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For apparel brands, vertical-downward brand extensions are one of the most highly utilized growth strategies. By introducing a lower-cost and quality brand underneath the parent brand, apparel companies can increase sales by reaching mass-market consumers who are more price-conscious. However, the long-term success of the parent brand may be uncertain because a downward extended brand may result in dilution to the parent brand. To avoid brand dilution and create immediate sales at the same time, apparel brands have started to collaborate with a retailer providing a limited edition (i.e., limiting quantity and time) such as when Missoni collaborated with Target. Despite the growing trend, very limited academic studies are directed to understand the effectiveness of these brand extension strategies. In addition, while the notion of perceived fit is known to be critical to the success of a brand extension, perceived fit has been limitedly understood and perceived fit between brand and retailer, and perceived fit between brand and price have not been examined.

To address the research gaps, this study consisted of four experimental studies guided by commodity theory, categorization theory, cognitive dissonance theory, and Weber's Law of Just Noticeable Difference. In specific, this study manipulated and tested the effect of brand extension strategy (limited edition/ongoing) (Study 1), perceived fit between brand and retailer (Study 2), extension strategy and perceived fit between brand and retailer (Study 3), and perceived fit between brand and price (Study 4) on urgency to

buy and brand dilution. This research also explored the role that consumers' brand consciousness level played in the relationships in Study 2 and Study 4. Across the four studies, a total of 674 college students participated in an online experimental study. Respondents were exposed to a video stimulus that included the manipulated variables and answered questions that were pertinent to each study. High and low brands (Ralph Lauren and Lee, respectively) and retailers (Nordstrom and Target, respectively) were chosen via a pre-test and manipulated for the evaluation of perceived fit. Results showed that urgency to buy was higher when consumers were exposed to a limited edition brand extension (Study 1), perceived high-fit between brand and retailer (Study 2), perceived high-fit between brand and retailer and the brand offered a limited edition (Study 3), and perceived high-fit between brand and price (Study 4). Brand dilution occurred when the brand offered an ongoing brand extension (Study 1) and when consumers perceived low-fit between brand and price (Study 4). However, brand image concentration (i.e., improvement) occurred when a brand collaborated with a retailer, regardless of perceived fit (Study 2), consumers' brand consciousness level (Study 2), or brand extension strategy (Study 3).

These findings suggest that apparel brand managers should offer their brand extensions as limited edition, collaborate with a retailer, or offer their brand extension price no greater than 20% lower than the parent brand in order to increase urgency to buy and keep or even improve the brand image. Theoretically, this study expanded the notion of fit in brand extensions to include brand and retailer fit and brand and price fit. This research was also one of the earliest studies to investigate the effects of extension strategy (limited edition/ongoing) in apparel brand extension studies. Last, but not the least academic contribution includes examining the manipulating effects for two dependent variables (urgency to buy and brand dilution), which has not been examined previously.

EFFECTIVE FASHION BRAND EXTENSIONS: THE IMPACT OF LIMITED EDITION AND PERCEIVED FIT ON CONSUMERS' URGENCY TO BUY AND BRAND DILUTION

by

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CHAPTER I

INTRODUCTION

Focusing on vertical-downward extension brands, this dissertation investigates the influence of extension strategy (i.e., offering a limited edition or ongoing extension), and fit factors (i.e., fit between brand and retailer, fit between brand and price gap) on consumers' urgency to buy and the degree of brand dilution. As an introduction to the dissertation, this chapter consists of the following sections: (1) Background, (2) Statement of Research Gaps, (3) Research Objectives, (4) Contributions of the Study, (5) Limitations of the Study, (6) Definition of Key Terms, and (7) Outline of the Dissertation.

Background

Brand Extensions

Brand extensions, the extension of a brand's name to new product categories or classes (Keller & Aaker, 1992), are among a company's most highly utilized options for growing their brand. This strategy is highly utilized because the company is able to capitalize on their most valuable asset (Keller, 1993), the value of their brand name (Farquhar, 1989; Keller, 1993; Tauber, 1988). Differing from other types of company growth strategies, brand extensions are characterized by the repeated use of their brand name when introducing new product categories or product classes (Figure 1). Companies use their brand name to launch new products because it possesses significant value, and in some cases, the value of the brand name can make up a large portion of the company's assets. For example, the brand name Apple is valued at over $98 Million (Shankland, 2013), constituting nearly 10% of their total company value (Svensson, 2012). Similarly, the Coca-Cola brand is estimated to be higher than 50% of the company's total value (Business Week, 2004). This pattern is also seen in the apparel sector. For instance, the values of the Louis Vuitton and Gucci brands were each almost three times as much as their annual sales (Forbes, 2013).

		Product Category	
		New	Existing
Brand Name	New	**New Brand** e.g. Johnson & Johnson baby care ➔ Tylenol medicines	**Flanker** e.g. Toyota ➔ Lexus
	Existing	**Brand Extension** e.g. Louis Vuitton handbags ➔ Louis Vuitton sunglasses	**Line Extension** e.g. Coke ➔ Diet Coke

Figure 1. Types of Company Growth Strategies. Adapted from "Brand Franchise Extension: New Product Benefits From Existing Brand Names," by E. M. Tauber, 1981, *Business Horizons*, 24(2), p. 37.

Brand name value is considered important by companies because it reflects the degree to which consumers are aware of the brand, its benefits, and associations which may differentiate the brand from its competitors (Kapoor, 2005). Given the high cost of new product development (estimated as much as $80 million) (Keller, 2003), on top of product launching costs and the high chance of new product failure (Kapoor, 2005), it comes as no surprise that strong brands use extensions to capitalize on the value of their brand and capture a greater share of the market (Tauber, 1988; Aaker & Keller, 1990). It is suggested that anywhere from 50% (Loken & John, 1993) to 90% (Aaker, 1991) of new products are extensions from existing brand names, suggesting the prevalence of this product development strategy.

Brand extensions as a company growth strategy is highly utilized across industries. For example, the Ivory brand went from soap to shampoo, Hershey's branded chocolate milk after being established as a chocolate bar company (Tauber, 1981), Harley Davidson now makes bike accessories (e.g., seats, travel bags, and racks)(Harley Davidson, 2013), and Ralph Lauren, originally a women's apparel brand, now offers products for the whole family (women, men and children), and the household (e.g., bedding, bath, and furniture) (Ralph Lauren, 2013).

While brand extensions are a common practice across a variety of industries (Kapoor, 2005), this trend is expected to increase (Pitta & Katsanis, 1995; Van Riel, Lemmink, & Ouwersloot, 2001), because extension brands account for a large portion of a company's overall business (Aaker, 1992; Sullivan, 1990), especially in the apparel industry. For example, Coach's brand extensions of accessories and men's products comprise 44% of their business, while their original business of women's handbags account for the rest (Coach, 2013). To capture more business through extension brands, companies often target a different market segment (Kerin, Kalyanaram, & Howard, 1996), extending their brand horizontally or vertically (up and down) to occupy additional markets (Kim, Lavack, & Smith, 2001).

Types of Brand Extensions

When a brand chooses to extend horizontally, the brand is attempting to offer consumers more variation in their current offering by introducing a new product class or a new product category not currently offered by the brand but at the same price and quality level as their existing brand (Kim et al., 2001). For example, Ivory soap introduced detergent and dishwashing liquid (Kim et al., 2001), and Prada introduced fragrances and eyewear (Prada, 2013) within the same price range and quality level as their parent brand.

On the other hand, if a company chooses to extend their brand vertically, they can either extend their brand upward to target a more affluent market by offering their product with greater quality and exclusivity (Kim et al., 2001), or they may extend their brand downward and target more price conscious consumers (Kim et al., 2001). For example, in certain markets Toyota has extended to both upward (i.e., Lexus) and downward (i.e., Scion) to capture a wide range of consumer markets (Toyota, 2013). In both vertical upward and vertical downward brand extensions, it involves the introduction of a branded product in the same product category, but at a different price point and quality level than the parent brand (Sullivan, 1990; Keller & Aaker, 1992).

While other industries practice both types of vertical extensions, vertical-downward extensions are a more common practice in the apparel industry. In this industry, companies introduce a portfolio of brands underneath their parent brand that appeal to consumers at various incomes. For example, Ralph Lauren has sixteen levels of brands that have stemmed from their highest level (Ralph Lauren Collection) that walks on the fashion runways each season, to the lowest level found at department stores that target the mass market and price conscious consumers (Chaps) (Ralph Lauren, 2013).

Positive and Negative Effects of Brand Extensions

Despite the associated benefits of growing the brand and increasing sales from additional consumer segments, offering brand extensions can be risky for firms (Grime, Diamantopoulos & Smith, 2002), and can potentially dilute the parent brand image (Aaker, 1991). This is especially the case for vertical-downward extension brands where a parent brand (e.g., Ralph Lauren Collection) introduces a new product class (e.g., Chaps) with a lower price and quality in order to seek greater accessibility and brand awareness from mass consumers (Kapferer & Bastien, 2009). These new brand extension products can potentially create confusion or blurring among loyal customers about the parent brand's quality (Tauber, 1988) and typicality of category offering of the parent brand (Loken & John, 1993). Companies want to increase their sales by capturing new market segments, while at the same time they are concerned with preserving their parent brand image. It is possible that offering a limited edition may allow brands to achieve both (Ginman, Lundell, & Turek, 2010).

Brand Extensions Limited in Quantity and Time

While many industries utilize the strategy of introducing limited edition products, (limited quantity and the amount of time the product is available) (Balachander & Stock, 2009; Brown, 2001), this strategy is employed differently in the apparel industry. For example, in other industries, brands introduce a limited edition extension in order to boost the brand image by offering a more exclusive product, targeting consumers that are willing to pay more for a one-of-a-kind product (Balachander & Stock, 2009). For example, Yamaha introduced an Elton John Limited Edition Piano (Yamaha, 2006), Range Rover introduced a Sport Supercharged Limited Edition vehicle (Land Rover, 2013), Lancôme introduced a Limited Edition Beauty Box (Stevenson, 2009), and Mertz toys introduced a Limited Edition Barbie Doll (Mertz, 2013); all of which were introduced to appeal to a narrow niche market and boost brand image.

However, in the apparel industry, apparel brands oftentimes offer limited edition products to appeal to a mass market audience and allow greater accessibility of the brand in terms of cost and distribution. For example, high-end designer Roberto Cavalli recently offered a limited edition extension at the mass retailer H&M. While the original price of a piece of clothing from the parent brand can be upwards of $8,000, the brand offered its extension products from $49-$198 (H&M, 2007).

Extending in this fashion is also beneficial to the parent brand because it gives their brand name greater exposure in a new market that may aspire to purchase the parent brand in the future (Wilson, 2005). At the same time, the parent brand can manage to retain their regular affluent consumers because constraining the availability through limited edition can minimize the negative impact that vertical-downward extension brands tend to have on the parent brand because the brand still remains exclusive (Ginman et al., 2010).

The Importance of Perceived Fit in Brand Extensions

Perceived fit has been labeled as the most important factor that determines the success of an extension brand (Völckner & Sattler, 2006). Perceived fit is the amount of association between the parent brand and the extension brand (Czellar, 2003). While there are many kinds of fit, such as fit between parent and extension product quality and product category, all kinds of fit describe the same fundamental idea that the two entities match and are right for one another (Speed & Thompson, 2000).

Perceived fit is important because there is a general consensus that when consumers perceive an extension brand to fit with the parent brand, favorable evaluations of the extension brand occur (Aaker & Keller, 1990; Sunde & Brodie, 1993). For example, if consumers associate a parent brand with an attribute, such as high quality or with a particular product category, they are likely to compare the extension brand to this knowledge and evaluate whether the extension brand is similar/typical in terms of quality and category characteristics (Bhat & Reddy, 2001). If knowledge of the parent brand is consistent with the extension brand, consumers will evaluate the extension brand more highly (Aaker & Keller, 1990; Boush & Loken, 1991), higher than they would otherwise evaluate it.

Perceived fit is also important when determining the success of an apparel brand that introduces a vertical-downward extension brand at a retailer. For example, while not empirically tested, the lack of perceived fit contributed to the failure of the Neiman Marcus extension brand offered at Target. Industry consumer reports indicated that the Neiman Marcus extension brand did not fit with the fashion forward and price conscious Target consumers because product categories offered did not match with Target's typical offering and prices were considered too high (White, 2013). This demonstrates that consumers may perceive and assess the fit between brand and retailer and brand and price, and that it is likely that consumers include these factors when evaluating the extension brand.

Statement of Research Gaps

Despite the large body of research devoted to understanding factors that contribute to the success of an extension brand, there still remain significant gaps in the brand extension literature, particularly in the apparel sector. In previous literature on brand extensions, the product category investigated mainly included items such as groceries (Boush & Loken, 1991), electronics (Barone, Miniard, & Romeo, 2000; Gürhan-Canli & Maheswaran, 1998; McCarthy, Heath, & Milberg, 2001; Taylor & Beardon, 2002; Thorbjornsen, 2005), house-cleaner (Chang, 2002; Sattler, Völckner Riediger, & Ringle, 2010), food (Heath, McCarthy, & Chatterjee, 2006; Kardes & Allen, 1991; Keller & Aaker, 1992; Romeo, 1991), personal care products (Swaminathan, Fox, & Reddy, 2011), and small appliances (Meyvis & Janiszewski, 2004). Previous research has mainly focused on products that are non-public goods (i.e., used inside the home), and rarely has brand extension research investigated apparel or apparel related products (Martinez & De Chernatony, 2004; Sheinin, 1998), which are a publically consumed good. Given that apparel extension brands are common in the marketplace (Ginman et al., 2010), more research is needed to fully understand how consumers react to extension brands in this product category, especially given their differences in public visibility.

Secondly, even though vertical-downward extension brands are a significant driver of growth for high-end brands (Dall'Olmo Riley, Lomax, & Blunden, 2004; Stankeviciute & Hoffmann, 2012) and are integral to their business model (Albrecht, Backhaus, Gurzki, & Woisetschlager, 2013), there is a lack of research specifically investigating high-end brands' (e.g., Ralph Lauren Collection) vertical-downward brand extensions (Hagtvedt & Patrick, 2009). Previous brand extension research has mainly focused on low-end consumer products (e.g., Keller & Aaker, 1992). This is surprising because it is a common practice for both high-end and low-end brands to introduce extension brands for company growth (Dall'Olma Riley et al., 2004). Therefore, to move this research stream forward, there is a specific need to include high-end brands alongside low-end brands when researching vertical-downward extension brands.

Thirdly, while limited edition vertical downward extensions are increasingly popular in the apparel industry, there is little empirical research on the topic. Most brand extension research has only been conducted testing the effects of ongoing extension brands (i.e., not limited in quantity or time available) (e.g., Keller & Aaker, 1992). A more comprehensive understanding of the effects of limited extension brands could offer greater knowledge of current practices in the apparel industry and how the strategy of offering a limited edition may impact consumers' response.

The forth research gap pertains to measures of fit. Previous research on brand extension fit has mainly centered on fit between the parent brand and the extension brand in terms of brand image (e.g., Bhat & Reddy, 1997), product category (e.g., Keller & Aaker, 1992), product attributes (e.g., Bhat & Reddy, 2001), and quality associations (e.g., Heath et al., 2006). While some researchers have recognized this gap (Ahn, Kim, & Forney, 2010), there still remains a lack of understanding of additional fit measures which may influence consumers' response to extension brands. Specifically, there is a lack of understanding regarding perceived fit between the extension brand and the retailer the brand extends to. For example, consumers stated that the main reason why Neiman Marcus' brand extension into Target failed was because it did not seem to 'fit' together (White, 2013). However, this notion of fit has yet to be empirically tested. Another measure that lacks research is fit in terms of price between the parent brand and the extension brand. While vertical-downward extension brands are characterized as a lower priced version of the parent brand (Kim et al., 2001), there is no evidence to support how much lower the price of the brand extension should be from the parent brand for favorable consumers response. Such evidence is vital because the literature suggests that when there is too much of a price gap between the parent brand and extension brand, consumers perceive the two brands to be separate (Monroe, 1971), which may potentially harm the parent brand and defeat the whole brand extension idea.

The fifth research gap is concerned with factors that may influence the relationship between the independent variable (i.e., brand extension) and the dependent variables. While some researchers have investigated the influence of a moderator (i.e., a variable that may influence the strength of the relationship between the independent and dependent variable), most studies focused on product or company characteristics (e.g., history of previous brand extensions, product quality, and marketing support) (Völckner & Sattler, 2006), and there is not a clear understanding of how a personal characteristic will impact consumers' response to extension brands.

The sixth research gap has to do with the measured outcome. Specifically, research on brand extensions has mainly focused on consumer evaluations of brand extensions as the dependent variable (e.g., Aaker & Keller, 1990; Barone et al., 2000; Grime et al., 2002; Kim et al., 2001). This is a significant gap because evaluation of an extension is often measured as i) perceived quality, ii) likelihood of purchasing, and iii) whether the extension was inferior or superior (Keller & Aaker, 1992). These studies did not explicitly measure the impact of the extension brand, which could cause a negative subsequent evaluation on the parent brand.

Lastly, brand extension research lacks a strong theoretical investigation integrating multiple theories to explain consumers' response to brand extensions. Brand extension research is typically grounded in theories related to categorization (McCarthy et al., 2001). Theories of this kind explain that when the parent brand and extension brand are perceived to be similar to each other on some salient characteristics (e.g., quality), evaluations of the extension brand will be favorable. However, theories previously utilized do not explain what occurs when the parent brand and extension brand are not similar (i.e., misfit).

Research Objectives

Apparel brands are increasingly extending vertically-downwards at a lower cost and quality, offering the extension brand within a retailer as a limited edition. To understand these industry practices, this study aims to construct a comprehensive picture of the best scenario for an apparel brand to extend vertically downwards for both short-term as well as and long-term success. For short-term success, this study explores how much consumers buy extended brands urgently (i.e., urgency to buy). For long-term success, the degree to which the image of a parent brand is diluted will be measured as brand dilution because it has been found to be the most detrimental effect of an extension brand. Based on this overarching goal, there are four specific research objectives that will guide this study.

Firstly, this research seeks to understand the influence of extension strategy: assessing how a limited edition as opposed to an ongoing vertical-downward brand extension effects consumers' urgency to buy and brand dilution. Secondly, this research aims to expand previous notions of fit (i.e., brand image, product category, product attribute, and quality) to include fit between a) brand and retailer and b) brand and price gap between parent brand and extended brand, and test whether fit in this manner influences urgency to buy and brand dilution. Thirdly, this research seeks to understand the interactive effects of offering a limited edition versus an ongoing brand extension with variations of fit between brand and retailer on urgency to buy and brand dilution. Lastly, this research explores the role that consumers' brand consciousness level plays in the above relationships. To achieve these four research questions, this study conducts four experimental studies with a total of 12 hypotheses. Chapter IV details the methods.

Contributions of the Study

The results of this study provide rich contributions to both academic and industry practitioners. Given the recent industry prevalence of apparel brand extensions (see Ginman et al., 2010), this research contributes to an understanding of the optimal brand extension strategy.

Specifically, this research extends research on apparel limited edition extension brands. Previous research has established that an either/or dichotomy exists between the associated benefits of increasing sales and capturing additional market segments by extending a brand vertically-downwards (Magnoni & Roux, 2008; Stegemann, 2006), and the associated dangers of extending too far or too much and diluting the parent brand (Kim et al., 2001; Magnoni, & Roux, 2008). In this case, previous research finds that you can *either* increase sales and dilute the brand, or fail to increase sales and not dilute the brand. By exploring the phenomenon of offering vertical-downward brand extensions as a limited edition, this study attempts to present an opportunity where such an either/or dichotomy does not exist. It is possible that by offering the vertical downward extension brand on a limited basis, the brand can appeal to a new market segment and increase sales, while at the same time the brand may be able to save the parent brand image from dilution (Ginman et al., 2010).

This study also extends our theoretical understanding of the importance of fit in brand extensions. By investigating fit factors beyond previously researched measures, this study offers a fresh perspective that aligns more with present industry practices. Several marketing researchers have previously suggested that future research should extend the notion of fit in brand extensions (Bouten, Snelders, & Hultink, 2011; Simonin & Ruth, 1995) to align more accurately with current industry behaviors. Therefore, this research fills the void in academic research while also providing strong utility for brand managers.

Moreover, by offering an account of which combination of extension strategy (i.e., limited edition or ongoing collection) and fit (i.e., between brand and retailer and brand and price gap) produces the most favorable results, this study enriches brand managers' understanding of which factors encourage consumers to urgently purchase and what causes brand dilution the least. Since many brands are looking to target new customer segments through vertical-downward brand extensions in order to foster company growth (Danziger, 2011), this study helps them navigate their best possible avenue for both short-term (i.e., high urgency to buy) and long-term growth (i.e., keeping brand image without brand dilution).

Lastly, by investigating the impact of a personal characteristic (i.e., brand consciousness) as a moderator, this study helps brand managers understand the degree to which the effectiveness of brand extension strategies can be different by a consumer characteristic.

Limitations of the Study

The first limitation of this study is that we will only investigate two levels of brand and retailer type (i.e., high-end and low-end) within a marketplace has a spectrum of brand and retailer levels. It is possible that consumers' reactions to stimuli used in this study may vary if we used more levels of brand type. In a similar way, the marketplace has a variety of levels of retailer type. For example, the marketplace has retailers positioned as high-end (e.g., Neiman Marcus), middle-range (e.g., Macy's), and low-end (e.g., JC Penney), and it is possible that results may vary if many levels of retailer type were used.

The second limitation of this study is that video advertisements were used as experimental stimuli to showcase the extension brand. However, if participants had the opportunity to handle and view the products, they would be able to form more accurate quality and performance impressions, thus providing more depth of information (Berger & Ward, 2010).

The third limitation of this study is that only vertical-downward extension brands were investigated. While this is a common practice in the apparel industry, other extension types include vertical upward, and horizontal (Kim et al., 2001). When brands extend in these fashions, it may impact consumers' response differently.

The final limitation of this study has to do with the sample. While female students represent an accurate population for the purposes of this study (Berger & Ward, 2010; Goldsmith, Stith, & White, 1987; Watson & Yan, 2013), and are commonly used in brand extension research (e.g., Forney, Park, & Brandon, 2005), it is possible that males or non-students may react differently to variations in vertical-downward extension brands.

Definition of Key Terms

- Brand Extension: The "use of established brand names to enter new product categories or classes" (Keller & Aaker, 1992, p. 35).
- Vertical-Downward Brand Extension: When a brand introduces a downscale extension at a lower price and quality (Kapferer & Bastien, 2009; Kim et al., 2001).
- Brand Extension Perceived Fit: Fit occurs when "the consumer accepts the new product as logical and would expect it from the brand" (Tauber, 1988, p. 36). This means that fit describes the congruence, consistently, relatedness, similarity, or typicality between the parent brand and the extension brand (Aaker & Keller, 1990;

Boush & Loken, 1991; Farquhar, Herr, & Fazio, 1990; Gürhan-Canli & Maheswaran, 1998).

