential influence should be taken into account.

Main study measurements

Research evaluation and scale items in the main study, including the variables in the research model and the variables for manipulation check and covariate purposes, were developed mainly on the basis of prior literature and in line with the pre-test. All items were scored on a seven-point Likert-type scale.

The independent variables included extension naming strategies and categorical fit. As discussed in the pre-test, extension naming strategies, adopting Vanhonacker's (2007) suggestion, were comprised of direct and indirect naming strategies, while categorical fit consisted of high and low fits. These two independent variables were manipulated.

The dependent variable was the transfer of brand personality which was tested using the five parent brand personality traits drawn from Aaker *et al.*'s (2001) brand personality scale (i.e. contemporary, free, youthful, energetic, and stylish). The extended product was initially assumed to have no brand personality, and after being given the extension name it was perceived as possessing the personality traits inherited from the parent brand. Hence, brand personality was transferred from the parent brand to the extension brand. Such an assumption and approach were consistent with prior literature such as Liu *et al.* (2010) and Maoz and Tybout (2002) which infer the transfer of brand knowledge such as brand attitude and brand affect in the context of brand extension.

For manipulation check purposes, the scales of several treatment variables which were identical to those adapted in the pre-test were put in the main study questionnaire. Subsequent reliability examination of the multiple item scales showed good reliable measures. First of all, there were those variable scales related to the selection of the parent brand, including subjects' familiarity with (one item), their attitude towards (four items, $\alpha = 0.92$), and the personality of the parent brand (i.e. the five personality traits drawn in the pre-test to confirm the parent brand, Levi's, personality). Second, the scales related to the two independent variables were included. These were the two scales related to the extension name, i.e. attitude towards the extension name ("Inspire" by Levi's/"Endless-Loop" by Levi's) (four items, $\alpha = 0.92$) and its association with its parent brand (Levi's) (one item), and the scale of the categorical fit of the extended product (perfume/MP3 player) with its parent brand (three items, $\alpha = 0.91$).

The research covariate, product involvement, was also measured in the main study. The ten-item scale from Zaichkowsky's (1994) work, a frequently applied scale in marketing literature (Kwak *et al.*, 2006), was adopted and found to be reliable ($\alpha = 0.94$). The ten items included important, interesting, relevant, exciting, meaningful, appealing, fascinating, valuable, involving, and needed.

Main study

A total of 260 university students from a public university near Taipei city, Taiwan were invited to participate in the main study. They were randomly and equally assigned to each of the four scenarios of the 2×2 factorial experiment conducted in four classrooms

(each with 65 students). Thus, distractions were reduced and the concentration of the subjects on the stimulus increased (Diamantopoulos *et al.*, 2005). However, due to incomplete questionnaires, double answers in questions and so on, ultimately, only 57, 60, 63, and 62 questionnaires from the four individual scenarios, and in total 242 questionnaires, were valid and used for data analysis. Their profiles are shown in Table I. Almost three-fifths of the subjects were female. Their average age was around 21 years. A little more than 70 percent of them were undergraduates. Their monthly disposable allowance ranged mainly between NTD 3.000 and 10.000 (exchange rate: TWD 1 = USD 0.03).

Analysis and results

Manipulation check

The research manipulations (including the selection of the parent brand, the selection of the extended products, and the extension brands) were checked. The manipulation of the parent brand, Levi's, was successful. Levi's was perceived to have high familiarity ($M = 6.17$), positive attitude ($M = 4.81$), and exhibited relatively salient and distinctive brand personality traits as the mean values of all the five brand personality traits were above 5.0 (contemporary: 5.37; free: 5.06; youthful: 5.62; energetic: 5.24; stylish: 5.14). The selection of the extended products was also successful. There was significant difference in the perceived categorical fit between perfume and MP3 player (4.32 vs 3.06, $p < 0.001$). Manipulation check for the extension brand was also successful.

	Freq.	%
Gender		
Male	104	43.0
Female	138	57.0
Total	242	100.0
Age		
18-19	53	21.9
20-21	103	42.6
22-23	38	15.7
24-25	32	13.2
26-27	16	6.6
Total	242	100.0
Education background		
Freshmen and sophomores	114	47.1
Juniors and seniors	58	24.0
Master students or above	70	28.9
Total	242	100.0
Monthly disposable allowance		
≤ TWD 3,000	35	14.5
TWD 3,001-TWD 5,000	56	23.1
TWD 5,001-TWD 7,500	60	24.8
TWD 7,501-TWD 10,000	59	24.4
≥ TWD 10,001	32	13.2
Total	242	100.0

Table I.
Subjects' profiles

Note: $n = 242$

The proposed extension names ("Inspire" by Levi's for perfume, "Endless-Loop" by Levi's for MP3 player) evoked positive perceived attitudes (M = 4.55 and 4.04, respectively) and their associations with the parent brand were also positive (M = 5.18 and 4.37, respectively). All the manipulation checks were successful.