- High-end/low-end Brand: High-end brands are characterized as having premium quality, conveying social status, and being less accessible due to their high price and limited distribution (Nueno & Quelch, 1998). Whereas, low-end brands do not have premium quality or social status, and are more accessible due to their lower price and mass distribution (Dall'Olma Riley et al., 2004; Nueno & Quelch, 1998).
- High-end/Low-end Retailer: High-end retailers offer quality of service, carry high-priced merchandise, have exclusive distribution, and are often located only in highly populated metropolitan areas, focusing on targeting a niche affluent market. Whereas, low-end retailers often do not focus on quality of service. Instead, they compete on price. Low-end retailers are usually located in malls and focus on mass-marketing goods (Finn & Lamb, 1991).
- Limited Edition/Ongoing Collection: An extension brand is limited edition when it is introduced on a short-term basis; limiting product quantity and the amount of time the product is available to consumers. In contrast, an ongoing collection is not limited in terms of quantity or time the product is available (Balachander & Stock, 2009).
- Brand Consciousness: Brand conscious consumers choose brand-name products that are well known, highly advertised, expensive, and best-selling (Sproles & Kendall, 1986). Brand conscious consumers purposely choose brand names because they are well known and advertised (Sproles & Kendall, 1986).

- Urgency to Buy: The consumers' feeling of urgency to buy the product right away (Gupta, 2013).
- Brand Dilution: Brand dilution occurs when the positive beliefs and specific attributes (e.g., quality, performance) associated with a parent brand name are decreased (Loken & John, 1993).
- Brand Concentration: Following the scientific description of dilution, researchers created the term brand concentration to indicate brand image improvement.

Outline of the Dissertation

Chapter 1 outlines the research study. This chapter presents the background of the research topic, acknowledges the research gaps in previous literature, presents the research objectives and the purpose of this study, provides contributions this study makes as well as potential limitations. This chapter also defines key terms used in this study. Chapter II provides a review of the theoretical foundations and literature related to the purpose of this study. Chapter III describes the hypotheses development and Chapter IV describes the methodological approach of this dissertation. Chapter V provides the analysis of results and Chapter VI describes the conclusions. Specifically, the discussion of findings and the theoretical and marketing implications will be presented.

CHAPTER II

LITERATURE REVIEW

This chapter consists of two major sections that present the theoretical foundation and review of literature of the major constructs in this study. The chapter begins with a discussion of the theoretical foundation on which this study is built and in the following section, a comprehensive review of literature of the major constructs used in this study will be presented.

Theoretical Foundation

This section includes a discussion of the theoretical foundation of this dissertation. Theories discussed include: (1) Commodity theory, (2) Categorization theory, (3) Cognitive Dissonance theory, and (4) Weber's Law of Just Noticeable Difference.

Commodity Theory

Commodity theory is used to explain the psychological effects of limited availability (Brock, 1968; Gupta, 2013; Lynn, 1991). According to commodity theory (Brock, 1968), products will be highly valued when they are perceived to be unavailable. Accordingly, a product is considered more attractive when availability is limited compared to when availability is abundant (Lynn, 1991). This may be true because possession of a limited availability product conveys a feeling of distinctiveness among the particular consumers that were able to obtain the product (Brock, 1968).

There are three main concepts in commodity theory. These include: i) a commodity, ii) the value of an object, and iii) the unavailability of an object (Lynn, 1991). Firstly, a commodity is any message, experience, or object that is a) useful (there needs to be utility of the commodity for the consumer), b) transferable from one person to another, and c) have the potential to be obtained (Lynn, 1991). Secondly, commodity theory is concerned with the value of an object, and refers to how attitudes and behavior are affected due to limited availability (Brock, 1969; Lynn, 1991). Arguably, since a commodity has a perceived amount of utility, any value enhancement obtained from limited availability will increase the utility of the commodity and make it more desirable (Brock, 1968). Lastly, commodity theory is concerned with perceived unavailability. Unavailability perceived by consumers can be observed as a) limits of supply (e.g., limited edition products), b) limits in terms of the high cost to obtain it (e.g., luxury goods), c) limits by restrictions of possessing the commodity (e.g., VIP airline lounges), and d) limits due to delays in providing the commodity (e.g., seasonal beverages) (Brock, 1968; Lynn, 1991).

Since commodity theory explains the psychological influences of limited availability, it is often applied in academic research on perceived scarcity (e.g., Lynn, 1991; Verhallen & Robben, 1994). Specifically in consumer research, commodity theory has been applied when understanding limited quantity availability in fast fashion retailers (Byun & Sternquist, 2008; 2011; Gupta, 2013), and luxury retailers (Vigneron & Johnson, 2004). It has also been applied to understand how perceived limited availability increases consumers' value of the object (Lynn, 1991; Wu & Hsing, 2006), and preference for the limited object (Verhallen & Robben, 1994).

Categorization Theory

Categorization theory was first introduced to help explain the dynamics of how consumers classify products (Sujan & Bettman, 1989; Sujan & Dekleva, 1987; Sujan & Tybout, 1988; Meyers-Levy & Tybout, 1989). Categorization is considered a fundamental cognitive activity that all humans participate in (Lee, 1994) and it is argued that categorization occurs by all individuals whenever two or more objects are similar (Mervis & Rosch, 1981).

The process of categorization allows consumers to organize the large number of stimuli they are exposed to in the marketplace and reduce the number of entities to a manageable amount (Mervis & Rosch, 1981) based on information already stored in memory (Loken, Barsalou, & Joiner, 2008; Medin & Barsalou, 1987; Mervis & Rosch, 1981). Consumers do not have to remember the fine details of each and every product they are exposed to. Instead, they can take short cuts based on information already stored in memory (Kapoor, 2005; Loken et al., 2008). When responding to new stimuli (i.e., new products), categories are formed on the basis of perceived similarities (i.e., fit) between the new and old product in memory (Ozanne, Brucks, & Grewal, 1992) and similarity is determined by the strength of the association between new stimuli with information already in memory (Lee, 1994).

Given the assumptions of categorization theory, it has been mainly applied in consumer research to help explain how consumers form perceptions of brand extension products (Loken et al., 2008) based on fit between the parent brand and extension brand (Loken & John, 1993; Milberg, Park, & McCarthy, 1997). The more similar the brand extension is to the parent brand (i.e., greater fit), the more consumers are likely to infer parent brand characteristics onto the extension brand, where higher fit is related to higher product evaluations (Aaker & Keller, 1990; Boush & Loken, 1991).

Cognitive Dissonance Theory

While the basic premise of categorization theory is that people naturally categorize new stimuli (i.e., products) with stimuli already in memory (Rosch, 1975; Rosch & Mervis, 1975; Rosch et al., 1976), cognitive dissonance theory explains what happens when there is inconsistency or misfit between these two entities (Festinger, 1957).

Festinger (1957) argues that individuals strive for consistency (i.e., fit) in their everyday life in terms of what they believe in and their daily activities. Individuals build knowledge about their past behavior, beliefs, and attitudes based on their environment (Oshikawa, 1968). When beliefs and actions are consistent (i.e., fit), they are usually taken for granted, but when beliefs and actions are inconsistent (i.e., misfit) they stand out sharply and this causes a state of psychological discomfort, known as dissonance (Festinger, 1957). When individuals experience dissonance, also termed disequilibrium, frustration, or misfit, they become motivated to reduce dissonance and achieve consonance to reduce discomfort (Anderson, 1973; Festinger, 1957). Individuals are motivated to reduce dissonance by changing their belief, changing their actions, or changing their action perception (Figure 2). Causing change in this fashion eliminates the unpleasant tension and causes greater fit between an individual's action and belief (Solomon, 2011).

Researchers have utilized cognitive dissonance theory to help explain how consumers react to dissonance or misfit when exposed to extension brands. Specifically, when there is too much difference (a.k.a dissonance) between the parent brand and extension brand, parent brand dilution can occur (Goh, 2010). Consumers may also experience dissonance when their expectation of a product does not fit with the actual performance of the product (Anderson, 1973). For example, consumers often associate high-end brands with high quality and prestige, and if consumers are exposed to a product that does not fit with these expectations, it may cause them to change their perception and belief of qualities associated with the parent brand.

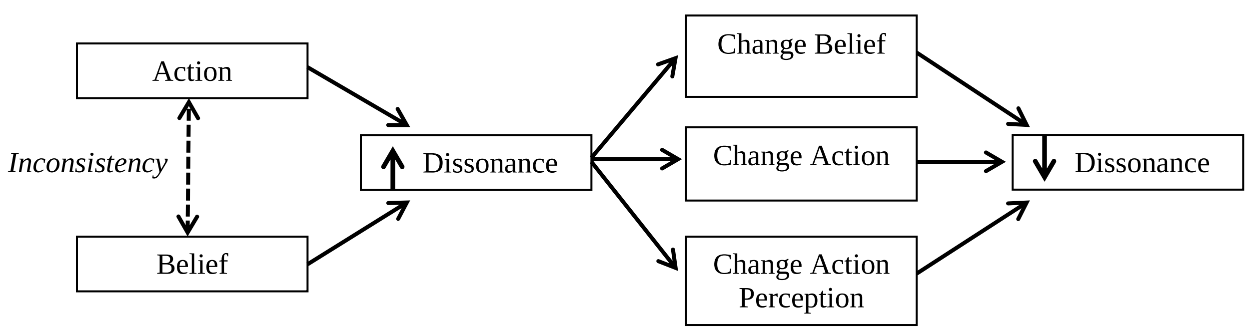

Figure 2. Cognitive Dissonance Theory. From "The Social Psychology of IT Security Auditing Form the Auditee's Vantage Point: Avoiding Cognitive Dissonance," by T. J. Bell, 2010, *ISACA Journal 3*(1), p. 3.

Weber's Law of Just Noticeable Difference

Weber's Law of Just Noticeable Difference was first developed to explain sensory thresholds (Solomon, 2011). According to Weber, there are two kinds of sensory thresholds: absolute thresholds and differential thresholds (Monroe, 1973). An absolute threshold is the lowest intensity of a stimulus that can be registered on a sensory channel (i.e., hearing, seeing, feeling, smelling, and tasting). Whereas, a differential threshold refers to the ability to detect changes or differences between two different stimuli (Monroe, 1973). The minimal difference that can be detected between two stimuli is termed *just noticeable difference* (j.n.d.). According to Weber, the amount of change required for the perceiver to just notice a difference systematically relates to the intensity of the original stimulus. The stronger the initial stimulus, the greater the change must be for us to notice it. This relationship is known as Weber's Law (Figure 3). The size of the least detectable increment is a function of the initial stimulus where the stronger the original stimulus, the greater the differences should be for individuals to notice the difference.

$$\frac{\Delta I}{I} = K$$

Where:
ΔI = The difference threshold
I = The initial stimulus intensity
k = Signifies that the left side of the equation remains constant despite variations in I.

Figure 3. Weber's Law of Just Noticeable Difference. From "Consumer Behavior: Buying, Having, and Being," by M. R. Solomon, Prentice Hall: Upper Saddle River, NJ (p.70).

Although Weber's Law can be applied to all stimuli, it has mainly been applied in consumer research to help explain price thresholds and perception of price differences (Monroe, 1973). Weber's Law of Just Noticeable Difference explains how changes in price influence consumers' behavior (Kamen & Toman, 1970; Monroe, 1973; Webb, 1961). Specifically, researchers have suggested that the ability to distinguish between two intensities (e.g., between an original price and the current discounted price) was not absolute, but was proportionate to the stimulus itself (e.g., original price) (Miller, 1962). In this case, retail price deductions need to be at least 20% from the original price for consumers to notice the difference (Miller, 1962). Less than a 20% discount is usually ineffective at moving merchandise (Davidson & Brown, 1960). However, if consumers perceive the price to be too different and offer too much of a discount, the price-quality relationship may be affected and consumers may perceive the product as different than they originally thought (Monroe, 1971). For example, if a high-end brand offers a very high discount on their extension products, consumers may perceive the quality to be lower than that of a high-end parent brand, thus, changing their perception of the brand. The trick is to make a price different enough so that consumers will notice the change, yet not so different that consumers will think it is no longer the same product (Solomon, 2011).

Literature Review of Major Concepts

This section presents the major concepts used in this study and provides a brief overview of previous research on the topics. The first part of this section will present research on brand extensions. The second part of this section will present research on why fit is important in brand extensions. Lastly, the concept brand consciousness will be introduced.

Brand Extensions

A brand extension is the "use of established brand names to enter new product categories or classes" (Keller & Aaker, 1992, p. 35). Since a brand's name is among a company's most valuable assets (Keller, 1993), brands often attempt to capitalize on the value of their brand name to launch new products (Tauber, 1988).

When companies introduce extension brands, they either introduce them horizontally or vertically (Kim et al., 2001). When a brand extends horizontally, it offers a new product at the same price point and quality level as their parent brand. For example, the high-end designer brand Michael Kors has extended horizontally from their parent apparel product category by introducing products such as handbags, fragrances, and sunglasses (Michael Kors, 2013). On the other hand, when a brand extends vertically, it attempts to capture a different market by adjusting their price and quality level of their extension (Kim et al., 2001). When a brand extends upwards, the parent brand introduces a product at a higher price and quality level than the parent brand and when a brand extends downwards, it introduces a product at a lower price and quality level than the parent brand (Kim et al., 2001) (Figure 4). For example, in certain markets the carmaker Toyota introduced a vertical-upward brand, Lexus, in order to target more affluent customers who wanted greater quality and were willing to pay more for it and introduced a vertical-downward extension, Scion, for more price conscious consumers.

In the apparel industry, vertical-downward extension brands are most common, especially for high-end brands. For example, Ralph Lauren attempted to capitalize on the value of its brand name by extending vertically-downwards into a lower-end market through its Chaps line (Ralph Lauren, 2007). This is one of many examples of a high-end brand that has stretched to capture a wider audience who seek the social benefits such as status and prestige that are associated with the brand (Kapferer & Bastien, 2009). Despite this common industry practice, there remains a lack of research specifically investigating this practice in the apparel industry. Therefore, this study will specifically focus on vertical-downward apparel extension brands.

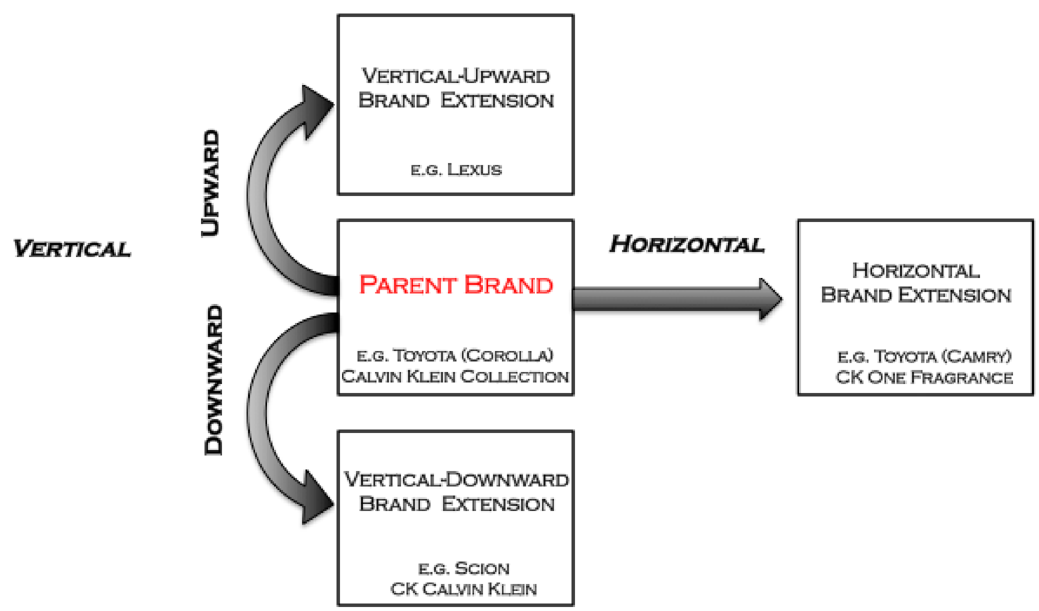

Figure 4. Types of Brand Extensions: Horizontal and Vertical

In addition to extending either horizontally or vertically, brands may vary in the time frame that their extension becomes available to consumers. Brands can either release their extension brands as an ongoing or as a limited edition collection.

Brand Extensions: Ongoing vs. Limited Edition

When a brand offers an extension brand on an ongoing basis, there are no limitations on the time or quantity available to consumers. On the other hand, when a brand introduces an extension brand as a limited edition, there are restrictions placed on consumers in terms of the time frame and quantity available to consumers (Balachander & Stock, 2009) (Figure 5).

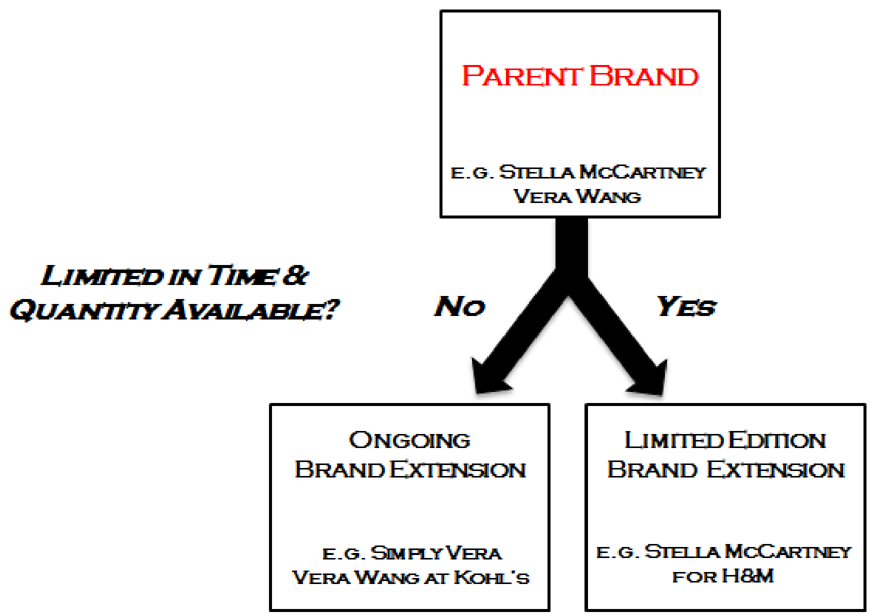

Figure 5. Ongoing vs. Limited Edition Brand Extensions

In industry, it is observed that high-end brands are increasingly collaborating with mass-market retailers to introduce vertical-downward extension brands on a short-term basis, limiting product quantity and the amount of time the product is available to consumers (i.e., limited edition). While research lacks on the topic, this current practice has become a growing industry strategy and is often highly successful for both collaborating partners (Petro, 2013). The most vivid examples of apparel vertical-downward brand extensions limited in quantity and time available include the brand Versace extending into H&M and the brand Missoni extending into Target. These particular collaborations were highly sought after and brought attention to both brand and retailer. For example, the release of products for the Missoni-Target collaboration caused 'Missoni Mayham' where hundreds of consumers lined outside of Target stores prior to its opening and the high website traffic caused several crashes throughout the day (CBC News, 2011).

Table 1 presents a compilation of actual industry examples of apparel limited edition extensions offered at major retailers. Information about the extension (i.e., retailer, year, and name of brand) was collected from press releases and retailer websites. As the table demonstrates, mass retailers (Target and H&M) first started this trend, and soon after department stores followed (Macy's, JC Penney, and Kohl's). While this practice is a relatively recent phenomenon across the industry, JC Penney was the first to collaborate with a high-end brand, Halston, as early as 1983. At that time, the Halston-JC Penney collaboration was not successful, but recently this practice has been re-introduced and is usually successful for both parties (Ginman et al., 2010).

Table 1

Selected Examples of Limited Edition Brand Extensions Offered at Retailers

Retailer	Year(s)	Name(s)
Target	2003-2008	Isaac Mizrahi
	2005	Fiorucci
	2005-2011	Luella Bartley, Paul & Joe Proenza Schouler, Patrick Robinson, Behnaz Sarafpour, Erin Fetherston, Rodarte, Jovoich-Hawk, Devi Kroel
	2007	Sean White
	2008-2010	Alexander McQueen, Anna Sui, Jean Paul Gaultier
	2010	Liberty of London
	2011	Missoni
	2013	Jason Wu
	2013	The Shops at Target
	2013	Neiman Marcus
	2013	Prabal Gurung
	2013	Phillip Lim
H&M	2005	Stella McCartney
	2006	Viktor & Rolf
	2007	Madonna
	2007	Kylie Minogue
	2007	Marimekko
	2007	Roberto Cavalli
	2008	Commes des Garcons
	2009	Matthew Williamson
	2009-2013	David Beckham
	2009	Jimmy Choo
	2010	Lavin
	2011	Versace
	2012	Maison Martin Margiela
	2012	Marni
	2013	Isabel Marant
JC Penney	1983	Halston
	2008	Charlotte Ronson
	2012	Betsy Johnson
	2012	Jenny Packham
	2012	Vivienne Tam
	2012	LuLu Guiness
	2013	Cynthia Rowley
	2013	Georgina Chapman
	2013	Joe Fresh
	2013	Duro Olowu
	2013	L'Amour Nanette Lepore

Retailer	Year(s)	Name(s)
Macy's	2011	Kinger Aggugini
	2011	Matthew Williamson
	2011	Karl Lagerfeld
	2011	Giambattista Valli
	2012	Alberta Ferretti
	2012	Doo.Ri
	2012	Nicole Richie
	2012	Kara Laricks
Kohl's	2012	Narciso Rodriques
	2013	Derek Lam
	2013	Catherine Malandrino

There are several reasons why offering a limited edition brand extension, rather than ongoing offerings, may be successful for the brand, especially for high-end brands. Firstly, the high-end brand is able to give exposure to their brand name to a new market that may aspire to purchase the parent brand in the future, while at the same time the brand can manage to retain their regular affluent consumers (Ginman et al., 2010). Secondly, ongoing exposure of the high-end brand extended with a lower price and quality may cause loss of brand image but limited quantity can possibly preserve parent brand image (Berthon, Pitt, Parent, & Berthon, 2009; Ginman et al., 2010). In contrast, when a brand introduces a limited edition extension, the limited time frame that the product is available creates excitement, exclusivity, and differentiation for the brand (Balachander & Stock, 2009; Brown, 2001), which creates high short-term financial gains for both brand and the retailer. While there has been a large body of research devoted to understanding how extension brands can be successful for the parent brand and the extension brand (Völckner & Henrik, 2006), there is not a clear understanding of how limiting the time and quantity available impacts consumers' response and the integrity of the parent brand.

Positive and Negative Effects of Vertical-Downward Brand Extensions

Vertical-downward brand extensions bring firms both positive and negative results. Because of this, brands need to carefully manage how their extension brands are introduced and distributed (Pitt, Berthon, Parent, & Berthon, 2009) and weigh both the positive and negative possibilities before introducing an extension brand.

Vertical-downward extension brands offer two main benefits to brands when they introduce an extension brand. Firstly, extension brands offer many potential opportunities for growth, especially for high-end brands (Hennigs et al., 2013; Magnoni & Roux, 2008). High-end brands often attempt to capitalize on the value of their prestigious brand name (Farquhar, 1989; Keller, 1993; Magnoni & Roux, 2008; Tauber, 1988) and extend their products vertically downward (Kapferer & Bastien, 2009; Kim & Lavack, 1996) and can gain additional market share by attracting customers that are more price sensitive (Kapferer & Bastien, 2009; Magnoni & Roux, 2008; Phau & Cheong, 2009). For example, the brand Ralph Lauren may choose to introduce a vertical-downward extension brand by introducing a new product category (e.g., perfume) or product class (e.g., Chaps) with a lower price and quality in order to seek greater accessibility and brand awareness from mass consumers (Kapferer & Bastien, 2009).

Secondly, the vertical-downward extension brands allow consumers to access the brand without having to pay a premium price (Wee, Tan, & Cheok, 1995). In this case, since the extension brand carries the same name as the parent brand (Bhat, Kelley, & O’Donnell, 1998; Kirmani, Sood, & Bridges, 1999), when consumers purchase the extended brand, they may feel they are obtaining characteristics (i.e., status, prestige) of the high-end parent brand (Delgado-Ballester & Munuera-Aleman, 2001; Phau & Cheong, 2009). In this way, consumers may use extension brands for status display (Eastman, Goldsmith & Flynn, 1999), regardless of whether they received the product at a lower cost from a mass retailer (Fernie, Moore, Lawrie, & Hallsworth, 1997).

However, the success of an extension brand is uncertain (Albrecht et al., 2013; Reddy, Terblanche, Pitt, & Parent, 2009; Völckner & Sattler, 2006) and may produce negative outcomes, especially for the parent brand (Grime et al., 2002). The most impactful negative outcome of extension brands is parent brand dilution (John, Loken, & Joiner, 1998; Kim et al., 2001; Loken & John, 1993; Magnoni, & Roux, 2008). Since high-end brands are known for exclusivity (Escalas & Bettman, 2003; 2005), mass consumption can pose a threat to the high-end parent brand image if the brand is too widespread and therefore less exclusive (Kim et al., 2001; Magnoni, & Roux, 2008). This may be true because high-end brands have a 'rarity principle' where they strive to be desired by all, but only consumed by a few (Kapferer, 1997; Dubois & Paternault, 1995). For these brands, the element of rarity gets eroded if too many people own the brand (Dubois & Paternault, 1995) because its desirability stems from its inaccessibility (Kapferer, 1998). For example, Pierre Cardin, a once respected high-end brand over-extended its brand name and experienced the negative consequences that occur when too many consumers have access to the brand (Albrecht et al., 2013). The brand lost its rarity factor by extending to too many product categories (over 800) (Reddy et al., 2009), which was ultimately responsible for the dilution of the brand because it was too widespread.

Parent brand dilution can also occur if consumers perceive the extension brand to have lower quality than the parent brand (Kim et al., 2001; Loken & John, 1993; Tauber, 1988). This can create inconsistent information about the parent brand, causing consumers to re-evaluate their initial assessment of the price and quality of the parent brand (Kim et al., 2001). Inconsistencies between the parent and extension brand may reduce consumers' evaluation of the parent brand (Kim et al., 2001); consumers may perceive fit or misfit between the parent brand and extension brand. When consumers' perceive misfit, it can cause parent brand dilution (Loken & John, 1993). Next highlights the importance of fit and misfit in brand extensions (Aaker & Keller, 1990; Reddy, Holak, & Bhat, 1994).

Perceived Fit: Concept, Importance, and Types

The Concept of Perceived Fit

Perceived fit is characterized as the amount of perceived association between the parent brand and the extension brand (Czellar, 2003). The concept of fit was first introduced by Tauber (1981) who termed fit as when "the consumer accepts the new product as logical and would expect it from the brand" (p. 36). While different terminology such as congruence, consistency, relatedness, similarity, or typicality (Aaker & Keller, 1990; Boush & Loken, 1991; Farquhar et al., 1990; Gürhan-Canli & Maheswaran, 1998) has been used; there is little distinction between these terms (Muroma & Saari, 1996). They all describe the same fundamental idea of perceived fit; that consumers perceive two entities to match and are right for one another (Speed & Thompson, 2000).

The Importance of Perceived Fit

Perceived fit is considered highly important in extension brands because it is suggested to be the most important driver of extension brand success (Grime et al., 2002; Völckner & Sattler, 2006). In fact, based on a meta-analysis of factors that influence the success of an extension brand, fit was termed as the most important driver of an extension brand's success (Völckner & Sattler, 2006). Because of this, it has been strongly emphasized in brand extension research (e.g., Grime et al., 2002; Völckner & Sattler, 2006).

Perceived fit between the parent brand and extension brand is crucial because overall perceptions of similarity contribute to consumers' overall evaluation of the parent brand (Sood & Keller, 2012) and the extension brand (Bhat & Reddy, 2001). Where higher fit is directly related to higher evaluations (Aaker & Keller, 1990; Boush & Loken, 1991; Sunde & Brodie, 1993) and dissimilarity can create negative attitudes towards an extension brand and can 'rub off' onto the parent brand (Tauber, 1988). This demonstrates that there is a linear relationship between extension brand similarity with the parent brand and extension brand evaluations (Boush & Loken, 1991; Loken & John, 1993).

Types of Perceived Fit: Old and New

There are four main kinds of fit between the parent brand and extension brand that have been found to influence consumers' evaluation of the parent brand and extension brand. These include i) brand image fit, ii) product category fit, iii) product attribute fit, and iv) product quality fit (Table 2). The abundant research on perceived fit displayed in

Table 2 shows that for several decades fit has been strongly emphasized by researchers when evaluating the success of an extension brand. Patterns in the table also demonstrate that early and most research on perceived fit occurred nearly two decades ago and most research pertained to horizontal brand extensions. This evidence indicates the need to further evaluate additional and more current measures of fit, specifically, vertical-downward extensions. Next, a detailed discussion of each of the four kinds of fit will be presented.

Firstly, one of the main kinds of perceived fit is fit between a parent brand and extension brand image. A brand image is made up of a set of associations that set the brand apart from competitors (Bhat & Reddy, 2001) and perceptions of the image of the brand are held in consumers' memory (Keller, 1993). For example, consumers may perceive specific high-end brands to have an image of high quality and uniqueness (Vigneron & Johnson, 2004). Therefore, it is important that the extension brand fits with the consumers' image of the parent brand for favorable evaluations of the extension brand (Bhat & Reddy, 2001). For instance, the original vehicle brand Jeep developed a line of bicycles and baby strollers and marketed and named these products as 'overland' and 'sport', attempting to make associations between Jeep's rugged and adventurous brand image with their new extension brands (All Things Jeep, 2013). Thus as a result, inducing consumers to perceive brand image fit between the two brands.

Secondly, perceived fit can also be measured between product categories (Keller & Aaker, 1992; Tafani, Michel, & Rosa, 2009). In their seminal research, Aaker and Keller (1990) assessed reactions to twenty extension brands from six well-known brand names and found that evaluations towards an extension were favorable when consumers perceived the product category extension brand to be similar or fit with the parent brand. Specifically, the greater the similarity of the new extension product category to the existing parent product category, the greater the evaluations of the extension brands were (Boush et al., 1987).

Thirdly, how consumers perceive the product attributes of the extension brand to be similar or dissimilar to the parent brand has also been found to influence evaluations of extension brands (e.g., Bhat & Reddy, 2001). Researchers argue that consumers are likely to infer attributes of the parent brand onto the extension brand that forms their evaluation of the extension (Smith & Medin, 1981). For example, Aaker and Keller (1990) found that consumers perceive Haagen Dazs ice-cream to have specific attributes associated with it (i.e., expensive and sweet), and these attributes were transferred to the extension brand from the parent brand. In general, the greater the overlap of attributes between the parent brand and the extension brand, the greater consumers perceive the two products to be similar or typical, producing favorable evaluations of the extension brand (Aaker & Keller, 1990).

Lastly, perceived fit between parent brand quality and extension brand quality is necessary for extension success (Keller & Aaker, 1992). While in some cases researchers found that consumers need to perceive both the extension brand and parent brand as similar in terms of quality for extension success (Keller & Aaker, 1992), some researchers found that product quality can be transferred from the parent brand to the extension brand naturally (Forney et al., 2005; Tafani et al., 2009). For example, Forney et al. (2005) and Heath et al. (2006) found that when consumers perceive a parent brand to have high quality, this attribute would transfer to the extension brand inherently and cause greater acceptance and evaluation of the extension brand.

Table 2

Previous Studies on Various Types of Brand Extensions and Perceived Fit

Year	Author(s)	Types of Extension
Brand Image Fit		
1987	Boush et al.	Horizontal and Vertical Upward
1990	Aaker & Keller	Horizontal and Vertical Upward
1991	Park, Milberg, & Lawson	Horizontal
1991	Keller & Aaker	Horizontal
1994	Bhat & Reddy	Horizontal
1994	Dawar & Anderson	Vertical Upward and Downward and Horizontal
1996	Dawar	Horizontal
1996	Herr, Farquhar, & Fazio	Horizontal
1997	Han & Schmitt	Horizontal
2001	Park & Kim	Vertical Upward and Downward Extensions
Product Category Fit		
1991	Boush & Loken	Horizontal
1992	Keller & Aaker	Horizontal
1993	Loken & John	Horizontal and Vertical Upwards and Downwards
1993	Sunde & Brodie	Horizontal and Vertical Upwards
1994	Sheinin & Schmitt	Horizontal
1996	Park, Jun, & Shocker	Horizontal
1998	Pryor & Brodie	Horizontal
2000	Ahluwalia & Gürhan-Canli	Horizontal
2000	Sheinin	Horizontal
2001	Bhat & Reddy	Horizontal
2006	Völckner & Sattler	Does not specify
2009	Tafani, Michel, & Rosa	Vertical Upward and Downward
Product Attribute Fit		
1990	Aaker & Keller	Horizontal
1990	Chakravarti, MacInnis, & Nakamoto	Horizontal
1991	Park, Milberg, & Lawson	Horizontal
1993	Rangaswamy, Burke, & Oliva	Horizontal
1994	Dacin & Smith	Horizontal
1997	Lane & Jacobson	Horizontal
1998	Han	Horizontal
1999	Morrin	Horizontal
2001	Bhat & Reddy	Horizontal
Product Quality Fit		
1995	Keller & Aaker	Horizontal
2005	Forney, Park, & Brandson	Horizontal
2009	Tafani, Michel, & Rosa	Vertical Upward and Downward

While research on fit has been extensive, it has a limited current application because today, there are numerous brand-retailer collaborations (Ginman et al., 2010). Brands are extending vertically downwards for a limited time and with a limited quantity at a much lower price than their parent brand (e.g., Missoni for Target). This increasing trend (Pitta & Katsanis, 1995; Van Riel et al., 2001) validates the importance to assess additional fit factors relative to this industry phenomenon such as fit between brand and retailer and fit between brand and price.

Although it is likely that (mis) fit (between brand and retailer and brand and price gap) is likely to influence consumers' response to extension brands, brand conscious consumers may be more affected by perceptions of fit or misfit. Next, the concept of brand consciousness is introduced.

Brand Consciousness

Consumers with brand consciousness choose brand name products that are well known, highly advertised, expensive, and best-selling (Sproles & Kendall, 1986). These consumers hold a price equals quality mentality, and believe that a higher price indicates higher quality (Sproles & Kendall, 1986). Thus for these consumers, brands play an important role in the buying process (LaChance, Beaudoin, & Robitaille, 2003; Nelson & McLeod, 2005).

Brand conscious consumers also seek well-known brands for their social value and seek to display their brands as symbols of their social status (Liao & Wang, 2009). It is even suggested that brand conscious consumers have a common language where they can 'speak' to each other their status and prestige through the brands they wear (Liao &

Wang, 2009). Their ability to properly navigate the market to obtain the most known and highest quality goods indicates that they are knowledgeable of the brands on the market. Because of this, it is highly possible that they are likely to be able to distinguish high-end from low-end brands and know the price of certain brands. Brand consciousness becomes important when analyzing the impact of fit on consumers' response to extension brands because oftentimes these consumers are the individuals that brands seek to capture in their advertisements (Liao & Wang, 2009; Sproles & Kendall, 1986), and they are likely to be more sensitive to cues of consistent of inconsistent brand information (Sproles & Kendall, 1986).

CHAPTER III

HYPOTHESES DEVELOPMENT

Overview

To investigate research questions established to fulfill the research gaps, this study consists of a series of experimental studies with each experiment being designed to test hypotheses pertinent to the purpose of this study. Specifically, given the significant gaps in understanding the effects of limited edition vertical-downward extension apparel brands, the first experiment tests the effects of extension strategy (offering a limited edition or an ongoing vertical-downward extension brand) on urgency to buy and brand dilution. Next, in the second study, in order to expand fit measures to align more with apparel industry practices, this study tests the effects of variations in fit between brand and retailer and its influence on urgency to buy and brand dilution. In the third study, in order to understand the combined effect of extension strategy and variations in perceived fit, the effect of variations in fit between brand and retailer and offering either a limited edition or an ongoing extension on urgency to buy and brand dilution are tested. Lastly, in the fourth study, effects of fit between brand and price offering and its influence on urgency to buy and brand dilution is tested. Since vertical-downward extension brands are a lower priced version of the parent brand (Kim et al., 2001), it is important to assess the impact that price plays on consumers' response to extension brands. Figure 6 presents the scope of this study showing the four experiments, the relationships between the independent variables and the dependent variables and the theory that helps explain the relationships. In this chapter, each experiment will be introduced and the hypotheses tested in each experiment will be presented.

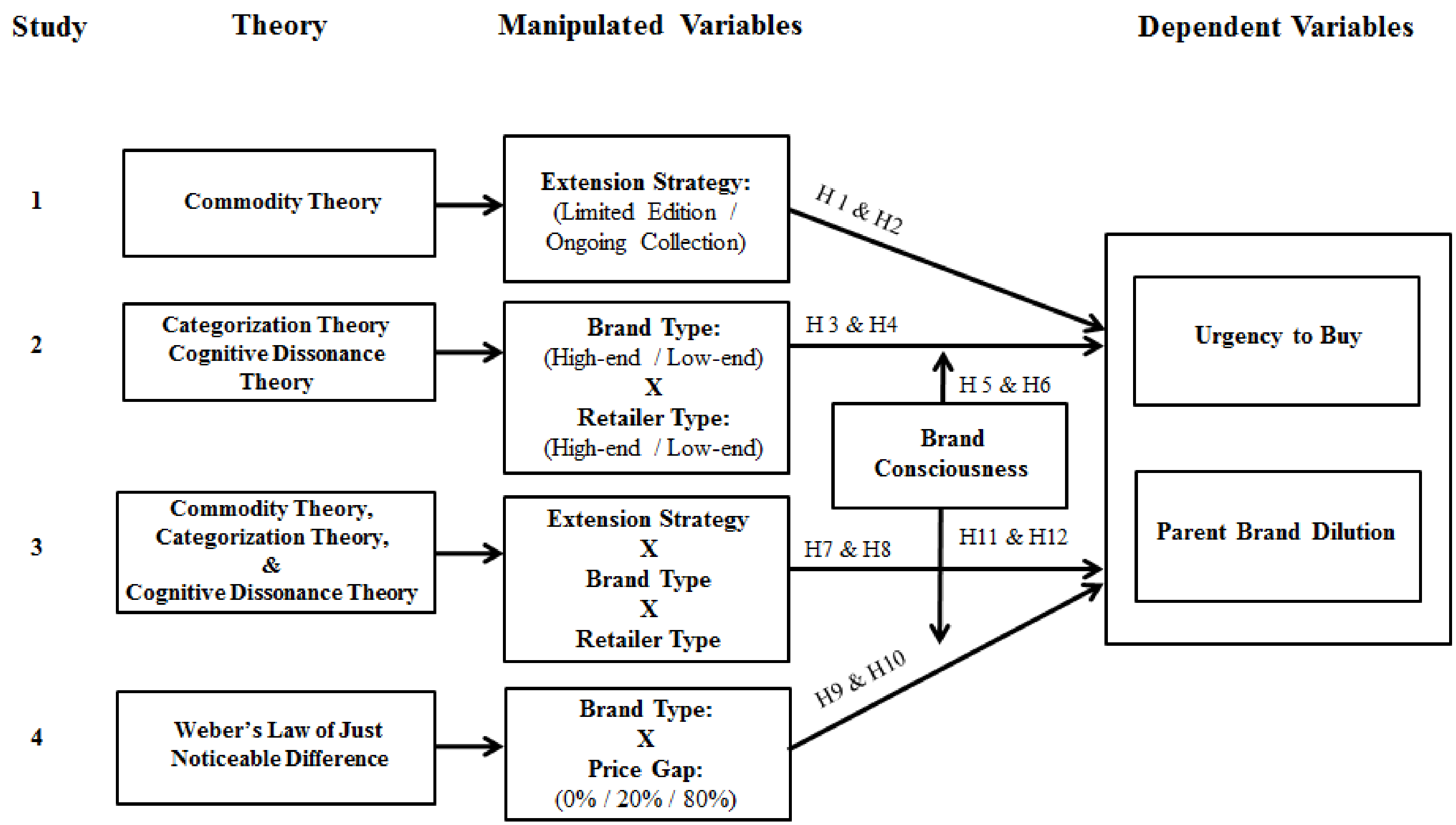

Figure 6. Dissertation Framework

Study 1

Addressing multiple gaps in brand extension research, Study 1 is designed to test the effects of two brand extension strategies, limited edition and ongoing offering, on consumers' urgency to buy and brand dilution. It is important to test the effects of extension strategy because in comparison to other industries, apparel brands employ a unique limited edition strategy. Rather than offering a limited edition to boost the brand image like other industries, apparel brands often offer limited edition extension brands to make their brand more accessible to mass consumers. Given these differences, a specific focus on extension strategy is warranted.

The Effect of Extension Strategy on Urgency to Buy

Marketers often employ messages such as "for a limited time only", "while supplies last", "only a few items left", and "limited edition" (Eisend, 2008; Jeffrey Inman, Peter, & Raghubir, 1997) because messages of limited availability are consistently proven to be effective at influencing consumer behavior (Aggarwal, Jun, & Huh, 2011). The notion of why items that have limited availability are more desired than when they are abundant can be explained by commodity theory (Brock, 1968). This theory suggests that when an item is perceived to be limited, the product becomes more desirable because consumers feel that when they obtain a limited product, they possess distinctiveness (Brock, 1968). For example, numerous researchers have indicated the positive impact of perceived limited availability on consumers' evaluation of a limited item (Bozzolo & Brock, 1992; Jeffrey Inman et al., 1997; Swami & Khairnar, 2003). This affect seems to be true across product categories such as groceries (Jeffrey Inman et al., 1997) and pianos (Balachander & Stock, 2008) and across cultures (e.g., US and France) (Jung & Kellaris, 2004).

Limited availability messages are utilized to put pressure on consumers to buy immediately (Lee, 2012), whereas if these messages are absent (i.e., ongoing offering), consumers may feel no sense of urgency to buy. Consumers may feel a sense of urgency to buy the limited availability item because they feel that if they do not purchase immediately, they will not be able to purchase the item in the future (Wu, Lu, Wu, & Fu, 2012) because others will (Verhallen & Robben, 1994). This indicates that consumers need to compete against one another when quantity is limited (Gupta, 2013). Every time another consumer purchases the limited quantity item, the number of items available to other consumers decreases (Aggarwal et al., 2011). Whereas, when brands offer an ongoing collection, there are no limitations on the quantity available and consumers do not need to compete against one another for the limited quantities. Thus, they may not feel a strong urge to buy immediately under this condition. Collectively, this research proposes that when consumers are exposed to a situation where there is limited availability of an extension brand, they will have greater urgency to buy compared to when they are exposed to an ongoing extension brand. This leads to the first hypothesis:

H1: Urgency to buy will be higher in limited edition than ongoing collection.

The Effect of Extension Strategy on Brand Dilution

While vertical-downward extension brands give greater brand exposure to a new mass market (Reddy et al., 2009), it can also have a negative impact on the parent brand.

Making a brand available to mass consumers through vertical-downward extension brands can dilute the brand's status among its existing clientele (Kapferer & Bastien, 2009; Stankeviciute & Hoffmann, 2012) because the brand becomes too widespread and therefore less exclusive and less unique (Kim et al., 2001).

Therefore, for brands not to dilute their parent brand image, they need to carefully manage how their extension brands are offered (Pitt et al., 2009; Stankeviciute & Hoffman, 2012). Unlike vertical downward extensions that are ongoing, by offering an extension brand as limited edition, brands can control how many people have the extension because quantity available is limited (Stankeviciute & Hoffman, 2012). Thus, by offering a limited edition collection rather than an ongoing collection, brands can decrease brand dilution by remaining more exclusive and unique because consumption is contained to a limited number of people. Thus, based on this rationale, the following hypothesis is presented:

H2: Brand dilution will be higher in ongoing collection than limited edition.

Study 2

In order to investigate additional fit measures which may influence consumers' response to extension brands, the second study tests the effects of perceived fit between brand (high-end/low-end) and retailer (high-end/low-end) on consumers' urgency to buy and brand dilution.

The Effect of Perceived Fit between Brand and Retailer on Urgency to Buy

Perceived fit is considered the most important indicator of brand extension success (Grime et al., 2002; Völckner & Sattler, 2006). This may be true because according to categorization theory (Sujan & Dekleva, 1987; Sujan & Tybout, 1988; Meyers-Levy & Tybout, 1989; Sujan & Bettman, 1989), consumers make inferences of new stimuli (i.e., extension brand) based on parent brand knowledge.

In a similar way, consumers may also perceive fit between brand and retailer. Consumers may perceive high-end brands known for exclusivity and low-end brands known for mass consumption to be offered in retailers that offer the same distribution level. For example, high-end brands such as Alexander McQueen and Stella McCartney offer products that are priced on average over $3,000 and $1,200, respectively. These high-end brands fit with, and are offered exclusively at high-end stores like Neiman Marcus, which only have 42 stores throughout the whole country (Neiman Marcus, n.d.). In a similar way, consumers may perceive low-end brands to be of low-cost and quality, and may expect to find them at mass retailers that offer low-cost and low-quality products that are distributed in mass quantities.

Since high-end brands are typically offered at high-end retailers and since low-end brands are typically offered at low-end retailers, this creates fit between the brand and retailer. As suggested by categorization theory (Sujan & Bettman, 1989; Sujan & Dekleva, 1987) and previous research (Grime et al., 2002; Völckner & Sattler, 2006), perceived fit is considered the most important factor for brand extension success, where higher fit causes greater brand extension evaluations (Völckner & Sattler, 2006).

Therefore, it is possible that consumers will perceive fit between brand and retailer, where in the case of high-fit consumers will have more favorable evaluations of the brand extension (Grime et al., 2002), which may lead to higher tendencies to purchase the extension brand urgently. Based on this previous literature, hypothesis 3 proposes:

H3: Urgency to buy will be higher in high perceived fit between brand and retailer than low perceived fit.