In accordance with Jung and Lee's (2006) procedure to introduce a covariate, product involvement was checked to evaluate possible confounding effects on the research dependent variable. Product involvement was found to be statistically different in the four scenarios ($p = 0.01$). This demonstrated that this variable was heterogeneous among the four scenarios and may affect the research dependent variable.

Hypothesis testing
A multivariate analysis of covariate (MANCOVA) and a follow-up univariate analysis were conducted to test all the proposed hypotheses. Scheffe's *post hoc* mean comparison was additionally conducted at the last stage for *H3*. Extension naming strategies and categorical fit were the two independent variables and product involvement was the covariate variable. The MANCOVA test had five dependent variables, including the five Levi's brand personality traits transferred from Levi's to the extension brand (i.e. contemporary, free, youthful, energetic, and stylish), whilst in the univariate analysis, only one from the above five dependent variables was used. Pillai's trace index was used in the MANCOVA test because of the violation of the MANCOVA homoscedasticity assumption in the current dataset (Real *et al.*, 2010). The multivariate Box's M test of the equality of covariance matrices revealed the heterogeneity of the variance-covariance matrices although four out of the five univariate Levene's test results indicated the homogeneity of the matrices (Table II).

The MANCOVA Pillai's trace statistics are shown in Table III, while the mean values of the dependent variables and the univariate test results are presented in Table IV. For extension naming strategies, the Pillai's trace criterion (0.07, $p = 0.00$) indicated that a general difference of an entire vector of brand personality transfer existed for the two extension naming strategy groups. Their univariate tests ($p = 0.00$-0.06)

Multivariate tests: Box's test of equality of covariance matrices (a)					
Box's M	66.28				
p	0.03				
Univariate tests: Levene's test of equality of error variances (a)					
	The transfer of the five personality traits				
Dependent variables	Contemporary	Free	Youthful	Energetic	Stylish
p	0.14	0.48	0.00	0.13	0.24

Table II.
Multivariate and univariate tests for homoscedasticity

	Main effects			
Pillai's trace	Extension naming strategies (ENS)	Categorical fit (CF)	Interaction effect ENS * CF	Covariate Product involvement
Value	0.07	0.05	0.08	0.14
p	0.00	0.04	0.00	0.00

Note: Dependent variables: the transfer of the five brand personality traits

Table III.
MANCOVA test results

Table IV.
Univariate analysis and
Scheffe's *post hoc*
comparisons results

Main effects

Dependent variables (the transfer of brand personality)	Extension naming strategies			Categorical fit		
	Direct (n = 120)	Indirect (n = 122)	p	High (n = 117)	Low (n = 125)	p
Contemporary	4.88	4.60	0.06	4.87	4.60	0.07
Free	4.76	4.44	0.03	4.77	4.44	0.03
Youthful	5.09	4.55	0.00	4.93	4.70	0.16
Energetic	4.84	4.33	0.00	4.77	4.40	0.02
Stylish	4.76	4.41	0.03	4.80	4.38	0.01

Interaction effect
*Extension naming strategies * categorical fit*

Dependent variables (the transfer of brand personality)	Direct-high (Scenario I) (n = 57)	Direct-low (Scenario II) (n = 63)	Indirect-high (Scenario III) (n = 60)	Indirect-low (Scenario IV) (n = 62)	p
Contemporary	5.02 S1 > S2 ** S1 > S3 ** S1 > S4 **	4.73 S2 > S3[a] S2 > S4[a]	4.62 S3 = S4 **	4.58 S4 = S3 **	0.00
Free	4.95 S1 > S2 ** S1 > S3 ** S1 > S4 **	4.57 S2 > S3[a] S2 > S4 *	4.48 S3 = S4 **	4.40 S4 = S3 **	0.00
Youthful	5.25 S1 > S2 ** S1 > S3 ** S1 > S4 **	4.92 S2 > S3 ** S2 > S4 **	4.50 S3 = S4 **	4.60 S4 = S3 **	0.00
Energetic	5.14 S1 > S2 ** S1 > S3 ** S1 > S4 **	4.54 S2 > S3 ** S2 > S4 *	4.28 S3 = S4 **	4.37 S4 = S3 **	0.00
Stylish	4.70 S1 > S2[a] S1 > S3[a] S1 > S4 **	4.80 S2 > S3[a] S2 > S4 **	4.78 S3 = S4[a] (S3 > S4 **)	4.05 S4 = S3[a] (S4 < S3 **)	0.00