The Effect of Perceived Fit between Brand and Retailer on Brand Dilution

Since high-end brands are known for exclusivity (Escalas & Bettman, 2003), when they are offered at a low-end retailer that offers mass distrubtion, there is low-fit between the brand and retailer, which can also pose a threat to the parent brand image. This may be true because in this case the brand will become too widespread and therefore less exclusive (Ahluwalia & Gürhan-Canli, 2000; Dubois & Paternault, 1995; Kim & Lavack, 1996; Kim et al., 2001; Magnoni, & Roux, 2008), and less desirable (Hennigs et al., 2013). For example, an English low-end retailer Tesco has recently attempted to carry high-end brands in order to elevate their status in the minds of consumers. However, high-end brands are refusing to supply Tesco with their brands because they are concerned that having their product available at a low-end retailer would de-value their brand's exclusivity and brand-quality associations (Cooper, 1998).

In a similar way, when a low-end brand is offered at a high-end retailer, it can also cause brand dilution because according to cognitive dissonance theory (Festinger, 1957), people strive for consistency (i.e., fit) between beliefs and actions. When consumers perceive mis-fit, this creates uncomfortable dissonance between the qualities associated with a parent brand and extended brand. To relieve dissonance in the case of mis-fit, consumers will change their belief about the parent brand; thus, resulting in a lower evaluation of the parent brand, creating parent brand dilution. Collectively, the above research suggests that mis-fit (a.k.a. dissonance) caused from a high-end brand being offered at a low-end retailer, or a low-end brand being offered at a high-end retailer, can damage exclusivity (Kim et al., 2001; Magnoni & Roux, 2008) and brand quality associations (Roux, 1995; Stegemann, 2006), which can cause parent brand dilution. Therefore, based on this rationale, the following hypothesis proposes:

H4: Brand dilution will be higher in low perceived fit between brand and retailer than high perceived fit.

The Influence of Brand Consciousness on Urgency to Buy and Brand Dilution

The proposed relationships suggested above are likely to be stronger for brand conscious consumers. This may be true because these consumers have greater knowledge of branded products (Liao & Wang, 2009; Sproles & Kendall, 1986), and seek well-known branded products for their social benefits more than non-brand conscious consumers (Lehmann & Winer, 1997; Liao & Wang, 2009). Furthermore, since brand conscious consumers are brand knowledgeable, they know what the expected quality of the parent brand should be (Sproles & Kendall, 1986), while general consumers may only have a broad idea of the quality of the parent brand. Brand conscious consumers' knowledge of brands and the quality of brands (Sproles & Kendall, 1986) makes it possible for them to more effectively assess fit between brand and retailer. For this reason, brand conscious consumers may be more sensitive to perceptions of fit and misfit between brand and retailer. Therefore, brand consciousness consumes will more likely be influenced by the positive effect of perceived fit on urgency to buy when there is high-fit between brand and retailer, and more likely to be influenced by the negative effect of perceived fit on brand dilution when there is low perceived fit between brand and retailer. Based on the characteristics of brand conscious consumers, the following hypotheses is presented:

H5: The positive effect of perceived fit between brand and retailer on urgency to buy will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.

H6: The negative effect of perceived fit between brand and retailer on brand dilution will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.

Study 3

In the third study, the effects of extension strategy (limited edition/ongoing collection) and the effects of fit between brand level (high-end/low-end) and retailer level (high-end/low-end) on consumers' urgency to buy and brand dilution is tested. It is important to test the combined effect of these factors because the joined scenario is a common practice in the apparel industry and is likely to produce unique results than when tested separately.

The Effect of Extension Strategy and Perceived Fit between Brand and Retailer on Urgency to Buy

The positive effect of high perceived fit between brand and retailer on urgency to buy should be heightened in the case of limited offering since consumers have to compete with others to obtain the product. Competition occurs because every time a consumer purchases a product from the limited edition extension, there is less available for other consumers (Aggarwal et al., 2011), putting pressure of consumers to buy immediately (Lee, 2012). However, when there are no restrictions of the quantity available (i.e., ongoing collection), consumers will feel less reason to buy the item immediately. In this case, when there is high-fit between brand and retailer (i.e., high-end brand offered at high-end retailer or low-end brand offered at low-end retailer) and the brand offers a limited edition, consumers will have greater urgency to buy, but when a brand extends as an ongoing collection, consumers will have less urgency to buy. Therefore, this study hypothesizes the following:

H7: The positive effect of perceived fit between brand and retailer on urgency to buy will be moderated by brand extension strategy (limited edition vs. ongoing) such that the relationship will be stronger in limited edition.

The Effect of Extension Strategy and Perceived Fit between Brand and Retailer on Brand Dilution

When there is low perceived fit between brand and retailer, the brand becomes more susceptible to dilution effects (Ahluwalia & Gürhan-Canli, 2000; Dubois & Paternault, 1995; Kim & Lavack, 1996; Kim et al., 2001; Magnoni & Roux, 2008). This is the case because when consumers perceive low-fit in brand extensions, they experience dissonance which causes dilution to the parent brand (Festinger, 1975; Goh, 2010). However, by purposely limiting the quantity available to consumers by offering limited edition, it can decrease the dilution effects. On the other hand, when a brand offers a vertical-downward extension brand on an ongoing basis and does not limit the quantity produced, it does not remain exclusive. Thus, the negative effect of perceived fit becomes more susceptible to dilution effects based on a brand's extension strategy (Kapferer, 1997; Dubois & Paternault, 1998). Therefore, based on this rationale, the following hypothesis is presented.

H8: The negative effect of perceived fit between brand and retailer on brand dilution will be moderated by brand extension strategy (limited edition vs. ongoing) such that the relationship will be stronger in ongoing collection.

Study 4

In study four, the effects of fit between brand (high-end/low-end) and price gap between a parent brands' original price and the extension brand price (0%, 20%, 80%) on consumers' urgency to buy and brand dilution is tested.

The Effect of Perceived Fit between Brand and Price Gap on Urgency to Buy

Consumers form expectations of the price of an extension brand based on knowledge of the price of the parent brand (Hennigs et al., 2013). This expectation of price forms a reference point for consumers (Lowengart, 2002; Winer, 1986). A reference point refers to a standard price that consumers compare observed prices to (Winer, 1986). In this way, consumers already have a pre-established idea of what the extension brand should cost based on their knowledge of what the parent brand costs. Based on this, it is likely that consumers construct perceptions of the brand extension based on the fit between the brand name and the reference price of the brand's merchandise. Therefore, consumers are likely to perceive high-fit between brand and price when the price of the brand extension more closely matches their perception of the parent brand price (i.e., brand extension offered at the same price or 20% lower than the parent brand price). Whereas, consumers are likely to perceive low-fit between brand and price when the brand offers an extension at a price that is not similar to their parent brand price (i.e., 80% lower).

Researchers have recently noted that perceived fit relates to price (Dall'Olmo Riley et al., 2013; DelVecchio & Smith, 2005; Taylor & Beardon, 2002; Sattler et al., 2010), suggesting that when fit is present between the parent brand and extension brand, consumers have consistent information about the expected quality of the brand. Thus, when the brand offers their extension brand at a similar price as their parent brand, price-quality relationships are intact (Sattler et al., 2010), which may increase consumers' urgency to buy. Therefore, based on this logic, the following hypothesis proposes:

H9: Urgency to buy will be higher in high perceived fit between brand and price than low perceived fit.

The Effect of Perceived Fit between Brand and Price Gap on Brand Dilution

Price can be an important tool for forming evaluations of extension brands (Dall-Olmo Riley et al., 2013; Taylor, 2002; Taylor & Bearden, 2002). Specifically, if the price of the extended brand is too low, it can cause dilution of the parent brand image. This may occur because according to Weber's Law of Just Noticeable Difference, if consumers perceive the price to be too different between the parent brand and extended brand, the price-quality relationship may be affected and consumers may perceive the product as different than they originally thought (Monroe, 1971). Specifically, if the price difference between the parent brand and extended brand is high (i.e., 80%

difference), consumers interpret the lower price of the extended brand to mean that the brand is of lower quality, thus, changing their overall perception of the parent brand (Miller, 1962).

Also, if the price difference between the parent brand and extended brand is high (i.e., 80% difference) the brand becomes more available to consumers at all income levels, which can threaten the exclusivity and uniqueness of the original parent brand (Hennigs et al., 2013). Therefore, when there is mis-fit in consumers' minds between brand and retailer it can potentially create confusion about the parent brand's quality (Tauber, 1988) and exclusivity (Dubois & Paternault, 1995; Ahluwalia & Gürhan-Canli, 2000), which can cause dilution to the parent brand. This logic leads to the following hypothesis:

H10: Brand dilution will be higher in low perceived fit between brand and price than high perceived fit.

The Influence of Brand Consciousness on Urgency to Buy and Brand Dilution

It can be rationalized that since brand conscious consumers are knowledgeable of well-known brands in the marketplace, and use brand names as a way to signal social status (Liao & Wang, 2009; Sproles & Kendall, 1986) they are likely to be more sensitive to cues of fit between brand and price. In addition, given that brand conscious consumers have marketplace knowledge (Sproles & Kendall, 1986) it is possible that they are knowledgeable of the true monetary value of brands. In this case, brand conscious consumers would be more able to accurately know the price of an extension brand based on their knowledge of the parent brand. Thus, brand conscious consumers may be more sensitive to the positive effect of perceived fit between brand and price and would be more likely to feel a need to purchase an extension brand immediately under this condition.

Furthermore, when accounting for brand consciousness, the negative effect of low perceived fit between brand and price on brand dilution is likely to be stronger. This may be true because brand conscious consumers think highly of branded merchandise that is both unique and exclusive (Liao & Wang, 2009; Ye, Bose, & Pelton, 2012). Thus, for brand conscious consumers, the high price difference will result in greater loss of uniqueness and exclusivity, leading to greater brand dilution for brand conscious consumers more than non-brand conscious consumers. Therefore, based on these arguments, the following hypotheses are proposed:

H11: The positive effect of perceived fit between brand and price on urgency to buy will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.

H12: The negative effect of perceived fit between brand and price on brand dilution will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.

CHAPTER IV

METHODS

This chapter presents the major components of the experimental designs. Specifically, this chapter includes the following sections: (1) Pre-Test, (2) Data Collection, (3) Stimuli, (4) Measurement, (5) Protocol, (6) Pre-Test of the Instrument, and (7) Analysis. For a summary of the experimental methods pertinent to each of the four studies, refer to Table 4. This table presents what each study tested and how it was tested.

Pre-Test

The purpose of a pre-test was to establish internal validity and to ensure the manipulation of the treatments actually caused the observed effects on the dependent variables (Malhotra, 2010). First, based on the purposes of this study, it required the selection of two fashion brands; one in the high-end market, and one in the low-end market and two retailers; one in the high-end market, and one in the low-end market. To select the brand and retailer names, a convenience sample of 39 students from the department of Consumer, Apparel, and Retail Studies at the University of North Carolina at Greensboro were selected to participate in the pre-test. These individuals did not participate in the main study. This was an appropriate size for a brand selection pre-test (Dall'Olmo Riley et al., 2013) and utilizing a university student sample for pre-tests is common practice in research (Dall'Olmo Riley et al., 2013). Following the directions of

Dall'Olmo Riley et al. (2013), a list of manufacture fashion brand names and a list of retailer names were compiled by the researcher based on the examination of online and offline stores that were in the upper and lower end of the market in terms of price. Using actual names when studying extension brands is the most common method utilized in research (Aaker & Keller, 1990; Boush & Loken, 1991; Broniarcyk & Alba, 1994; Dall'Olmo Riley et al., 2013; Park et al., 1991). See Appendix A for a copy of the pre-test.

Once ten brands and ten retailers were identified, respondents assessed the familiarity and perceived prestige of the brands and retailers measured on 7-point likert scales (1=very unfamiliar, 7=very familiar; 1=not very prestigious, 7=very prestigious). Brand and retailer names were selected if they were not significantly different on the familiarity measure, but significantly different on the prestige measure. While measuring prestige allows separation of high-end and low-end, familiarity is measured because consumers have to know the brand and retailer in order to be capable of forming an opinion of it in terms of fit (Broniarczyk & Alba, 1994; Simonin & Ruth, 1995). The brands and retailers also needed to meet the requirement of achieving scores above the mean for both the familiarity and prestige measure (Dall'Olmo Riley et al., 2013). Two brands, one high-end brand and one low-end brand, and two retailers, one high-end retailer and one low-end retailer were selected based on this series of criteria.

Data Collection

Sample Characteristics

Participants in this study were students purposely sampled from the University of North Carolina at Greensboro and Universities in the Greensboro area. This population was chosen for several reasons. Firstly, a student sample minimizes random sampling error and error variance because they represent a homogeneous group (Calder, Phillips, & Tybout, 1981). Second, vertical-downward extension brands are often targeted at young and fashion conscious consumers. Third, young consumers are often fashion conscious consumers (Liao & Wang, 2009). Therefore, the sample used in this study is consistent with extended fashion brands' target market (Watson & Yan, 2013) and this young sample is often the target for fashion advertisements. Lastly, sampling students is a common practice in brand extension research (Ahluwalia & Gürhan-Canli, 2000; Buil, Chernatony, & Martinez, 2009; Chen & Liu, 2004; Kim et al., 2001; Park, Milberg, & Lawson, 1991).

Due to the purpose of this study, female participants were selected for this study. Female participants were chosen because shopping is usually considered a female exercise (Otnes & McGrath, 2001). Females are also considered to be more fashion conscious compared to men (Goldsmith et al., 1987; Stith & Goldsmith, 1989) and spend more time shopping than men (Dholakia, 1999; Noble, Griffith, & Adjei, 2006). Using a sample of females only is a common approach in research on fashion products and fashion extension brands (Berger & Ward, 2010; Forney et al., 2005). Based on the characteristics of this sample, results can be generalized to young females interested in fashion.

Sample Recruitment

To recruit the sample, professors and teaching assistants at the University of North Carolina at Greensboro and surrounding Universities were approached and asked if they would be willing to offer their students to voluntarily participate in this study (see Appendix B for the email recruitment script). If no response was given from the professor after one week, a follow up email reminder was given. Once permission was granted from the course instructors, they sent the study online link directly to their student participants.

In order to further encourage participation in this study, participants were told that there was a random drawing of five Starbucks certificates valued at $20 each. Offering incentives is a common approach in dissertation research (e.g., Byun, 2006; Gupta, 2013).

For sample size, it is recommended that each group equal 30 (Hair, Black, Babin, & Anderson, 2010). This is a common sample size per group in experimental research (Berger & Ward, 2010; Han, Nunes, & Drèze, 2010). Therefore, since Study 1 and Study 2 have four groups, it is recommended that the total same size be 120. Moreover, since Study 3 has eight groups and Study 4 has six groups it is recommended that the sample size equals 240 and 180 respectively. Based on suggestions by Hair et al. (2010), it is especially important to maintain equality of sample size per group because the effectiveness of the analysis is dictated by the smallest group size. Researchers attempted to maintain equality of sample size for each experimental study by having random but equal group assignment.

Data Collection Mode

This study was designed as an online experiment, where participants were randomly assigned to one of the experimental conditions. Distributing questionnaires online is a common approach and has been used in similar studies (Goh, 2010; Sattler et al., 2010). The benefits of utilizing the online channel are numerous. Firstly, online questionnaires allows the researcher to ensure that they reach the target sample (Malhotra, 2010). In this case, the online data collection mode was effective at reaching female college student respondents. In addition to the quick turnaround time, online questionnaires are also cost effective (Malhotra, 2010). Specific to this study, the online channel ensured random sampling with equal group size (via pre-programming for random and equal group assignment) and clear visibility of the stimuli.

Stimuli

The stimulus used in all experiments was a commercial video advertisement promoting the extension brand and was created using materials from actual advertisements (Aggarwal et al., 2011). See Appendix C to gain an understanding of the stimuli used in this study. Once the brand was selected, the research collected video commercial advertisements via online and edited the video to include manipulated messages pertinent to each study (see Table 4 for the manipulated text that was included on each stimulus). In the video, all visual images were the same except for the manipulated text. Once the stimuli were developed, there was a final pre-test of the instrument (see section below).

Video stimuli are superior to a print advertisement because participants are able to more fully form an impression of the brand and it allows respondents to get familiar with the brand and its typical offerings. Through text, the video stimuli also read that the brand is now introducing a vertical-downward extension brand (i.e., lower cost, lower quality line). This was portrayed through a message reading “Brand X is now introducing a lower cost extension brand”. This statement was present on all stimuli, but the specific manipulated text varied by experiment (See Table 4). The following paragraphs present the specific text that was used to represent the manipulated variables.

In Study 1, high-end and low-end brand was manipulated by showing the commercial advertisement for the brand and stating, “Brand X is now introducing a lower priced extension brand”. The text on the limited edition stimuli advertisement read “This is a limited edition collection for a limited time only. While supplies last” (Lee, 2012).” This demonstrated that the vertical-downward extension brand was limited in terms of quantity and time (Cialdini, 2008; Gupta, 2013; Lee, 2012). In the ongoing collection stimuli, the extension brand was an ongoing collection. To portray this practice, the second stimuli read, “This is an ongoing collection, check it out the next time you are in the store”.

In Study 2, brand and retailer fit was manipulated by text stating, “Brand X is now introducing a lower priced extension brand at Retailer X”. This showed that the brand was extending vertically-downward into the specified retailer.

In Study 3, the text on the video stimuli read either a limited edition or ongoing collection statement. Respondents viewed the text i) "This is a limited edition collection for a limited time only. While supplies last" (Lee, 2012) or "This is an ongoing collection, check it out the next time you are in the store". Respondents also either viewed the text "Brand X is now introducing a lower priced extension brand at Retailer X", where brand and retailer names (high-end/low-end) was manipulated based on the pre-test.

Lastly, for Study 4, the price gap of 0% between parent brand and extension brand was portrayed by the statement, "The extension brand price will be offered at the same price as parent brand X" and the introduction statement of "Brand X is now introducing a lower priced extension brand" was not included for this particular condition because the price remained the same. The price gap of 20% and 80% was manipulated by the following text, "Brand X is offering an extension brand at 20% (80%) lower than their parent brand".

Measurement

Table 3 summarizes the measurement of major constructs used in this study. The independent variables were based on the manipulation of extension strategy (limited edition/ongoing collection) and levels of perceived fit. For Study 1, independent variables were limited edition/ongoing collection. In the second study, perceived fit between brand and retailer was the independent variable, and in the third study the independent variables were i) limited edition/ongoing collection and ii) perceived fit between brand and retailer. Lastly, in Study 4, the independent variable was perceived fit between brand and price gap. Perceived fit was a categorical variable and was based on a mean split of consumers' perception of the fit between the manipulated variables (Albrecht et al., 2013). Measuring perceived fit in this manner is a common approach (Laforet, 2008; Swaminathan, 2003). Refer to Table 4 on how independent variables were manipulated in terms of extension strategy and variations in fit.

Measures for the dependent variables, the moderator, and manipulation checks were selected from previous literature and were based on valid and reliable existing measurement scales. All items were measured on seven-point likert-scales. The dependent variables used over the four studies was i) urgency to buy (Gupta, 2013) and ii) parent brand evaluation (Keller & Aaker, 1992) to measure brand dilution (Kim et al., 2001). The moderator that was used over Study 2 and Study 4 was brand consciousness (Sproles and Kendal, 1986). Lastly, the manipulation checks were based on scales measuring perceived limited edition (Eisend, 2008) and perceived fit (Keller & Aaker, 1992; Roux, 1995; Völckner & Sattler, 2006).

Table 3

Measurement of Dependent Variables, Moderator, and Manipulation Checks

Variables	**Used in Study**	**Number of Items**	**Scale Items & Scale Used**	**Source**
Dependent Variables				
Urgency to Buy	1,2,3,4	4	• I would buy this product immediately. • I would buy this product even if I had not intended to purchase it. • If I don't buy this product right away, it is very likely that I won't have a chance to purchase it later. • I would buy this product without	Gupta (2013)

			considering the consequences. (1=strongly disagree, 7=strongly agree)	
Brand Dilution	1,2,3,4	3	**Pre-Stimuli*:** Please think of brand X and evaluate the brand using the following aspects. **Post Stimuli*:** After brand X introduced an extension brand, what do you NOW think of brand X? • Quality of the brand (1=low quality, 7=high quality) • Likelihood of purchasing (1=not at all likely, 7=very likely) • Whether the product was inferior or superior. (1=inferior, 7=superior)	Keller and Aaker (1992)
Moderator				
Brand Conscious-ness	1,4	6	• The well-known national brands are for me. • The more expensive brands are usually my choices. • The higher the price of the product, the better the quality. • Nice department and specialty stores offer me the best products. • I prefer buying the best-selling brands. • The most advertised brands are usually very good choices. (1=strongly disagree, 7=strongly agree)	Sproles and Kendal (1986)
Manipulation Checks				
Perceived Limited Edition	1,3	3	• I think the time availability of this brand is limited. • I think the quantity availability of this brand is limited. • This <brand> is limited edition. (1=strongly disagree, 7=strongly agree)	Eisend (2008); Wu et al. (2012)
Perceived Fit Between Brand and	2,3	3	• < Extension Brand > fits well with <Retailer>. • < Extension Brand > is a logical extension to be offered in <Retailer>. • < Extension Brand > should be	Modified from Albrecht et al. (2013)

Retailer			offered in <Retailer>. (1=strongly disagree, 7=strongly agree)	
Perceived Fit Between Brand and Price Gap	4	3	• < Extension Brand> fits well with <Price Gap> • < Extension Brand> is a logical price at <Price Gap>. • < Extension Brand > should be offered at <Price Gap>. (1=strongly disagree, 7=strongly agree)	Modified from Albrecht et al. (2013)

*The difference between the two parent brand evaluation scales was used to measure the degree of parent brand dilution.

Dependent Variables

Urgency to Buy

Urgency to buy was operationalized by a four-item scale adapted from Gupta (2013). The original scale was developed for a mall intercept method, so it was modified to fit a hypothetical situation used in this study. The reported reliability in the previous study was a Cronbach's alpha value of 0.66. Therefore, this scale was considered reliable (Hair et al., 2010). To measure urgency to buy, respondents were asked to indicate on a 7-point likert scale (1=strongly disagree, 7=strongly agree) the extent to which they agree. Items used in this study included: "I would buy this product immediately", "I would buy this product even if I had not intended to purchase it", "If I don't buy this product right away, it is very likely that I won't have the chance to purchase it later", and "I would buy this product without considering the consequences".

Brand Dilution

Parent brand evaluation was used to measure brand dilution (Dall'Olmo Riley, et al., 2013; Kim et al., 2001; Loken & John, 1993) because it was measured before and after the stimulus and the difference between before and after was used to measure how much parent brand image was diluted when a vertical-downward extension brand was introduced (Kim et al., 2001). Before the stimuli, respondents were asked to “please think of brand X and evaluate the brand using the following aspects”. They then filled out the parent brand evaluation scale. Respondents were then exposed to the stimuli, and after this, respondents were asked, “after brand X introduced an extension brand, what do you NOW think of brand X?” and respondents again filled out the parent brand evaluation scale.

Modifying from Keller and Aaker (1992), three aspects of parent brand evaluation included “the perceived quality of the brand”, “the likelihood of purchasing the brand” and “whether the brand was inferior or superior”. These items were measured on 7-point likert scales. The Cronbach’s alpha value for this original scale was over .70 and is therefore considered reliable (Hair et al., 2010).

Moderator

Brand Consciousness

Brand consciousness was measured using six items drawn from Sproles and Kendal (1986). The Cronbach’s alpha value in their study was .75, and was therefore reliable (Hair et al., 2010). Examples of the items include, “I prefer buying the best-selling brands”, and “the well-known national brands are for me”. Six items were measured on a 7-point likert scale (1= strongly disagree, 7= strongly agree).

Manipulation Checks

Perceived Limited Availability

The scale for perceived limited availability was drawn from Eisend (2008) and has been used previously as a manipulation check for limited availability (Wu et al., 2012). The scale was modified to better capture both limited availability in terms of quantity and time. Since limited edition products are limited in terms of time and quantity available (Gierl, Plantsch, & Schweidler, 2008), instead of "I think the availability of this product is limited", quantity availability and time availability was measured by modifying this item to "I think the quantity availability of this brand is limited" and "I think the time availability of this brand is limited". Wu et al.'s (2012) measure, "This brand is limited-edition" was also included. Since each of the borrowed items were single, there was no Cronbach's alpha value. The three items were measured on a 7-point likert scale ranging from "strongly disagree" (1) to "strongly agree" (7).

Perceived Fit between Brand and Retailer

The measure for perceived fit was originally developed by Keller and Aaker (1992). Although this scale is highly used to measure perceived fit, these measures cannot be fully applied to this study because extended brands target a different audience than their parent brand (Truong, McColl, & Kitchen, 2009). Therefore, although highly used, Keller and Aaker's (1992) perceived fit scale is not appropriate for studies on vertical-downward extension brands. Instead, this study used the perceived fit scale developed by Albrecht et al. (2013). The Cronbach's alpha value for this scale was over .70, and therefore meets the minimum standard and is considered reliable (Hair et al., 2010). This scale was measured on a 7-point likert scale (1=strongly disagree, 7=strongly agree). Since this scale was about general perceived fit, for Study 2 and 3, fit measures were modified to specifically address fit between brand and retailer (e.g., <Extension Brand> fits well with <Retailer>).

Perceived Fit between Brand and Price Gap

To measure perceived fit between brand and price gap in Study 4, Albrecht et al. (2013) general perceived fit scale was modified to specifically address fit between brand and price gap (e.g.,<Extension Brand> should be offered at <Price Gap %>).

Demographic Information

Demographic information including gender, age, ethnicity, education, and household income was also collected from respondents. All measures were assessed on categorical scales, with the exception of age, which was measured on a continuous scale.

Protocol

To access the questionnaire, respondents received a link electronically via their professor. Once the link was clicked, respondents were exposed to a cover letter that explained the purpose of study and that participation was voluntary and information would be confidential and anonymous. The cover letter also informed respondents of the nature of the research. To established trust, the University of North Carolina at Greensboro logo was placed at the top of the page. Informed consent was established once participants passed this cover page. The cover page also gave suggestions to respondents of the computer capabilities needed to view the stimuli and were asked to use headphones if there was background noise. See Appendix D for a sample of the IRB stamped cover letter. Once participants passed the cover page, they then continued to the body of the questionnaire. See Appendix E for a copy of the questionnaires used in Study 1, 2, 3, and 4.

To ensure that respondents took the questionnaire only once, the statement "if you have seen this questionnaire before, please stop the study" read at the beginning of the questionnaire. Next, prior to exposure to the stimulus, respondents first rated their evaluation of the brand using Keller and Aaker's (1992) brand evaluation scale (see Table 3). These items were used as a baseline to compare to the post extension brand evaluation taken after the extension stimuli to measure the degree of parent brand dilution (Dall'Olmo Riley et al., 2013; Kim et al., 2001; Loken & John, 1993). After this measure, respondents were then exposed to the experimental stimulus.

After respondents were exposed to the stimuli (see Appendix C for a general sample of the stimuli used in each study), participants responded to measures of parent brand evaluation (Keller & Aaker, 1992) to measure brand dilution (Kim et al., 2001), urgency to buy (Gupta, 2013), perceived fit (Albrecht, 2013), and manipulation checks (see Table 3 for manipulation checks used in each study). In total, the questionnaire took less than 10 minutes to complete.

Pre-Test of the Instrument

Once the instrument and video stimuli were developed (See examples in Appendix E for the questionnaires used in each study), there was a final pre-test of the instrument. Five scholars from the department of Consumer, Apparel, and Retail Studies with expertise in fashion branding reviewed the video stimuli and questionnaires that followed the stimulus. This group of scholars reviewed the questionnaire for clarity and comprehensiveness of questions, appropriateness, and ease of use online. These individuals also reviewed the stimulus and responded to the manipulation checks for each stimulus. This practice contributes to the face validity of the experimental studies (Malhotra, 2010).

Analysis

To test the hypotheses, this study used analysis of variance (ANOVA), t-tests, and moderated regression. The objective of ANOVA is to measure differences on continuous dependent variables based on categorical independent variables (i.e., extension strategy, perceived fit) (Hair et al., 2010). Specifically, in each of the four studies, the dependent continuous variables were i) urgency to buy and ii) brand dilution. The moderator used in Study 2 and 4 was brand consciousness. Moderated regression analysis was used to specifically test hypotheses 5, 6, 11, and 12. These hypotheses stated that brand consciousness would moderate the relationship between perceived fit and the dependent variables. To test for specific group differences, t-test analysis was used to test hypotheses 7 and 8. This analysis tests for significant differences between two groups.

Table 4

Summary of Experimental Methods

Study	Manipulated Variable	Design	Manipulation Text	Stimuli	Covariate	Testing Hypotheses	Sample Size	Analysis
1	Limited Edition	Between Subjects	“This is a limited edition collection for a limited time only”.	30 Second Commercial with written text	N/A	H1: ↑ Urgency to Buy→ Limited Edition H2: ↑ Brand Dilution → Ongoing Collection	Average 31 per cell = 125	ANOVA
	Ongoing Collection		“This is an ongoing collection. Check it out next time you are in the store”.					
	Brand Level (High-end/Low-end)		Brand name based on pretest					
2	Brand Level (High-end/Low-end)	Between Subjects	Brand name based on pretest	30 Second Commercial with Brand and Retailer name	Brand Consciousness	H3: ↑ Urgency to Buy in ↑ Perceived Fit H4: ↑ Brand Dilution in ↓ Perceived Fit H5: ↑ Perceived Fit*Brand Consciousness ⟶ ↑ Urgency to Buy H6: ↓ Perceived Fit*Brand Consciousness ⟶ ↑ Brand Dilution	Average 32 per cell = 127	ANOVA Moderated Regression
	Retailer Level (High-end/Low-end)		Retailer name based on pretest					

Study	Manipulated Variable	Design	Manipulation Text	Stimuli	Covariate	Testing Hypotheses	Sample Size	Analysis
3	Limited Edition Ongoing Collection Brand Level (High-end/Low-end) Retailer Level (High-end/Low-end)	Between Subjects	"This is a limited edition collection for a limited time only". "This is an ongoing collection. Check it out next time you are in the store". Brand name based on pretest Retailer name based on pretest	30 Second Commercial with Brand and Retailer name with text	N/A	H7: ↑ Perceived Fit*Extension Strategy → ↑ Urgency to Buy H8: ↓ Perceived Fit*Extension → ↑ Brand Dilution	Average 31 per cell = 247	ANOVA t-tests
4	Brand Level (High-end/Low-end) Price Gap (0%, 20%/80%)	Between Subjects	Brand name based on pretest 0% = "The extension brand price will be offered at the same price as parent brand X". 20/80% = "This extension brand will be offered at 20%(80%) lower than the parent brand"	30 Second Commercial with Brand name with text	Brand Consciousness	H9: ↑ Urgency to Buy in ↑ Perceived Fit H10: ↑ Brand Dilution in ↓ Perceived Fit H11: ↑ Perceived Fit*Brand Consciousness → ↑ Urgency to Buy H12: ↓ Perceived Fit*Brand Consciousness → ↑ Brand Dilution	Average 29 per cell = 175	ANOVA Moderated Regression

CHAPTER V

DATA ANALYSIS

This chapter includes the following sections: (1) Pre-test Analysis and Results, (2) Description of Participant Characteristics, (3) Preliminary Analysis, (4) Manipulation Checks, and (5) Hypothesis Testing.

Pre-Test Analysis and Results

A pre-test was conducted to select the brands (high-end and low-end) and retailers (high-end and low-end) used in the study's stimuli. Based on the directions of Dall'Olmo Riley et al. (2013), a list of ten high-end and ten low-end fashion brands and ten high-end and ten low-end retailers were complied. Country of origin effects were controlled by selecting only US brands. Respondents for the pre-test (n=39) were asked to indicate their perceived prestige level for each brand and retailer and how familiar they were with the brands and retailers. Refer to Appendix A for the complete pre-test.

To select a high-end and a low-end brand, the two brands should exhibit a significant difference on the prestige measure and no significant difference in the familiarity measure. Following Dall-Olmo Riley's et al. (2013) directions, a series of t-tests were conducted between the high-end and low-end fashion brands to determine which brands showed a significant difference on the prestige measure and a non-significant difference on the familiarity measure. The brand familiarity mean also had to be above the overall mean when combining all brands (Dall-Olmo Riley et al., 2013). Results showed that the brands Lee and Ralph Lauren met these criteria and had significant differences on the prestige measure (M_{Lee}=3.11, $M_{Ralph\ Lauren}$=5.79, 2.92, p=.022*), but no significant differences on the familiarity measure (M_{Lee}=5.89, $M_{Ralph\ Lauren}$=6.87, F=.633, p=.432). Values for brand familiarity were also above the overall mean for all brands (M=5.56)

In a similar way, t-tests were conducted between all high-end and low-end retailers to test which retailers were significantly different on the prestige measure, but not significantly different on the familiarity measure. To select a retailer that respondents were familiar with, retailers were selected that had a familiarity measure above the overall mean (M=5.60). It was found that there was a significant difference between Target (M=3.00) and Nordstrom (M=5.89) on the prestige measure (F=4.533, p=.009**), and there was no significant differences between Target (M=6.89) and Nordstrom (M=6.50) on the familiarity measure (F=.306, p=.739). Therefore, based on the results of the pre-test, Lee was chosen as the low-end brand, Ralph Lauren was chosen as the high-end brand, Target was chosen as the low-end retailer, and Nordstrom was chosen as the high-end retailer.

Description of Participant Characteristics

Table 5 reports a description of study participation. Overall, a total of 674 respondents participated in this research. Of the 1280 that started the questionnaire, 611 were removed, resulting in 674 usable responses for data analysis. Incompleteness was mainly derived from participants opening the study's online link to view the questions without actual participation. To ensure that respondents did not take the questionnaire more than once, a unique identification was obtained from participants (i.e., respondent's email address). This unique identification was checked for duplication to identify whether respondents took the questionnaire more than once. Based on this, there were no respondents that took the questionnaire more than once.

Of the 674 responses, there were 125 usable responses in the first study, 127 usable responses in the second study, 247 usable responses in the third study, and 175 usable responses for the fourth study. Overall, participation was nearly equal across the cells and on average 58 participants started the questionnaire, 28 were removed, resulting in 31 participants for analysis per cell. This number of participants per cell is appropriate for an experimental study (Dall'Olmo Riley et al., 2013; Hair et al., 2010

Table 5

Description of Study Participation

Manipulated Variables				Participants: Started	Participants: Removed	Participants: Used for Analysis
			Overall Total	**1280**	**616**	**674**
Extension Strategy	**Fit**	**Brand**	**Retailer**			
Limited Edition	-	-	-	110	54	59
Ongoing Collection	-	-	-	114	48	66
			Total	**224**	**104**	**120**
--	High	High-end	High-end	59	18	41
		Low-end	Low-end	56	28	31
--	Low	High-end	Low-end	60	32	28
		Low-end	High-end	56	26	30
			Total	**231**	**104**	**127**
Limited Edition	High	High-end	High-end	64	35	29
		Low-end	Low-end	59	28	31
	Low	High-end	Low-end	59	31	28
		Low-end	High-end	62	27	35
Ongoing Collection	High	High-end	High-end	62	35	27
		Low-end	Low-end	58	22	36
	Low	High-end	Low-end	63	29	34
		Low-end	High-end	64	37	27
			Total	**491**	**244**	**247**
	Fit	**Brand**	**Price Gap**			
--	High	High	0%	55	35	20
		High	20%	61	25	36
		Low	0%	62	31	31
		Low	20%	58	27	31
	Low	High	80%	39	17	27
--		Low	80%	59	29	30
			Total	**334**	**164**	**175**
			Average	**58**	**28**	**31**

Participant characteristics are reported in Table 6. Of the total usual responses (n=674), the mean age was 21.90. The majority of the participants identified themselves as White/Caucasian (n=370, 54.9%), followed by African American (n=182, 27%), Asian (n=40, 5.9%), Hispanic (n=31, n=4.6), Mixed Race (n=30, 4.5%), and Native American (n=5, .7%). Some respondents reported they already possessed a college degree (n=76, 11.2%), and overall the majority of respondents were educated, with 387 (57.45%) respondents reporting that they had some college education. These characteristics accurately reflect the U.S college student population because while most students are seeking a bachelor's degree for the first time, some students return to school for a second career or to further their education (National Center for Education, 2013).

Income was well distributed with the highest number of respondents indicating that their household income was between $40,000 and $59,999. In terms of major studied, of the fixed responses, 19.6% (n=132) participants indicated that their major was Consumer, Apparel, and Retail Studies, followed by Management (n=29, 4.3%), Art (n=28, 4.3%), and Marketing (n=21, 3.1%). Overall, the majority of respondents indicated that their major was 'other'. These responses were grouped and coded and it was determined that of these, respondents indicated that their major was health related (e.g., nutrition, nursing) (n=128, 19.0%), science related (e.g., biology, chemistry) (n=79, 11.7%), or business related (e.g., economics, accounting) (n=69, 10.2%). Overall, these characteristics accurately reflect the U.S college student population (National Center for Education, 2013; United States Census Bureau, 2012).

Table 6

Participant Characteristics

Characteristics	**Frequency/Percentage** (n=674)	
Ethnicity		
White/Caucasian	370	54.9
African American	182	27.0
Asian	40	5.9
Hispanic	31	4.6
Native American	5	.7
Mixed Race	30	4.5
Other	16	2.4
Education		
High school	124	18.4
Some college	387	57.4
2-year college degree	87	12.9
4-year college degree	60	8.9
Master's degree	15	2.2
Professional degree	1	.1
Income		
Under $20,000	111	16.5
$20,000-$39,999	116	17.2
$40,000-$59,999	131	19.4
$60,000-$79,999	85	12.6
$80,000-$99,999	69	10.2
$100,000-$119,000	63	9.4
Over $120,000	99	14.7
Major		
Consumer, Apparel, and Retail	132	19.6
Studies	29	4.3
Management	28	4.2
Art	21	3.1
Marketing	464	68.8
Other	128	19.0
Health Related	79	11.7
Science Related	69	10.2
Business Related	28	4.2
Art, Media, Communication		

Preliminary Analysis

Outliers and Normality

Data was screened for outliers and normality. Outliers, observations with a unique combination of distinct values that are different from other observations, are important to identify because they may not be representative of the sample studied (Hair et al., 2010). First, to identify multivariate outliers, Mahalanobis D^2 measure was used. Mahalanobis D^2 is a multivariate assessment of each observation across a set of variables, where higher values indicate that the observation is further from the general distribution of observations (Hair et al., 2010). It is recommended that Mahalanobis D^2 values that exceed D^2/df of 3 or 4 are designated as possible outliers. The results of the Mahalanobis D^2 calculation were below this threshold, therefore, data was neither omitted nor adjusted because outlier observations did not statistically influence the results.

Data was also screened for normality and outliers through a visual inspection of box-plots, scatterplots, extreme values, and skewness at the univariate level. After visual inspection, it was determined that there were no patterns identified that would result in the designation of outliers (Hair et al., 2010).

Evaluation of the Measures

The reliability of each multi-item scale was calculated prior to hypothesis testing. Using Cronbach's alpha to examine the reliably of measures, it was deemed that all measures used in this study were reliable (Table 7). According to Hair et al. (2010), the Cronbach alpha value is widely used when analyzing the reliability of a psychometrically developed scale, where a higher value indicates higher reliability. It is recommended that the Cronbach alpha value exceeds 0.7 (Hair et al., 2010). Overall reliably measures for the scales used in this study ranged from .792 to .848, which indicated reliability of the measurements (Hair et al., 2010).

Table 7

Reliabilities of the Measurements

Measure	Number of Items	Reliability (Cronbach's α)				
		Study 1	Study 2	Study 3	Study 4	Total Sample
Urgency to Buy	4	.811	.748	.770	.772	.792
Pre-Brand Evaluation	3	.819	.782	.844	.747	.809
Post-Brand Evaluation	3	.856	.779	.828	.760	.812
Brand Consciousness	6	--	.857	--	.835	.848

Table 8 reports the means, standard deviations, and Pearson's product correlations for the measures used in hypothesis testing. Correlations were used to test for multicollinearity. When multicollinearity exists, it means that an outcome variable in the study can be explained by other variables in the analysis, thus decreasing the ability to accurately predict the dependent variable (Hair et al., 2010). Correlations among the measures used in this study ranged from .103 to .621, which are below the .90 that is associated with potential multicollinearity (Hair et al., 2010). Means also varied, ranging from 3.697 to 4.583 with standard deviation values ranging from 1.182 to 1.516.

Table 8

Means, Standard Deviations, and Pearson Product Correlations among Measures used in Hypothesis Testing

			Correlations			
Variables	**Mean**	**SD**	**1**	**2**	**3**	**4**
1. Urgency to Buy	3.444	1.516	1.00			
2. Pre-Extension Stimulus Brand Evaluation	4.450	1.399	.262**	1.00		
3. Post-Extension Stimulus Brand Evaluation	4.583	1.267	.393**	.621**	1.00	
4. Brand Consciousness	3.697	1.182	.300**	.117**	.103**	1.00

** p <.01; ** p <.001

Manipulation Checks

To ensure respondents accurately perceived the manipulated variables used in this study, manipulation checks were performed. A summary of the manipulation variable means are presented in Table 9, where each manipulation check was measured on a 7-point likert scale. Means are often used as a way to assess the accuracy of the manipulations. For each study, the manipulated variables (e.g., extension strategy, perceived fit) was assessed (See Table 3 for manipulation check measures).

In Study 1, extension strategy (limited edition/ongoing collection) was manipulated. Mean values indicated that consumers perceived the limited edition as having greater limited availability (M=4.76) compared to the ongoing collection (M=3.92). This indicated that the manipulated variable in Study 1 was accurately perceived as the researchers intended.

In Study 2, perceived fit between brand and retailer was manipulated. Mean values indicated that in conditions with high-fit (i.e., high-end brand offered at high-end retailer, low-end brand offered at low-end retailer) mean values for perceived fit were higher (M=4.97) compared to conditions with low-fit (i.e., high-end brand offered at low-end retailer, low-end brand offered at high-end retailer) (M=4.48). Thus, manipulated variables were accurately perceived.

In Study 3, both extension strategy (limited edition/ongoing collection) and brand and retailer fit were assessed. Mean values indicated that consumers perceived the limited edition conditions to have greater limited availability (M=4.78), compared to the ongoing collection conditions (M=4.18). In addition, the high-fit conditions (i.e., high-end brand offered at high-end retailer, low-end brand offered at low-end retailer) had higher perceived fit (M=4.62) than the low-fit conditions (i.e., high-end brand offered at low-end retailer, low-end brand offered at high-end retailer) (M=4.21). Thus, extension strategy and fit between brand and retailer manipulations were perceived as the research intended.

In Study 4, perceived fit between brand and price gap was manipulated. Mean values indicated that high-fit conditions (i.e., 0% and 20% price gap) were perceived as fitting higher (M=4.77) with the brand, compared to the low-fit conditions (80% price gap) (M=4.35). This indicated that respondents perceived the manipulated variable of fit between brand and price accurately.

Table 9

Mean Values to Assess Manipulations

Study	Manipulated Variable		Mean
1	Extension Strategy	Limited Edition	4.76
		Ongoing Collection	3.92
2	Perceived Fit Between Brand and Retailer	High-Fit	4.97
		Low-Fit	4.48
3	Extension Strategy	Limited Edition	4.78
		Ongoing Collection	4.18
	Perceived Fit Between Brand and Retailer	High-Fit	4.62
		Low-Fit	4.21
4	Perceived Fit Between Brand and Price	High-Fit	4.77
		Low-Fit	4.35

Hypothesis Testing

Study 1

Testing Hypothesis 1 and 2: The Effect of Extension Strategy

In the first study, extension strategy (limited edition/ongoing collection) was manipulated and it was anticipated that based on the brands' extension strategy, consumers' urgency to buy (Hypothesis 1) and brand dilution (Hypothesis 2) would vary. Specifically, in hypothesis 1, it was hypothesized that urgency to buy would be higher when consumers were exposed to the limited edition extension strategy than the ongoing collection extension strategy. ANOVA results comparing the groups indicated significant differences (F (1, 123) =6.928, p=.010*), where the limited edition condition had higher urgency to buy (M=3.859) than the ongoing collection condition (M=3.277) (Table 10). The η^2 value also indicated a strong effect (0.55). Ranging from 0-1, the η^2 effect size value is important to assess because effect size has a direct impact on the power of the statistical test, where larger effects have higher power (i.e., relationships are easier to find). Conversely, if a small effect size is found, it will take a much larger sample size to produce the same power as an effect with a large η^2 value (Hair et al., 2010). To interpret the η^2 value, there is a weak effect if the η^2 value is between 0-.1, a modest effect if the value falls between .1-.3, a moderate effect between .3-.5, and a strong effect at >.5 (Hair et al., 2010). Therefore, since there are significant differences between extension strategies (limited edition/ongoing collection) on consumers' urgency to buy and the effect is strong, this evidence provides strong support for hypothesis 1.

Table 10

H1 Testing Extension Strategy on Urgency to Buy: ANOVA Results

Condition	**Factor**	**n**	**Urgency to Buy MEAN**	***F*-value**	**η^2**
Extension Strategy	Limited Edition	59	3.859	6.928*	0.55
	Ongoing Collection	66	3.277		

* p <.05

Hypothesis 2 predicted that when the brand offers an ongoing collection brand extension, there should be greater dilution to the parent brand image compared to the limited edition brand extension. This means that in the ongoing collection, consumers' post evaluation measure should be lower than their pre-evaluation measure. Therefore, a negative value for brand dilution indicates that consumers' post evaluation was lower than their pre-evaluation (i.e., brand dilution), and a positive value indicates the opposite of dilution (i.e., brand image concentration), that consumers' post evaluation was greater than their pre-evaluation. ANOVA results are presented in Table 11. Overall, results indicated that the ongoing collection produced higher brand dilution (M=-.198), compared to the limited edition collection (M=+.163) (F (1, 123) =4.600, p=.034*), with a moderate effect (η^2 = .38). This provides support for hypothesis 2 because brand dilution was higher in the ongoing collection compared to the limited edition brand extension. Further, a limited edition collection actually increased consumers' evaluation of the brand; in other words, the image of the brand offering limited edition improved (Table 11). When a brand offers an extension as ongoing, it can dilute the brand's image, but when the brand offers an extension as limited edition, it can concentrate the image.