Notes: *$p < 0.05$, **$p < 0.01$ and ***$p < 0.001$; [a] not significant; S1 – Scenario I; S2 – Scenario II; S3 – Scenario III; S4 – Scenario IV; Likert scale at 7 – agree, 1 – disagree

conveyed that, compared with indirect naming strategies, direct naming strategies resulted in more transfer of the five brand personality traits. However, it should be noted that the higher transfer of the contemporary trait was only marginally significant ($p = 0.06$). Thus, *H1* was supported at both multivariate and univariate levels.

As for categorical fit, the Pillai's trace statistic (0.049, $p = 0.04$) revealed a general overall difference between a high and a low categorical fit. The follow-up univariate test indicated that, compared with a low categorical fit product (MP3 players), a high categorical fit product (perfume) had significantly higher transfer in three out of the five brand personality traits ($p = 0.01$-0.04), and the transfer of the fourth trait, contemporary, was marginal ($p = 0.07$). However, the transfer of the remaining personality trait, youthful, was equally affected by both categorical fit strategies ($p = 0.16$). Therefore, *H2* in general was supported.

Regarding the interaction effect, the Pillai's statistic result ($p = 0.00$) showed a significant two-way interaction effect between extension naming strategies and categorical fit. The univariate analysis results displayed that the variance of each brand personality transfer was significantly different across the four scenarios ($p = 0.00$). Further, Scheffe's *post hoc* mean comparisons in the five brand personality traits transfer between scenarios were conducted and discussed as follows.

Comparing Scenario I with the other three scenarios, as can be observed in Table IV, the mean values of four of the five brand personality trait transfers in Scenario I were significantly higher than that in the other three scenarios ($p < 0.01$). The exception was the transfer of the stylish trait. Its mean value in Scenario I was equal to that in Scenarios II and III but still surpassed that in Scenario IV. Taking these results as a whole, *H3a* in general received support.

In terms of the comparison between Scenario II and Scenarios III/IV, the results showed that the transfer of the two personality traits, i.e. youthful and energetic, in Scenario II were always higher by at least a $p < 0.05$ level than that in the other two scenarios. However, another two personality traits, free and stylish, were better transferred only in comparison with Scenario IV. Moreover, the other personality trait, contemporary, was equally transferred in all three scenarios. Owing to these insignificant differences, *H3b* was only partially supported.

When it came to the comparison between Scenarios III and IV, the analysis showed insignificant difference of transfer in four out of the five individual brand personality traits, the exception being the stylish trait. Despite this exception, the majority of the evidence lent support to *H3c* in general.

The analysis of extended product involvement as a covariate in both MANCOVA and univariate analyses were significant at 0.01 and 0.05 levels, respectively.

Discussions

The current research findings reveal the influential roles of the two predictors, extension naming strategies and categorical fit, on brand personality transfer. Evidence is also found for the interaction effect of extension naming strategies and categorical fit. These findings provide meaningful implications for marketing academia and practitioners. Consistent with the hypothesised *H1*, the proposition that direct naming strategies prompt a greater degree of brand personality transfer from the parent brand to its extension brand is fully supported. Such a finding implies that firms seeking to leverage parent brand personality for brand extension strategy should use direct naming

strategies rather than indirect ones for the introduction of new products. From a managerial perspective, firms' brand extension performance can be enhanced while their financial costs will also be reduced.

As for the result of another predicting factor, categorical fit, its significant role is observed on the transfer of four out of the five brand personality traits in the *H2* result. Only the youthful trait is an exception. It is therefore suggested to extend to those products which hold a high categorical fit to the parent brand, thus gaining more brand personality transfer. However, the determination of the appropriateness of high fit product categories is a challenge. According to Aaker and Keller (1990), such a goal can be achieved through the extension to complementary products, substitutes and products with similar manufacturing processes to the parent brand. The success of Kodak's extension from film to cameras, Adidas from sports shoes to sports clothes, and Andrex from toilet tissues to paper tissues (Gronhaug *et al.*, 2002) might all provide illustrations. However, the fiasco of Levi's transition from jeans to business wear and Lego's foray from toy building bricks into virtual toys (Gronhaug *et al.*, 2002) indicate that the appropriateness of categorical fit between products is possibly quite subjective and dynamic (Martin and Steward, 2001). Marketing surveys regarding the appropriateness of the extended product fitting into its parent brand category should be performed before the implementation of brand extension, or the logic of the appropriateness should be properly communicated with target markets through media.