Table 11

H2 Testing Extension Strategy on Brand Dilution: ANOVA Results

Condition	Factor	n	Brand Evaluation MEAN DIFFERENCE (Dilution)[a]	*F*-value	η^2
Extension Strategy	Limited Edition	55	+.163	4.600*	.38
	Ongoing Collection	65	-.198		

* p <.05
[a]: (-) value indicates brand dilution, (+) value indicates brand image concentration

Study 2

Testing Hypothesis 3 and 4: The Effect of Perceived Fit between Brand and Retailer

For the second study, fit between brand and retailer was manipulated and its' effects were tested on consumers' urgency to buy (Hypothesis 3) and brand dilution (Hypothesis 4). Hypothesis 3 proposed that urgency to buy would be greater when perceived fit between brand and retailer was perceived as high (i.e., high-end brand offered at high-end retailer or low-end brand offered at low-end retailer) compared to when perceived fit between brand and retailer was perceived as low (i.e., low-end brand offered at high-end retailer or high-end brand offered at low-end retailer). ANOVA results testing differences between high perceived fit between brand and retailer (M=3.775) and low perceived fit between brand and retailer (M=3.331) confirm our prediction (F (1, 125) =4.299, p=0.40*), with a moderate effect (η^2=.33) (Table 12). In other words, when a high-end brand offers its brand extension at a high-end retailer, consumers will have high urgency to buy. Thus, hypothesis 3 was supported.

Table 12
H3 Testing Perceived Fit between Brand and Retailer on Urgency to Buy: ANOVA Results

Condition	Factor	n	Urgency to Buy MEAN	***F*-value**	η^2
Perceived Fit between Brand and Retailer	High-Fit	59	3.775	4.299*	.33
	Low-Fit	68	3.331		

*p <.05

Hypothesis 4 predicted that brand dilution would be higher when consumers' perceived low-fit between brand and retailer (i.e., low-end brand offered at high-end retailer or high-end brand offered at low-end retailer) compared to when consumers' perceived high-fit between brand and retailer (i.e., high-end brand offered at high-end retailer or low-end brand offered at low-end retailer). To test this, ANOVA was used, controlling for consumers' pre-stimulus brand evaluation score. Controlling for consumers' initial evaluation of the brand more accurately captures a true reflection of consumers' change in evaluation once they learn the brand has extended (see Howell, 2009).

ANOVA results indicated that there were significant differences on the brand dilution measure (i.e., the difference between the pre and post-extension brand evaluation) between high and low perceived fit between brand and retailer (F (1, 125) =8.166, p=.005**) with a strong effect (η^2=.63) (Table 13). However, values were positive which indicated that the brand image was concentrated rather than diluted in both low perceived fit (M=+0.18), and high perceived fit (M=+.537) between brand and retailer. Thus, hypothesis 4 was not supported. In fact, one-sample t-tests show that the brand concentrated significantly (i.e., significantly higher than zero) when there was high perceived fit between brand and retailer (t=2.821, p=.007**). Overall, results demonstrated that when a brand collaborates with a retailer, the image of the brand concentrates, with significant brand image concentration when there is high perceived fit between the brand and the retailer, such as when a high-end brand (e.g., Ralph Lauren) collaborates with a high-end retailer (e.g., Nordstrom), or when a low-end brand (e.g., Lee) collaborates with a low-end retailer (e.g., Target).

Table 13

H4 Testing Perceived Fit between Brand and Retailer on Brand Dilution: ANOVA Results

Condition	Factor	n	Brand Evaluation MEAN DIFFERENCE (Dilution)[a]	*F*-value	η^2
Perceived Fit between Brand and Retailer	High-Fit	59	+.537	8.166**	.63
	Low-Fit	68	+.018		

** p <.01

[a]: (-) value indicates brand dilution, (+) value indicates brand image concentration

Testing Hypothesis 5 and 6: The Moderating Influence of Brand Consciousness

Using moderated regression analysis, hypothesis 5 and 6 tested the moderating influence of consumers' brand consciousness level on the relationship between perceived fit and urgency to buy (Hypothesis 5) and brand dilution (Hypothesis 6). Moderated regression analysis is performed by creating an interaction term between standardized independent (i.e., perceived fit) and moderating variables (i.e., brand consciousness) (Hair et al., 2010). If a moderating effect exists, there should be positive changes in the

R^2 value and significant changes in the F tests (Hair et al., 2010). As table 14 indicates, when the interaction between perceived fit and brand consciousness was added to the model (i.e., model 3), there was a significant F-change, and the R^2 value improved. This provided evidence that the positive effect of perceived fit between brand and retailer on urgency to buy was moderated by brand consciousness.

Table 14

H5 Testing the Moderating Influence of Brand Consciousness on the Relationship between Perceived Fit and Urgency to Buy: Moderated Regression Analysis

Model	R^2	R^2 Change	F-value	F change	Sign. F change[a]
1: Perceived Fit	.066	.066	8.847	8.847	.004
2: Perceived Fit, Brand Consciousness	.212	.146	16.647***	22.898	.001
3: Perceived Fit, Brand Consciousness, Perceived Fit*Brand Consciousness	.297	.085	17.298***	14.874	.001

Note: The dependent variable: Urgency to buy

*** $p<.001$

a: $\text{F Change} = \frac{\text{R Square Change}*(\text{df2})}{\text{df1}*(1-\text{R Square})}$

To further verify the moderating effect of consumers' brand consciousness level on the positive relationship between perceived fit and urgency to buy, individual coefficients for model 3 were examined. Table 15 shows the impact of consumers' brand consciousness level on the relationship between perceived fit and urgency to buy. Results show that there was a positive significant impact of brand consciousness on the relationship between perceived fit and urgency to buy (Perceived fit*Brand consciousness β=.296, p<.001). In other words, when consumers have high levels of brand consciousness, the positive effect of perceived fit between brand and retailer is more likely to impact urgency to buy. Therefore, hypothesis 5 was strongly supported.

Table 15

H5 Regression Analysis of Model 3 for Testing the Moderating Effect of Brand Consciousness

Variable	**Beta**	**t-value**
Perceived Fit	-.615	-2.616*
Brand Consciousness	-.726	-2.445*
Perceived Fit*Brand Consciousness	1.455	3.857***

Note: The dependent variable : Urgency to Buy
* p <.05; *** p <.001

Hypothesis 6 predicated that brand consciousness would moderate the negative relationship between perceived fit between brand and retailer and brand dilution. Model 2 and model 3 were compared in order to determine whether the interaction term (i.e., perceived fit*brand consciousness) that represents the moderating effect was significant. The results of moderated regression analysis indicated that there was a lack of significant improvement in the F value and R^2 value for model 3 (Table 16). That is, models 1, 2 and 3 were not statistically different from one another. Thus, hypothesis 6 was rejected and consumers' brand consciousness level does not moderate the negative relationship between perceived fit and brand dilution. In other words, the effect of low perceived fit on brand dilution is the same regardless of consumers' brand consciousness level.

Table 16

H6 Testing the Moderating Influence of Brand Consciousness on the Relationship between Perceived Fit and Brand Dilution: Moderated Regression Analysis

Model	R^2	R^2 Change	F-value	F change	Sign. F change
1: Perceived Fit	.002	.002	.266	.266	.607
2: Perceived Fit, Brand Consciousness	.004	.002	.240	.216	.643
3: Perceived Fit, Brand Consciousness, Perceived Fit*Brand Consciousness	.005	.001	1.92	.098	.755

Note: The dependent variable: brand dilution

Study 3

Testing Hypothesis 7 and 8: The Moderating Influence of Extension Strategy

For hypothesis 7, which predicted that the positive effect of high perceived fit between brand and retailer (i.e., high-end brand offered at high-end retailer, or low-end brand offered at low-end retailer) on urgency to buy will be moderated by brand extension strategy (limited edition vs. ongoing collection) such that urgency to buy will be higher in limited edition. For example, when the brand Ralph Lauren offers a brand extension at the retailer Nordstrom as a limited edition there should be greater urgency to buy than if the extension is offered as an ongoing collection. Table 17 presents the ANOVA and t-test results testing hypothesis 7. The results showed that the interaction between perceived fit and extension strategy was significant (F (1, 245) =8.694, p=<.001***, η^2=.097). Specifically, additional t-test results between the two conditions revealed that the mean value (4.083) for high perceived fit between brand and retailer and limited edition was significantly higher than high perceived fit between brand and retailer and ongoing collection (M=3.968) (t=2.63, p=.016*). Therefore, hypothesis 7 was supported, confirming that the effect of high-fit between brand and retailer on urgency to buy was moderated by brand extension strategy, such that urgency to buy was higher under limited edition. In other words, if a high-end brand (e.g., Ralph Lauren) offers an extension as a limited edition at a high-end retailer (e.g., Nordstrom) there will be greater urgency to buy, or a low-end brand (e.g., Lee) offers an extension as limited edition at a low-end retailer (e.g., Target) there will be greater urgency to buy.

Hypothesis 8 proposed that the negative effect of low perceived fit between brand and retailer on brand dilution will be moderated by brand extension strategy, such that brand dilution will be higher in the ongoing collection. This means that in the low-fit conditions (i.e., Lee offered at Nordstrom, Ralph Lauren offered at Target), the greater brand dilution should be when the brand offers an ongoing collection. Table 18 shows the results of ANOVA testing hypothesis 8 controlling for consumers' pre-brand evaluation measure (Howell, 2009) and t-tests for group differences between low-fit conditions according to extension strategy. ANOVA results indicated significant differences between the conditions (F (1, 245) = 8.694, p<.001***, η^2=.097). However, despite the significant interaction, there were not significant differences between low-fit/limited edition and low-fit/ongoing (t=1.986, p=.060), and in both cases there was brand concentration rather than brand dilution as predicted. Therefore, hypothesis 8 was not supported.

Table 17

H7 Testing the Effect of Perceived Fit between Brand and Retailer and Extension Strategy on Urgency to Buy: ANOVA & t-test Results

Condition	Factor	n	Urgency to Buy MEAN	*F*-value	η^2
Perceived Fit Between Brand and Retailer	High-Fit	127	4.020	23.871***	.089
	Low-Fit	120	3.242		
Extension Strategy	Limited Edition	123	3.555	1.080	.004
	Ongoing Collection	124	3.728		
Perceived Fit x Extension Strategy	Fit*Extension Strategy	-	-	8.694***	.097
	Factor	**n**	**Urgency to Buy MEAN**	**t-value**	
	High-fit Limited Edition	57	4.083	2.63*	
	High-fit Ongoing Collection	54	3.968		

* p <.05; *** p <.001

Table 18

H8 Testing the Effect of Perceived Fit between Brand and Retailer and Extension Strategy on Brand Dilution: ANOVA and t-test Results

Condition	Factor	n	Brand Evaluation MEAN DIFFERENCE (Dilution)[a]	*F*-value	η^2
Perceived Fit Between Brand and Retailer	High-Fit	127	+.3648	13.884***	.054
	Low-Fit	120	+.2278		
Extension Strategy	Limited Edition	123	+.231	1.127	.005
	Ongoing Collection	124	+.365		
Perceived Fit x Extension Strategy	Fit* Extension Strategy	-	-	5.112**	.060
	Factor	**n**	**MEAN DIFFERENCE (Dilution)[a]**	**t-value**	
	Low-fit Limited Edition	66	+.037	1.986	
	Low-fit Ongoing Collection	70	+.075		

** p <.01; *** p <.001
[a]: (-) value indicates brand dilution, (+) value indicates brand image concentration

Study 4

Testing Hypothesis 9 and 10: The Effect of Perceived Fit between Brand and Price

In the fourth study, it was predicted that when consumers perceived fit between the brand and the price of the brand extension, it would affect consumers' urgency to buy (Hypothesis 9) and brand dilution (Hypothesis 10). Specifically, in Hypothesis 9 it was predicted that when consumers perceived high-fit between the brand and the price of the brand extension (e.g., Ralph Lauren offered at the same price or 20% lower than the parent brand price) that consumers would have higher urgency to buy. In other words, if consumers perceive the brand extension price to be congruent with the brand image, they will want to purchase the brand extension more. ANOVA results indicated that our prediction was confirmed (*F* (1, 173) =37.317, *p*=<.001***) with a modest effect size (η^2=.177) (Table 19), where when consumers perceived high fit between brand and price to fit, they had higher urgency to buy (M=4.272), than when consumers perceived low-fit between brand and price (M=3.178).

Table 19

H9 Testing the Effect of Perceived Fit on Urgency to Buy: ANOVA Results

Condition	Factor	n	Urgency to Buy MEAN	*F*-value	η^2
Perceived Fit between Brand and Price	High-Fit	102	4.272	37.317***	.177
	Low-Fit	73	3.178		

*** p <.001

For hypothesis 10, this study posits that brand dilution would be higher when there is low perceived fit between brand and price than high perceived fit. In other words, it was predicted when that a brand, such as Ralph Lauren, offers its extension price at a price not normally offered by the brand (i.e., 80% lower), there would be greater dilution to the brand compared to when fit was perceived as high (e.g., Ralph Lauren extension offered at the same price as the parent brand or 20% lower than the parent brand). In testing this hypothesis and controlling for consumers' pre-extension brand evaluation (Howell, 2009), ANOVA results indicated that there were significant differences between high and low perceived fit on brand dilution (F (1, 173) =9.027, p=.003**, η^2=.51). Brand dilution occurred when there was low perceived fit between brand and price (M=-.297) while brand image concentration occurred when there was high perceived fit between brand and price (M=+.0261) (Table 20). In fact, one-sample t-tests show that the brand dilutes significantly (i.e., significantly lower than zero) when there was low perceived fit between brand and retailer (t=-2.177, p=.-033*). In other words, when either a high-end or low-end brand offers it extension at 80% lower than its original brand price, the brand image dilutes, but when the brand offers its extension at the same price as or 20% lower than the parent brand, the brand image concentrates. Therefore, hypothesis 10 was supported.

Table 20

H10 Testing the Effect of Perceived Fit between Brand and Price on Brand Dilution: ANOVA Results

Condition	Factor	n	Brand Evaluation MEAN DIFFERENCE (Dilution)[a]	*F*-value	η^2
Perceived Fit between Brand and Price	High-Fit	102	+.0261	9.027**	.51
	Low-Fit	73	-.297		

** p <.01
[a]: (-) value indicates brand dilution, (+) value indicates brand image concentration

Testing Hypothesis 11 and 12: The Moderating Influence of Brand Consciousness

Using moderated regression analysis, hypothesis 11 and 12 tested the moderating influence of consumers' brand consciousness level on the positive relationship between high perceived fit and urgency to buy (Hypothesis 11) and the negative relationship between low perceived fit and brand dilution (Hypothesis 12). An interaction term was created from standardized values of brand consciousness and perceived fit between brand and price (Hair et al., 2010). If a moderating effect exists, there should be positive changes in the R^2 value and in the F tests for this interaction term (Model 3) (Hair et al., 2010). Table 21 demonstrated that there was not a significant F-change from model 2 to 3 and the R^2 value did not improve. Therefore, brand consciousness did not moderate the positive relationship between perceived fit and urgency to buy. Thus, hypothesis 11 was not supported.

Table 21

H11 Testing the Moderating Influence of Brand Consciousness on the Relationship between Perceived Fit and Urgency to Buy: Moderated Regression Analysis

Model	**R^2**	**R^2 Change**	**F-value**	**F change**	**Sign. F change**
1: Perceived Fit	.317	.317	80.194***	.80.194	.001
2: Perceived Fit, Brand Consciousness	.383	.066	53.321***	18.388	.001
3: Perceived Fit, Brand Consciousness, Perceived Fit*Brand Consciousness	.372	.000	35.378***	.069	.794

Note: The dependent variable: Urgency to Buy
*** p<.001

Hypothesis 12 predicted that brand consciousness would moderate the negative relationship between low perceived fit between brand and price and brand dilution. In other words, it was posit that consumers' brand consciousness would influence the strength of the relationship between perceived fit and brand dilution. Table 22 presents the results of moderated regression testing this prediction. A comparison of model 2 and model 3 demonstrated that by including the interaction term between perceived fit and brand consciousness, the F-change value was not significant and there was no improvement to the R^2 value. This demonstrated that brand consciousness does not moderate the relationship between perceived fit and brand dilution. In other words, consumers' brand consciousness level does not influence the relationship between perceived fit between brand and price and brand dilution. Thus, hypothesis 12 was not supported.

Table 22

H12 Testing the Moderating Influence of Brand Consciousness on the Relationship between Perceived Fit and Brand Dilution: Moderator Regression Analysis

Model	R^2	R^2 Change	F-value	F change	Sign. F change
1: Perceived Fit	.035	.035	6.250	6.250	.013
2: Perceived Fit, Brand Consciousness	.039	.004	3.499	.758	.385
3: Perceived Fit, Brand Consciousness, Perceived Fit*Brand Consciousness	.039	.000	2.320	.000	.985

Note: The Dependent variable: brand dilution

Summary of Hypothesis Testing

In summary, hypotheses 1, 2, 3, 7, 9 and 10 were supported. While hypotheses 4 and 8 produced significant results, it was not as the researcher predicted, and was therefore not supported. Of the four hypotheses that tested the moderating influence of brand consciousness, only hypothesis 5 was supported and the rest (6, 11, and 12) were not supported. Table 23 summarizes the hypothesis testing results.

Table 23

Summary of Results

Study		Hypotheses	Supported ?
1	H1	Urgency to buy will be higher in limited edition than ongoing collection.	YES
	H2	Brand dilution will be higher in ongoing collection than limited edition.	YES
2	H3	Urgency to buy will be higher in high perceived fit between brand and retailer than low perceived fit.	YES
	H4	Brand Dilution will be higher in low perceived fit between brand and retailer than high perceived fit.	NO
	H5	The positive effect of perceived fit between brand and retailer on urgency to buy will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.	YES
	H6	The negative effect of perceived fit between brand and retailer on brand dilution will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.	NO

3	H7	The positive effect of perceived fit between brand and retailer on urgency to buy will be moderated by brand extension strategy (limited edition vs. ongoing) such that the relationship will be stronger in limited edition.	YES
	H8	The negative effect of perceived fit between brand and retailer on brand dilution will be moderated by brand extension strategy (limited edition vs. ongoing) such that the relationship will be stronger in ongoing collection.	NO
4	H9	Urgency to buy will be higher in high perceived fit between brand and price than low perceived fit.	YES
	H10	Brand dilution will be higher in low perceived fit between brand and price than high perceived fit.	YES
	H11	The positive effect of perceived fit between brand and price on urgency to buy will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.	NO
	H12	The negative effect of perceived fit between brand and price on brand dilution will be moderated by consumers' brand consciousness level such that the relationship will be stronger among consumers high in brand consciousness.	NO

CHAPTER VI

CONCLUSIONS

This chapter consists of the following sections: (1) Summary of Findings, (2) Discussion of Findings, (3) Implications, and (4) Limitations and Future Studies.

Summary of Findings

This study consisted of four experimental studies, where each study tested the effects of key brand extension strategies employed for both short-term (i.e., high urgency to buy) and long-term (i.e., low brand dilution) success for apparel brands. Based on the analyses of a total of 674 responses, results showed that urgency to buy is higher when brands offer a limited edition (Study 1), when there is high perceived fit between brand and retailer (Study 2), when there is high-perceived fit between brand and retailer and the brand offers a limited edition (Study 3), and when there is high perceived fit between brand and price (Study 4). Further, brand dilution occurred when the brand offered an ongoing collection (Study 1), and when there was low perceived fit between brand and price (Study 4). However, when the brand collaborated with a retailer, brand concentration occurred regardless of perceived fit between brand and retailer (Study 2) and regardless of perceived fit and extension strategy combined (Study 3). Lastly, brand conscious consumers were more sensitive to perceived fit between brand and retailer (Study 2), but were not sensitive to perceived fit between brand and price (Study 4).

Discussion of Findings

Study 1

Hypothesis 1 and 2: The Effect of Extension Strategy

Guided by commodity theory (Brock, 1968) that suggests when an item of limited availability is more highly desired than when it is abundant, this study predicted that when consumers were exposed to the limited edition brand extension, they would have higher urgency to buy the brand extension compared to the ongoing collection (H1: limited edition → ↑ urgency to buy). Based on a manipulation of extension strategy (limited edition/ongoing collection), findings of this study highlight that by offering a limited edition brand extension, consumers had higher urgency to buy compared to when a brand offers an ongoing brand extension ($M_{\text{limited edition}}$=3.859) vs. ($M_{\text{ongoing}}$=3.277) ($F$ (1,123) =3.928, p=.010*). This finding is consistent with commodity theory (Brock, 1968) and previous research (Lee, 2012; Lynn, 1992) that found when items are perceived to be limited, they are more desired than when they are abundant. This result is also consistent with previous researchers who found that messages of limited availability are an effective marketing technique that positively influences consumers' behavior (Aggarwal et al., 2011; Bozzolo & Brock, 1992; Jeffrey Inman et al., 1997). Since an item with limited availability means that there are only a certain amount of products available to all consumers (Aggarwal et al., 2011; Bozzolo & Brock, 1992), consumers may become competitive because if they do not buy the limited availability item immediately, others may purchase it instead (Verhallen & Robben, 1994).

Not only do messages of limited availability push consumers to buy urgently, but the same message may also decrease the negative effects that brand extensions have on the parent brand image (Ginman et al., 2010; Pitt et al., 2009; Stankeviciute & Hoffman, 2012). Previous researchers have stated their concern that when a brand extends vertically downward as an ongoing collection, they run the risk of diluting the parent brand (Grime et al., 2002). This may be true because when a brand extends vertically downward the brand becomes more available to mass consumers (Wee et al., 1995), thus posing a threat to the brand by becoming too widespread (Kim et al., 2001; Magnoni & Roux, 2008). Our results of hypotheses 2 (ongoing collection → ↑ brand dilution) are consistent with previous research (Kapferer & Bastien, 2009; Stankeviciute & Hoffman, 2012), suggesting that if a brand extends as an ongoing collection, the brand image of the parent brand can become diluted ($M_{ongoing}$=-.198) vs. ($M_{limited\ edition}$=+.163) (F (1, 123) =4.600, p=.034*). This result also provides support for previous research that emphasized the importance of careful management of distribution in brand extensions (Pitt et al., 2009; Stankeviciute & Hoffman, 2012).

Study 2

Hypothesis 3 and 4: The Effect of Perceived Fit between Brand and Retailer

Guided by categorization theory (Sujan & Bettman, 1989; Sujan & Dekleva, 1987; Sujan & Tybout, 1988; Meyers-Levy & Tybout, 1989), and cognitive dissonance theory (Festinger, 1957), the second study tested the effects of perceived fit between brand and retailer on consumers' urgency to buy (hypothesis 3) and brand dilution (hypothesis 4). Applied to brand extension research, categorization theory explains that consumers evaluate an extension brand based on information stored in their memory about the parent brand, where higher perceived similarities between the extension brand and parent brand (i.e., fit) results in more favorable opinions of the brand extension (Loken & John, 1993; Park & McCarthy, 1997). In a similar way, it was rationalized that since consumers have previous information stored in memory about the parent brand (e.g., quality, price, product category offering) that consumers would also assess fit between the brand extension and the retailer, where higher perceived similarities between the brand and retailer positively affects their urgency to buy the extension brand (H3: ↑ perceived fit → ↑ urgency to buy). This hypothesis was supported and consumers that perceived high-fit between the brand and retailer ($M_{high\text{-}fit}$=3.775), compared to low-fit ($M_{low\text{-}fit}$=3.331), had higher urgency to buy the brand extension (F (1, 125) = 4.299, p=.040*). This result provides evidence that in cases where there is high perceived fit between brand and retailer, such when a high-end brand Alexander McQueen or Stella McCartney are offered at high-end retailers like Neiman Marcus, and low-end brands such as Lee or Wrangler are offered at lost-cost low-end retailers such as Target or Wal-Mart, this causes greater urgency to buy. This result is also in line with previous research emphasizing the importance of perceived fit (Grime et al., 2002; Loken & John, 1993; Milberg et al., 1997; Völckner & Sattler, 2006).

For hypothesis 4, it was predicted that when consumers perceived low fit between the brand and retailer, dilution would occur to the brand image (↓ perceived fit → ↑ brand dilution). This predication was based on cognitive dissonance theory (Festinger, 1957) and previous literature (Kim et al., 2001; Magnoni & Roux 2008; Roux, 1995; Stegemann, 2006) that suggested when there is low perceived fit (a.k.a dissonance) in a brand extension, it can damage the brand image of parent brand. Surprisingly, results were in contrast to our reasoning because the brand image improved. That is, while there were significant differences between consumers' level of fit on brand dilution ($F(1, 125) = 8.166$, $p=.005$**), the brand image improved causing brand concentration both when there was low perceived fit ($M_{low\text{-}fit}=+.018$) and high perceived fit ($M_{high\text{-}fit}=+.537$) between brand and retailer. This result is inconsistent with cognitive dissonance theory (Festinger, 1957) and previous research that suggested that low-fit (i.e., high-end brands offered at low-end retailers and low-end brands offered at high-end retailers) in brand extensions can dilute the image of parent brand (Kim et al., 2001; Magnoni & Roux, 2008; Roux, 1995; Stegemann, 2006).

This result might lie in the excitement that collaborations create. Partnering strategies between brands and retailers produce novel, innovative, unique, and attractive offerings which can create excitement among consumers (Ahn et al., 2010; Bouten et al., 2011) because the brand may be considered an exclusive line only offered at the retailer (Cohen, 2011). This excitement may be generated because oftentimes there is a great deal of hype and publicity that center around brand and retailer collaborations (Petro, 2013). Since consumers may consider collaborations, regardless of fit between brand and retail partners, to be exciting due to their unique offering, they may not decrease their evaluation of the brand, but instead increase their evaluation. Thus, it is deemed that the originality accomplished by brand and retailer collaborations produce brand concentration.

Hypothesis 5 and 6: The Moderating Influence of Brand Consciousness

For hypothesis 5, it was anticipated that consumers' brand consciousness level would moderate the positive relationship between perceived fit between brand and retailer and urgency to buy (Liao & Wang, 2009; Sproles & Kendall, 1986) (H5: ↑ perceived fit*Brand consciousness → ↑ urgency to buy). Brand conscious consumers have greater knowledge of branded products (Liao & Wang, 2009; Sproles & Kendall, 1986) and should therefore be more sensitive to the positioning of the brand in terms of fit. As predicted, when consumers have high levels of brand consciousness, the positive effect of perceived fit between brand and retailer is more likely to impact urgency to buy. Meaning, urgency to buy was high for brand conscious consumers when they perceived high-fit between brand and retailer. This result is consistent with previous research that suggested that brand conscious consumers are brand knowledgeable (Lehmann & Winer, 1997; Liao & Wang, 2009; Sproles & Kendall, 1986), thus making them more likely to be able to more effectively assess the correct positioning (i.e., fit) of the brand when offered at a retailer.

Based on the characteristics of brand consciousness consumers and their knowledge of branded products (Sproles & Kendall, 1986), it was also speculated that brand consciousness would moderate the negative relationship between perceived fit between brand and retailer and brand dilution (H6: ↓ perceived fit*Brand consciousness → ↑ brand dilution). However, this study did not find statistical support for hypothesis 6.

This result is inconsistent with previous research (Sproles & Kendall, 1986) that describes brand conscious consumers. Sproles and Kendall (1986) suggest that brand conscious consumers should know the expected quality of brands, making them more likely to be critical when brand quality does not match retailer quality (i.e., low-fit). However, our results suggest otherwise. The result of hypothesis 4 found that brand and retailer collaborations improve the image of a brand, and the results of hypothesis 6 further provide evidence of the strength of this finding. The result of the sixth hypothesis demonstrated that the brand concentrates the brand image when they collaborate with a retailer, rather than dilute the brand image, regardless of consumers' brand consciousness level. This means that the brand can concentrate their image when collaborating with a retailer to a broad range of consumers; consumers that are both low and high in brand knowledge because the brand concentrates regardless of consumers' brand consciousness level.

Study 3

Hypothesis 7 and 8: The Moderating Influence of Extension Strategy

Following the logic of Study 1 (testing extension strategy) and Study 2 (testing perceived fit between brand and retailer), it was anticipated that when combining extension strategy and perceived fit, the positive effect of high perceived fit between brand and retailer (i.e., Ralph Lauren offered at Nordstrom or Lee offered at Target) on urgency to buy would be moderated by brand extension strategy, where urgency to buy would be higher in limited edition (H7: ↑ perceived fit*extension strategy → ↑ urgency to buy). This proposed relationship was supported by the data (F=8.694, p=<.001***), indicating that the positive effect of high perceived fit between brand and retailer increases consumers' urgency to buy and this relationship is stronger in the case of limited edition ($M_{\text{limited edition}}$=4.083) than ongoing collection (M_{ongoing}=3.968) . These findings further reflect and confirm commodity theory (Brock, 1968) and categorization theory (Sujan & Bettman, 1989; Sujan & Dekleva, 1987) because urgency to buy increased when there was high perceived fit with limited availability. Results also support previous literature that emphasized the importance of fit in brand extensions (Aaker & Keller, 1990; Boush & Loken, 1991; Grime et al., 2002; Völckner & Sattler, 2006) and highlight the importance of limiting quantity available in helping consumers buy immediately (Ginman et al., 2010; Lee, 2012).

Subsequently following a similar rationale, this study projected that the negative effect of perceived fit between brand and retailer would be moderated by brand extension strategy, (i.e., Ralph Lauren offered at Target or Lee offered at Nordstrom) such that brand dilution will be severer when the brand offered as ongoing collection than limited edition (H8: ↓ perceived fit*extension strategy → ↑ brand dilution). Our premise was that when consumers perceived low-fit between brand and retailer, the brand would be more susceptible to dilution effects (Ahluwalia & Gürhan-Canli, 2000; Dubois & Paternault, 1995; Kim & Lavack, 1996; Kim et al., 2001) because consumers experience dissonance (Festinger, 1957; Goh, 2010) and this effect would be heighted when the brand offered an ongoing collection because of its permanence. For example, while a limited edition brand extension is only available temporarily, ongoing collections are more permanent and may cause greater dissonance in consumers' mind about the parent brand when perceived fit is low. The findings revealed that surprisingly, both ongoing extension ($M_{\text{low-fit onging}}$=+.075) and limited edition ($M_{\text{low-fit onging}}$=+.037) in the case of low-fit showed a small improvement in the brand image rather than dilution as predicted. H8 results provided evidence that the impact of low-fit on brand concentration is the same regardless of extension strategy. Because brand concentration occurred rather than brand dilution, this result is in contrast to cognitive dissonance theory (Festinger, 1957) and previous literature (Ahluwalia & Gürhan-Canli, 2000; Dubois & Paternault, 1995; Kim & Lavack, 1996) because regardless of extension strategy, consumers did not show signs of dissonance and brand dilution in the case low-fit. Instead, their image of the brand concentrated both when there was low and high perceived fit between brand and retailer regardless of extension strategy.

This result is consistent with the findings of previous hypotheses in this study that provided evidence that any collaboration between brand and retailer can concentrate a brand image, regardless of perceived fit (H4) or consumers' brand consciousness level (H6). The findings of hypothesis 8 further confirm the strong positive impact that retailer collaborations can have on the brand image when the brand collaborates with a retailer, regardless of extension strategy offering (limited edition/ongoing).

While collectively this unique finding establishes the strength of excitement created from brand and retailer collaborations, caution should be used when interpreting the findings. While results showed that brand concentration occurs whenever a brand collaborates with a retailer, regardless of perceived fit (H4), consumers' brand consciousness level (H5), or extension strategy (H8), collaboration combinations between brand and retailer in this study are hypothetical, thus may have created excitement among the respondents. However, if such collaboration continues in real retail settings, the novelty may wear off with greater duration in exposure. Future studies are needed to confirm whether brand-retailer collaborations causes brand concentration regardless of perceived fit level, consumers' brand consciousness, and brand extension strategy.

Study 4

Hypothesis 9 and 10: The Effect of Perceived Fit between Brand and Price

Applied to consumer research, Weber's Law of Just Noticeable Difference explains how consumers will react to products based on their price (Monroe, 1971). Specifically, researchers suggest that for consumers to notice a difference in price, a reduction needs to be greater than 20% (Miller, 1962). However, when the price is too low (e.g., 80% lower than the original price), the relationship between the price and quality of the item is disturbed and consumers perceive the discounted product as having a much lower quality than expected from the brand (Monroe, 1971), thus effecting consumers' urgency to buy (H9: ↑ perceived fit between brand and price → ↑ urgency to buy) and brand dilution (H10: ↓ perceived fit between brand and price → ↑ brand dilution).

Specifically for hypothesis 9, it was speculated that since consumers form reference prices for brand extensions based on their knowledge of the price of the parent brand (Hennings et al., 2013), greater fit between brand and price will lead consumers to have greater urgency to buy because quality expectations of the brand extension are intact. As hypothesized, the findings indicated that when consumers perceived high fit between the price of parent brand and extended brand (i.e., offering at the same price or 20% lower than the parent brand), they had higher urgency to buy ($M_{high\text{-}fit}$=4.272) compared to when there was low perceived fit ($M_{low\text{-}fit}$=3.178) (F (1, 173) = 37.317, p=.001***). This result supports Weber's Law of Just Noticeable Difference, and is consistent with recent research that found that perceived fit relates to price (Dall'Olmo Riley et al., 2013; DelVecchio & Smith, 2005; Taylor & Beardon, 2002; Sattler et al., 2010) where higher fit is related to prices consistent with the brand's level (Sattler et al., 2010), thus leading to higher urgency to buy.

In a similar way, hypothesis 10 predicted that when consumers perceived low-fit between the price of the parent brand and extended brand (i.e., offering at 80% lower than the parent brand), it would cause brand dilution and harm the image of the parent brand. This prediction was based on previous research that suggested when the price of the extended brand is offered too low from the parent brand, the brand becomes more widely available to consumers and the brand becomes less exclusive (Ahluwalia & Gürhan-Canli, 2000; Dubois & Paternault, 1994; Hennigs et al., 2013) which may cause brand dilution. In addition, when a price is considered too low for the brand, consumers interpret the lower price to mean that the brand is of low quality (Miller, 1972). Thus, the brand may become diluted. Based on results, our prediction was supported (F (1, 173) = 9.027, p=.003**), where when consumers perceived low-fit between brand and price, the brand image was diluted ($M_{low\text{-}fit}$=-.297), compared to when there was high perceived fit ($M_{high\text{-}fit}$+.026). This result is consistent with Weber's Law of Just Noticeable Difference and prior research that found that price is an important tool that consumers use to evaluate extension brands (Dall-Olmo Riley et al., 2013; Taylor, 2002; Taylor & Beardon, 2002).

Hypothesis 11 and 12: The Moderating Influence of Brand Consciousness

Hypotheses 11 and 12 proposed that brand consciousness would moderate the positive relationship between perceived fit between brand and price and urgency to buy (H11: ↑ perceived fit*brand consciousness → ↑ urgency to buy) and the negative relationship between perceived fit between brand and price and brand dilution (H12: ↓ perceived fit*brand consciousness → ↑ brand dilution). In line with existing research characterizing brand conscious consumers (Liao & Wang, 2009; Sproles & Kendall, 1986), it was assumed that brand conscious consumers' knowledge of branded products would translate to knowledge of the price of branded products, making them more sensitive to perceptions of fit between brand and price. However, this study did not find statistical support for the moderation of brand consciousness on the relationship between perceived fit and urgency to buy or brand dilution, meaning that brand conscious consumers were not influenced by perceived fit between brand and price. This result was inconsistent with previous research describing the characteristics of brand conscious consumers (Liao & Wang, 2009; Ye et al., 2012). These findings may imply that brand conscious consumers are not price sensitive. Perhaps, this lack of price sensitivity for branded products may be derived from their commitment (Ju, 2012) and loyalty (Nelson & McLeod, 2005) towards branded products. It is possible that when brand conscious consumers think favorably of the parent brand, they may have a tendency to evaluate the extension brand favorably, even if it does not fit (Yeung & Wyer, 2005). Thus, it is possible that brand conscious consumers may only be influenced by the brand itself and their loyalty towards the brand, rather than the price of an item. The discussions of the findings are summarized in Table 24 next.

Table 24

Summary of Results and Discussion

Study	Manipulated Variables	Testing Hypotheses	Supported ?	Discussion and Interpretation	Support from Literature
1	Extension Strategy (Limited Edition/ Ongoing Collection)	H1: Limited Edition → ↑ Urgency to Buy	Yes	• Consumers had higher urgency to buy when the brand extension was offered as limited edition than ongoing collection.	• Supported commodity theory (Brock, 1968). • Supported Lee (2012) that consumers feel a need to buy immediately if an item has limited availability. • Supported Aggarwal et al. (2001), Bozzolo & Brock, 1992), and Jeffrey Inman et al. (1997) that messages of limited availability may be an effective marketing technique.
		H2: Ongoing Collection → ↑ Brand Dilution	Yes	• There was greater brand dilution when the brand offered an ongoing brand extension than limited edition.	• Supported Kapferer and Bastien (2009) and Stankeviciute and Hoffman (2012) that downward extensions can harm the brand's image because the brand becomes less exclusive. • Results were consistent with Pitt et al., (2009) and Stankeviciute and Hoffman (2012) that brands need to carefully manage their distribution.
2	Brand Level (High-end/Low-end)	H3: ↑ Perceived Fit → ↑ Urgency to Buy	YES	• There was greater urgency to buy when consumers perceived high-fit between the brand and retailer.	• Supported categorization theory (Sujan & Bettman, 1989) and cognitive dissonance theory (Festinger, 1957). • Supported Grime et al. (2002), Loken and John, 1993; Milberg et al. (1997) and Völckner & Sattler (2006) that emphasize the importance of fit in brand extensions.
		H4: ↓ Perceived Fit → ↑ Brand Dilution	NO	• Contrary to H4, finding revealed that both high-fit and low-fit between brand and retailer improved the image of the parent brand. • High-fit between brand and retailer improved the brand image significantly more than low-fit.	• Did not support cognitive dissonance theory because consumers did not experience dissonance in perceived low-fit. In fact, brand image improved with both low and high perceived fit between brand and retailer. • Did not support previous literature (Kim et al., 2001; Magnoni & Rouz, 2008; Roux, 1995; Stegemann, 2006) that low-fit in a brand extension can damage the image of the parent brand. • Provided support for Ah et al. (2010) and Bouten et al. (2011) that brand and retailer collaboration may concentrate the brand image because the new offering may create excitement.

2	Retailer Level (High-end/Low-end)	H5: ↑ Perceived Fit* Brand Consciousness → ↑ Urgency to Buy	YES	• Brand consciousness moderated the relationship between perceived fit and urgency to buy, meaning that when consumers have high brand consciousness, perceived fit between brand and retailer is more likely to influence urgency to buy.	• Supported Lehmann and Winer (1997), Liao and Wang (2009) and Sproles and Kendall (1986) because brand conscious consumers had higher knowledge of branded products and are therefore more impacted by fit perceptions.
		H6: ↓ Perceived Fit* Brand Consciousness → ↑ Brand Dilution	NO	• Results demonstrated that when a brand collaborates with a retailer, brand concentration occurs, regardless of consumers' brand consciousness level.	• Does not support Sproles and Kendall (1986) that brand conscious consumers are more critical of the quality of the brand.
	Extension Strategy (Limited Edition/ Ongoing Collection)	H7: ↑ Perceived Fit* Extension Strategy → ↑ Urgency to Buy	YES	• High perceived fit between brand and retailer leaded to urgency to buy and this effect is stronger in a limited edition than ongoing collection..	• Supported commodity theory (Brock, 1968) in the case of high fit, and supports categorization theory (Sujan & Dekleva, 1987). • Supported previous literature (Aaker & Keller, 1990; Boush & Loken, 1991; Grime et al., 2002; Völckner & Sattler, 2006) that fit is important in brand extensions. • Supported Ginman et al. (2010) and Lee (2012) that limiting quantity available can increase consumers' urgency to buy.
3	Brand Level (High-end/Low-end) Retailer Level (High-end/Low-end	H8: ↓ Perceived Fit* Extension Strategy → ↑ Brand Dilution	NO	• Results further support that when a brand collaborates with a retailer, brand concentration occurs, regardless of extension strategy (limited edition/ongoing collection).	• Brand concentration occurred rather than brand dilution, in contrast to cognitive dissonance theory (Festinger, 1957) and previous literature (Ahluwalia & Gürhan-Canli, 2000; Dubois & Paternault, 1995; Kim & Lavack, 1996; Kim et al., 2001) • This further provided evidence that when a brand collaborates with a retailer, the brand image concentrates, regardless of perceived fit (H4), brand consciousness level (H5), and extension strategy (H8).

4	Brand Level (High-end/Low-end)	H9: ↑ Perceived Fit → ↑ Urgency to Buy	YES	• Perceived fit between brand and price offering influenced consumers' urgency to buy. • Consumers experience greater urgency to buy when their perceived fit between brand and price is high.	• Supported Weber's Law (Monroe, 1971) that higher similarity between brand and price leads to consistent brand quality information. • Supported research that found perceived fit relates to price (Dall-Olmo Riley et al., 2012; DelVecchio & Smith, 2005; Taylor & Beardon, 2002; Sattler et al., 2010).
		H10: ↓ Perceived Fit → ↑ Brand Dilution	YES	• There was greater dilution to the parent brand when the price was not perceived as fitting with the brand. • Low-fit caused brand dilution, whereas high-fit improved the brand's image.	• Supported Weber's Law (Monroe, 1971) that brand and price mis-fit can harm perceptions of brand quality. • Supported Ahluwalia and Gürhan-Canli (2000), Dubois and Paternault (1994) and Hennigs et al. (2013) that a lower price can make the brand too widespread, causing brand dilution. • Supported Miller (1962) that when a price is perceived to have low-fit with the brand, consumers perceive the brand as different, which can cause dilution.
	Price Gap (0%, 20%/80%)	H11: ↑ Perceived Fit* Brand Consciousness → ↑ Urgency to Buy	NO	• High perceived fit between brand and price affects urgency to buy, regardless of consumers' brand consciousness level.	• While brand conscious consumers have marketplace knowledge (Sproles & Kendall, 1986), they may not be sensitive to prices of products. • Results support previous research that brand conscious consumers may be brand loyal (Ju, 2012; Nelson & McLeon, 2005) and thus may not pay attention to the prices of brands.
		H12: ↓ Perceived Fit* Brand Consciousness → ↑ Brand Dilution	NO	• Low perceived fit between brand and price leads to brand dilution, regardless of consumers' brand consciousness level.	

Implications

This study revealed findings that are valuable for academics and practitioners. Researchers and brand managers who are interested in understanding how brand extension strategies can positively impact consumers' purchase behavior and evaluation of the parent brand will benefit from findings of this research. Theoretical and managerial implications are discussed below.

Theoretical Implications

First, this study integrated multiple theories to provide a strong theoretical framework to understand brand extensions. Specifically, commodity theory (Brock, 1968) was used to understand how consumers react to brand extensions that have limited availability. Categorization theory (Sujan & Bettman, 1989; Sujan & Dekleva, 1987; Sujan & Tybout, 1988; Meyers-Levy & Tybout, 1989) was employed to understand how consumers react to brand extensions that are well-fitting (i.e., high-fit between brand and retailer, high-fit between brand and price) and cognitive dissonance theory (Festinger, 1957) to understand how consumers react to mis-fitting brand extensions (i.e., low-fit between brand and retailer, low-fit between brand and price). Lastly, to understand how consumers react to variations in brand extension prices, this study used Weber's Law of Just Noticeable Difference (Miller, 1962; Monroe, 1973). Previous research on brand extensions lacked strong theoretical support and have been typically grounded in theories related to categorization (McCarthy et al., 2001). While categorization theories are useful at explaining consumers favorable reactions to high fitting brand extensions, previous research does not provide adequate theoretical support to explain how consumers react to low fitting brand extensions, brand extensions that vary in extension strategy (i.e., limited edition), and brand extensions that vary in price. By integrating multiple theories to understand how consumers respond to brand extensions, this study provides a comprehensive theoretical foundation that helps explain consumer behavior in this context.

Secondly, despite the large body of research that sought to understand factors that contribute to the success of brand extensions, and the prominence of apparel brand extensions in industry, there still remains a lack of research on apparel brand extensions. Previous research has mainly focused on low-cost consumer product such as groceries (e.g., Boush & Loken, 1991), cleaning products (e.g., Chang, 2002) and food (e.g., Heath et al., 2006), and little research has been conducted on apparel brands, especially high-end apparel brands. This research contributes to a stronger theoretical understanding of brand extensions by investigating a new product category (i.e., apparel products) at two levels (i.e., low-end and high-end brands).

Thirdly, while limited edition brand extensions are increasingly popular in industry, there has been little empirical investigation on the topic. Previous brand extension research has only considered brand extensions that are ongoing (e.g., Keller & Aaker, 1992), and had not previously considered the impact of brand extensions limited in quality and time available (i.e., limited edition). This study found that by offering a limited edition brand extension, it may cause greater urgency to buy and preserve the brand from dilution. This study contributes to the theoretical understanding of brand extensions because it is considered one of the earliest studies that tested the effects of extension strategy (limited edition/ongoing) on consumers' response to brand extensions.

Fourth, this study extends the theoretical understanding of fit in brand extensions. Previous research investigating fit in brand extensions was mainly concerned with fit between the parent brand and extension brand in terms of brand image (e.g., Bhat & Reddy, 1997), product category (e.g., Keller & Aaker, 1992), product attributes (e.g., Bhat & Reddy, 1997), and quality associations (e.g., Heath et al., 2006). The failure of Neiman Marcus' collaboration with retailer Target was to be blamed as lack of fit (White, 2013). Nevertheless, previous research had not considered additional fit factors within the retailing context such as fit between brand and retailer, fit between brand and price, etc. that may impact the success of brand extensions. Given that perceived fit is considered the most important factor that determines the success of a brand extension (Völckner & Sattler, 2006), this study extended our understanding of fit factors that should be considered when brands consider an extension strategy.