Regarding the interaction effect results of the two predictors, according to the *H3a* result, in general, brand personality transfer is perceived the highest in Scenario I. The finding implies that the best practice of the brand extension strategy among the four scenarios is when a direct naming strategy is applied to a high fit extended product. Moreover, the partially supportive result of *H3b* indicates that Scenario II still brings more transfer of some brand personality traits than Scenario III. Therefore, firms looking for opportunities to utilise the clear and distinct brand personality of their parent brands might not be limited to extending only to high fit products. As long as the parent brand personality is relevant to the satisfaction of the consumer's symbolic needs by the extended product, irrespective of the level of categorical fit, there exist ways to persuade consumers that the extension brand carries a high degree of parent brand personality. This finding provides clues on how prestige brands are able to extend to diverse product categories, even if the categorical fit is low. Nevertheless, proper marketing surveys should be conducted in order to explore the relevance of these parent brand personality traits and the extended product. The cases of Chanel and Triumph struggling in their extensions into masculine products due to perceived feminine attributes (Jung and Lee, 2006) illustrate such a necessity. Furthermore, together with the result of *H3b*, the generally supportive result of *H3c*, which is related to Scenarios III and IV, shows that consumer perception of relatively low brand personality transfer is determined largely by indirect naming approaches regardless of a high or low categorical fit. This might reflect the comparison between extension naming strategies and categorical fit in which the former is the dominant predictor of brand personality transfer. Such a deduction complies with Broniarczyk and Alba's (1994) observation that product category effects may have less value to brand managers. Thus, as firms design brand extension strategies, decisions about naming strategies need to be carefully considered.

Conclusion

The research provides evidence to the roles of extension naming strategies and categorical fit, as well as their interaction effect on the transfer of brand personality in the context of brand extension. The findings contribute significantly to the contemporary literature on brand personality. However, the current research only explores a single mode of indirect naming strategies and may fail to reflect the differences among possible indirect naming strategies as well as their impact on the transfer of brand personality. Future research can benefit from exploring the role of various modes of indirect naming strategies such as house of brands and sub-brands/range brands (Aaker and Joachimsthaler, 2000; Jaw *et al.*, 2011). In addition, the study subjects, i.e. university students, are asked to evaluate the transfer of brand personality in an artificial environment and over a short period of time. This might limit the applicability of the current research findings. Future studies are suggested to internally and externally validate the findings across groups of non-student samples. A longitudinal research methodology may be necessary for further insight into the consumer perception of the extension brand personality in reality. Moreover, recent literature suggests that it is not only brands that possess personality but products too (Batra *et al.*, 2010; Mugge *et al.*, 2009). Brand personality transfer researchers should take this point into consideration. Finally, there are several other possible factors which may influence brand personality transfer and can be considered in future research. For example, prior brand extension studies (Lau and Phau, 2010; Salinas and Perez, 2009) indicate that innovativeness and self-congruity play critical roles in transferring brand image. Since brand personality is an important brand image component, it is reasonable to expect that innovativeness and self-congruity are predicting factors of brand personality transfer. This provides opportunities for further research.

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Appendix. The measures of the variables
Brand name attitude

- I think (brand name) is a good brand name.
- I think (brand name) is a positive brand name.
- I think (brand name) is a favourable brand name.
- I like (brand name) very much good.

Brand familiarity

- I am very familiar with (brand name).

Categorical fit

- It is very logical for Levi's to extend to (product).
- It is very appropriate for Levi's to extend to (product).
- (Product) is very similar to Levi's.

Brand name association

- (Extended brand name) is strongly associated with Levi's.

Product involvement

- To me, (product) is important.
- To me, (product) is interesting.
- To me, (product) is relevant.
- To me, (product) is exciting.
- To me, (product) means a lot.
- To me, (product) is appealing.
- To me, (product) is fascinating.
- To me, (product) is valuable.
- To me, (product) is involving.
- To me, (product) is needed.

Brand personality

- Contemporary can be used to describe (brand name) very well.
- Free can be used to describe (brand name) very well.
- Youthful can be used to describe (brand name) very well.
- Energetic can be used to describe (brand name) very well.
- Stylish can be used to describe (brand name) very well.

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