Fifth, while some researchers have recognized the importance of investigating a moderating variable (i.e., a variable that may influence the relationship between perceived fit and urgency to buy/brand dilution), previous research has only focused on product or company characteristics (e.g., Völckner & Sattler, 2006), rather than consumer characteristics. By investigating consumers with a specific characteristic (i.e., brand consciousness), this study provided a clearer understanding of which type of consumers may or may not be sensitive to perceptions of fit.

Lastly, this study contributes by identifying additional outcomes variables that may be influenced by brand extension strategies. Previous research on brand extensions has mainly focused on consumer evaluations of brand extensions as the dependent variable (e.g., Aaker & Keller, 1990; Barone et al., 2000; Grime et al., 2002; Kim et al., 2001). This research has extended previous research by testing the effects of brand extensions on two additional outcome variables (i.e., urgency to buy and brand dilution). By testing additional outcomes variables, this research theoretically contributes by providing a comprehensive understanding of the effects of brand extensions.

Managerial Implications

Suggestions Related to Urgency to Buy

The findings of this study provide meaningful contributions for brand managers who seek to increase consumers' urgency to buy. First, this study found that when consumers are exposed to a brand extension as limited edition, consumers' urgency to buy increases, compared to when the brand offers an ongoing collection (H1). Based on this finding, it is recommended that brand managers employ messages such as "for a limited time only", "while supplies last" or "limited availability" when offering brand extensions in order to put pressure on consumers to buy the item immediately, thus increasing short-term sales.

Secondly, the results of this study emphasize the importance of selecting an appropriately fitting retailer to offer a brand extension in (H3). This study found that when a brand was perceived to fit with the retailer offering the brand, consumers had higher urgency to buy the brand extension. This indicates that both brand levels (high-end and low-end) need to carefully manage their collaborations; choosing a retail partner that is perceived by consumers to fit with the brand's image. For example, it is recommended that if a brand has a high-end, high-quality brand image, it should select a retailer that holds the same image in consumers' mind in order to encourage consumers to purchase the brand extension. Similarly, if a brand is known for its low-cost, low-quality products, it should select a retailer that offers consumers the same level of value. By appropriately pairing the brand image with the retailer image, consumers are more likely to purchase the brand extension urgently, which will increase short-term sales.

The results of this study also suggest that brand consciousness moderates the relationship between perceived fit between brand and retailer and urgency to buy (H5). That is, the influence of perceived fit between brand and retailer on urgency to buy is higher for high brand conscious consumers than low brand conscious consumers. Since brand conscious consumers have greater knowledge of branded products and are more likely to seek branded products for their social benefits than non-brand conscious consumers (Liao & Wang, 2009; Sproles & Kendall, 1986), brand managers should emphasize their branded products and their social benefits (e.g., brand prestige and status) for high brand conscious consumers. It is recommended that in advertisements that promote brand and retailer collaborations, it should feature the brand prominently throughout the advertisement in order to attract brand conscious consumers.

Thirdly, this study found that when consumers perceived high-fit between brand and retailer (i.e., Ralph Lauren offered at Nordstrom or Lee offered at Target) and the brand offered a limited edition brand extension, consumers had higher urgency to buy, compared to when the brand offered an ongoing collection (H7). This indicates that in addition to selecting the appropriately fitting retailer to offer a brand extension in, if brand managers want to further encourage consumers to buy immediately, they should offer their extension brand as a limited edition. While fit between brand and retailer is still important, a limited edition brand extension can further encourage consumers to buy immediately.

Fourth, in addition to selecting the appropriately fitting retailer to offer the brand extension, brands also need to carefully manage the price of their brand extensions. The results of this study found that when consumers perceived the brand and price to fit, they had higher urgency to buy (H9). It is recommended that when a brand extends, the price of the extended brand should be priced at no more than 20% lower than the price of parent brand. It is possible that when a price is any lower than 20% from the parent brand, consumers may interpret the lower price as lower quality, which may deter consumers from purchasing the brand extension.

Suggestions Related to Brand Dilution

Next are suggestions for managers to avoid brand dilution, which is the one of the major disadvantages of brand extensions. First, in order to decrease the effects of brand dilution caused by when a brand extends vertically-downward, it is recommend that the brand offers a limited edition. The results of this study found that when a brand extends as an ongoing collection, brands may experience greater dilution to the brand image, compared to when the brand offers a limited edition brand extension (H2). By controlling the distribution via limited availability, brands can ensure that their extension is not too widespread, thus decreasing brand dilution.

Secondly, this study found that by collaborating with a retailer, brands could improve their brand images and do not risk brand dilution, regardless of perceived fit (H4), brand consciousness level (H6), or extension strategy (H8). Based on this, it is recommended that when brands decide to extend vertically downwards, they should consider partnering with a retailer. In addition, the brand image improved significantly more in case of high-fit than low-fit between brand and retailer (H4); thus, collaborating with a retailer with a similar level is recommended.

Lastly, brand dilution was found when consumers perceived low-fit between the brand and the price (i.e., Ralph Lauren or Lee offered at 80% lower than the parent brand) (H9), and this is true regardless of consumers' brand consciousness level (H12). In this sense, apparel companies should not offer the price of brand extension too low from the price of parent brand. When consumers view the price of the brand extension as lower than 20% from the parent brand, they may interpret the brand as having a lower quality or perceive it as a totally different brand, which may decrease their evaluations of the parent brand, causing brand dilution.

Limitations and Future Studies

This study contained limitations that present opportunities for future studies. The first limitation of this study is that only two levels of brand type and retailer type (i.e., high-end and low-end) were investigated, when in actuality, there are many levels of brand and retailer types in the marketplace. For example, this study used Lee as the low-end brand and Ralph Lauren as the high-end brand, when in reality, there are more levels of brand type in-between that represent middle-range brands such as Gap, Inc. In a similar way, this study used Target to represent the low-end retailer and Nordstrom to represent the high-end retailer, when other retailers such as Macy's lie in-between. For this reason, it is recommended that future studies use multiple levels of brand and retailer type to more accurately mirror industry dynamics.

Secondly, this study only used brands that were highly familiar with respondents. However, a growing trend in the apparel industry is up-and-coming designer brands that are not well known collaborating with retailers in order to increase their brand exposure to a new audience. Examples include Jason Wu's collaboration with Target, Derek Lam's collaboration with Kohl's. In this case, it is unclear when, where, and how, unfamiliar up-and-coming designer brands should extend. Since this research tested when, where, and how familiar brands should extend, future research should test unfamiliar up-and-coming designer brands. Specifically, since up-and-coming designer brands are especially interested in increasing their exposure, future research should be conducted to test how these brands can effectively provide brand exposure while keeping the integrity and exclusivity of their brand. For example, future research should test which type of retailer up-and-coming designers should extend to, such as an exclusive retailer (e.g., Neiman Marcus) or a mass distributed retailer (e.g., JC Penney), what price range is effective, and whether a limited edition strategy is a solution for increasing exposure while also maintaining exclusivity.

Third, this study found that brand concentration rather than brand dilution occurred when a brand collaborated with a retailer, regardless of perceived fit, extension strategy, or brand consciousness level. However, the combinations of brand and retailer used in this study (e.g., Ralph Lauren offered at Target/Nordstrom, Lee offered at Target/Nordstrom) are hypothetical and has not actually occurred in industry. Therefore, it is possible that the excitement caused from these novel collaborations may not occur long term. That is, while this study found that brand image improvement occurred in both cases of low-fit and high-fit, findings may be different in a longitudinal study where consumers have repeated exposure to such collaboration. In other words with repeated exposure, consumers may be more sensitive to fit perceptions after excitement has worn off. Therefore, it is recommended that future studies explore the effects of exposure level (e.g., long term vs. short term) on how perceptions of fit between brand and retailer impact brand dilution because it may be possible that brand dilution may occur when there is long term exposure (see Keller & Aaker, 1992).

Fourth, this study had many participants that started the questionnaire but did not finish to completion. Future studies should consider controlling responses by having participants complete the study in a lab setting. This way, researchers can ensure that the video stimulus is properly viewed and the study is completed, while also decreasing any extraneous variables (e.g., noise levels, screen size, screen color) that may influence how consumers view and respond to the stimulus (Malhotra, 2010).

Fifth, this study only investigated brand consciousness as a moderating variable on the relationship between perceptions of fit and urgency to buy and brand dilution.

Since this study found that in most cases, perceptions of fit affected urgency to buy and brand dilution regardless of consumers' brand consciousness level, the effect of other consumer characteristics such as consumers' fashion involvement level can further be explored in future studies.

The final limitation of this study has to do with the sample. While the sample used in this study was appropriate for the context of this research (see Berger & Ward, 2010; Goldsmith et al., 1987; Watson & Yan, 2013), it is possible that results might vary if research investigated males or non-students. For this reason, it is recommended that future studies include both genders and additional demographic groups.

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APPENDIX A

PRE-TEST

1. **Indicate your familiarity and perceived prestige level of the following brands.**

Betsey Johnson

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Bongo

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Calvin Klein

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Candies

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Coach

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Diane von Furstenberg

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Ed Hardey

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Hang Ten

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Jordache

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Kate Spade

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

L.E.I.

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Lee

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Marc Jacobs

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Michael Kors

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Mossimo

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Mudd

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Ralph Lauren

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

Rampage

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

Tom Ford

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

Tory Burch

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

Vera Wang

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

Wrangler

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

2. Indicate your familiarity and perceived prestige level of the following retailers

Barney's New York

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

Belk

Very unfamiliar **Very familiar**

1 2 3 4 5 6 7

Not very prestigious **Very prestigious**

1 2 3 4 5 6 7

<u>Bergdorf Goodman</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>Bloomingdales</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>JC Penney</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>K Mart</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>Kohl's</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>Lord & Taylor</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>Neiman Marcus</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7
<u>Nordstrom</u>						
Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Sak's Fifth Avenue

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Sears

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Target

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

Wal-Mart

Very unfamiliar						**Very familiar**
1	2	3	4	5	6	7
Not very prestigious						**Very prestigious**
1	2	3	4	5	6	7

APPENDIX B

EMAIL RECRUITMENT SCRIPT

Dear Mr./Ms./Dr. X

I am contacting you because I am conducting research as part of my doctoral studies. I am interested in understanding consumers' response to brand extensions. As an educator in the department of Consumer, Apparel, and Retail Studies, I would like to invite your students to participate in the study by completing a short online questionnaire. Their participation is greatly appreciated and is very important to this study.

The study will take less than 10 minutes to complete and participants are asked to take the questionnaire on their own time in one sitting when they have access to a computer that will allow them to view a video.

If you are willing to offer your students to voluntarily participate, please send them the following link:

Participants will also have the opportunity to enter to win a gift card after completing this questionnaire.

If you have any questions about this study, please contact me by email (mlchilds@uncg.edu) or by phone (401-633-5007).

Thank-you in advance, I appreciate you taking the time to assist with my data collection.

Sincerely,

Michelle Childs
Ph. D. Student
Department of Consumer, Apparel, and Retail Studies
Bryan School of Business and Economics
The University of North Carolina at Greensboro
210 Stone Building
Greensboro, NC
Email: mlchilds@uncg.edu

APPENDIX C

STIMULI

Note: Although stimulus in this study was a video, these images provide a general idea of the sequence of events viewed in the stimulus. This example is from a condition presented in Study 3. Other than the manipulated variables, the advertisement remained the same for all respondents. See Table 4 for the manipulated text for each study. The advertisement was 30 seconds long and audio was included.

APPENDIX D

COVER LETTER

THE UNIVERSITY of NORTH CAROLINA
GREENSBORO

Dear Participant,

My name is Michelle Childs and I am a Ph. D. Candidate in the Department of Consumer, Apparel, and Retail Studies at the University of North Carolina at Greensboro. I am conducting research to better understand how consumers respond to brand extensions and seek your participation in this study.

You are invited to voluntarily participate in this study. You must be 18 years or older to participate. Please take 10-15 minutes to complete this questionnaire. This is a multimedia questionnaire, so please ensure that you have **access to a computer with video and sound**. If you are in a public computer lab, please use headphones while completing the questionnaire.

You can enter to **win 1 of 5 $20 Starbucks gift card** after completing this questionnaire.

Your responses will not be identified by the researchers. Absolute confidentiality of data provided through the Internet cannot be guaranteed due to the limited protections of Internet access. Please be sure to close your browser when finished so no one will be able to see what you have been doing. There is no right or wrong answers, you can stop at any time, and there are no known risks associated with participation in this research.

You have the right to refuse to participate or to withdraw at any time, without penalty. If you do withdraw, it will not affect you in any way. Choosing to participate or withdrawing from the study will have no effect on your grades. If you have questions about this study, please contact Michelle Childs at mlchilds@uncg.edu or Dr. Byoungho Jin at B_Jin@uncg.edu. Participation of this online survey indicates that you agree to the above conditions. If you have any questions about your rights as a research subject, you may contact the Office of Research Compliance at (336) 256-1482 or ori@uncg.edu.

Your participation is greatly appreciated and is very important to this study. I hope you take a few minutes to complete this questionnaire because the quality of this research is highly dependent on your participation.

Thank you in advance. I appreciate you taking the time to participate.

Sincerely,

Michelle Childs

Ph. D. Candidate
Department of Consumer, Apparel, and Retail Studies
Bryan School of Business and Economics
The University of North Carolina at Greensboro

Approved IRB
2/11/14

APPENDIX E

QUESTIONNAIRES: STUDY 1, 2, 3, AND 4

STUDY 1

I. Please think about brand X and answer the following questions.

a) What is your perception of the quality of the brand?

Low Quality **High Quality**

1 2 3 4 5 6 7

b) What is your likelihood of purchasing brand X?

Not at all Likely **Very Likely**

1 2 3 4 5 6 7

c) Please indicate whether you think brand X is inferior or superior.

Inferior **Superior**

1 2 3 4 5 6 7

<u>STIMULUS EXPOSURE HERE</u>

II. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree.

		Strongly Disagree						**Strongly Agree**
a)	I would buy this product immediately.	1	2	3	4	5	6	7
b)	I would buy this product even if I had not intended to purchase it.	1	2	3	4	5	6	7
c)	If I don't buy this product right away, it is very likely that I won't have a change to purchase it later.	1	2	3	4	5	6	7
d)	I would buy this product without considering the consequences.	1	2	3	4	5	6	7

III. After brand X introduced a brand extension, what do you NOW think of <u>brand X</u>?

a) What is your perception of the quality of the brand?

Low Quality High Quality

1 2 3 4 5 6 7

b) What is your likelihood of purchasing brand X?

Not at all Likely Very Likely

1 2 3 4 5 6 7

c) Please indicate whether you think brand X is inferior or superior.

Inferior Superior

1 2 3 4 5 6 7

IV. Indicate the extent to which you agree/disagree with the following about <u>yourself</u>.

	Strongly Disagree						Strongly Agree
a) The well-known national brands are for me.	1	2	3	4	5	6	7
b) The more expensive brands are usually my choices.	1	2	3	4	5	6	7
c) The higher the price of the product, the better the quality.	1	2	3	4	5	6	7
d) Nice department and specialty stores offer me the best products.	1	2	3	4	5	6	7
e) I prefer buying the best-selling brands.	1	2	3	4	5	6	7
f) The most advertised brands are usually very good choices.	1	2	3	4	5	6	7

V. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree.

	Strongly Disagree						Strongly Agree
a) I think the time availability of this brand is limited.	1	2	3	4	5	6	7
b) I think the quantity availability of this brand is limited.	1	2	3	4	5	6	7
c) This brand is limited-edition.	1	2	3	4	5	6	7

VI. Please think about brand X and answer the following questions.

a) How familiar is this brand to you?

Very Unfamiliar **Very Familiar**

1 2 3 4 5 6 7

b) How much information do you know about brand X?

No Information **A Great Deal of Information**

1 2 3 4 5 6 7

c) How much previous experience do you have with brand X?

No Previous Experience **A lot of Previous Experience**

1 2 3 4 5 6 7

V. Please answer the following demographic questions.

1. What is your gender?
   ☐ Female
   ☐ Male

2. What is your current age? ___________ years old

3. Please indicate the race that you identify as.

☐ White/Caucasian ☐ African American ☐ Hispanic
☐ Asian ☐ Native American ☐ Pacific Islander
☐ Mixed Race, please indicate _______
☐ Other, please indicate ________

4. What is your combined annual household income for the year 2012-2013 (includes parents' income)?
☐ $19,999 or less ☐ $20,000-$34,999 ☐ $35,000 - $49,999
☐ $50,000 - $64,999 ☐ $65,000-$79,999 ☐ $80,000-$99,999

STUDY 2

I. Please think about brand X and answer the following questions.

a) What is your perception of the quality of the brand?

Low Quality						High Quality
1	2	3	4	5	6	7

b) What is your likelihood of purchasing brand X?

Not at all Likely						Very Likely
1	2	3	4	5	6	7

c) Please indicate whether you think brand X is inferior or superior.

Inferior						Superior
1	2	3	4	5	6	7

STIMULUS EXPOSURE HERE

II. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree.

	Strongly Disagree						Strongly Agree
a) I would buy this product immediately.	1	2	3	4	5	6	7
b) I would buy this product even if I had not intended to purchase it.	1	2	3	4	5	6	7
c) If I don't buy this product right away, it is very likely that I won't have a change to purchase it later.	1	2	3	4	5	6	7
d) I would buy this product without considering the consequences.	1	2	3	4	5	6	7

III. After brand X introduced a brand extension, what do you NOW think of brand X?

a) What is your perception of the quality of the brand?

Low Quality						High Quality
1	2	3	4	5	6	7

b) What is your likelihood of purchasing brand X?

Not at all Likely						Very Likely
1	2	3	4	5	6	7

c) Please indicate whether you think brand X is inferior or superior.

Inferior						Superior
1	2	3	4	5	6	7

IV. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree about brand X being introduced in retailer X.

	Strongly Disagree						Strongly Agree
a) The brand X extension fits well with retailer X	1	2	3	4	5	6	7
b) The brand X extension is a logical extension to be offered in retailer X	1	2	3	4	5	6	7
c) Brand X extension should be offered in retailer X	1	2	3	4	5	6	7

VI. Please think about brand X and answer the following questions.

a) How familiar is this brand to you?

Very Unfamiliar						Very Familiar
1	2	3	4	5	6	7

b) How much information do you know about brand X?

No Information						A Great Deal of Information
1	2	3	4	5	6	7

c) How much previous experience do you have with brand X?

No Previous Experience						A lot of Previous Experience
1	2	3	4	5	6	7

VII. Please answer the following demographic questions.

4. What is your gender?
   - ☐ Female
   - ☐ Male

5. What is your current age? ___________ years old

6. Please indicate the race that you identify as.
   - ☐ White/Caucasian ☐ African American ☐ Hispanic
   - ☐ Asian ☐ Native American ☐ Pacific Islander
   - ☐ Mixed Race, please indicate ________
   - ☐ Other, please indicate _________

4. What is your combined annual household income for the year 2012-2013 (includes parents' income)?
   - ☐ $19,999 or less ☐ $20,000-$34,999 ☐ $35,000 - $49,999
   - ☐ $50,000 - $64,999 ☐ $65,000-$79,999 ☐ $80,000-$99,999
   - ☐ $100,000 or above

STUDY 3

I. Please think about brand X and answer the following questions.

a) What is your perception of the quality of the brand?

Low Quality						**High Quality**
1	2	3	4	5	6	7

b) What is your likelihood of purchasing brand X?

Not at all Likely						**Very Likely**
1	2	3	4	5	6	7

c) Please indicate whether you think brand X is inferior or superior.

Inferior						**Superior**
1	2	3	4	5	6	7

<u>STIMULUS EXPOSURE HERE</u>

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II. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree.

	Strongly Disagree					**Strongly Agree**
a) I would buy this product immediately.	1	2	3	4	5	6	7
b) I would buy this product even if I had not intended to purchase it.	1	2	3	4	5	6	7
c) If I don't buy this product right away, it is very likely that I won't have a change to purchase it later.	1	2	3	4	5	6	7
d) I would buy this product without considering the consequences.	1	2	3	4	5	6	7

III. After brand X introduced a brand extension, what do you NOW think of <u>brand X</u>?

a) What is your perception of the quality of the brand?

Low Quality						**High Quality**
1	2	3	4	5	6	7

b) What is your likelihood of purchasing brand X?

Not at all Likely						**Very Likely**
1	2	3	4	5	6	7

c) Please indicate whether you think brand X is inferior or superior.

Inferior						**Superior**
1	2	3	4	5	6	7

IV. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree.

		Strongly Disagree						Strongly Agree
d)	I think the time availability of this brand is limited.							
		1	2	3	4	5	6	7
e)	I think the quantity availability of this brand is limited.							
		1	2	3	4	5	6	7
f)	This brand is limited-edition.							
		1	2	3	4	5	6	7

V. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree about brand X being introduced in retailer X.

	Strongly Disagree						Strongly Agree
a) The brand X extension fits well with retailer X							
	1	2	3	4	5	6	7
b) The brand X extension is a logical extension to be offered in retailer X							
	1	2	3	4	5	6	7
c) Brand X extension should be offered in retailer X							
	1	2	3	4	5	6	7

VI. Please think about brand X and answer the following questions.

d) How familiar is this brand to you?

Very Unfamiliar **Very Familiar**

1 2 3 4 5 6 7

e) How much information do you know about brand X?

No Information **A Great Deal of Information**

1 2 3 4 5 6 7

f) How much previous experience do you have with brand X?

No Previous Experience **A lot of Previous Experience**

1 2 3 4 5 6 7

VIII. Please answer the following demographic questions.

7. What is your gender?
   - ☐ Female
   - ☐ Male

8. What is your current age? ___________ years old

9. Please indicate the race that you identify as.
   - ☐ White/Caucasian ☐ African American ☐ Hispanic
   - ☐ Asian ☐ Native American ☐ Pacific Islander
   - ☐ Mixed Race, please indicate ________
   - ☐ Other, please indicate _________

4. What is your combined annual household income for the year 2012-2013

(includes parents' income)?

☐ $19,999 or less	☐ $20,000-$34,999	☐ $35,000 - $49,999
☐ $50,000 - $64,999	☐ $65,000-$79,999	☐ $80,000-$99,999

STUDY 4

I. Please think about brand X and answer the following questions.

a) What is your perception of the quality of the brand?

Low Quality **High Quality**

1 2 3 4 5 6 7

b) What is your likelihood of purchasing brand X?

Not at all Likely **Very Likely**

1 2 3 4 5 6 7

c) Please indicate whether you think brand X is inferior or superior.

Inferior **Superior**

1 2 3 4 5 6 7

<u>STIMULUS EXPOSURE HERE</u>

II. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree.

	Strongly Disagree					**Strongly Agree**
a) I would buy this product immediately.	1	2	3	4	5	6	7
b) I would buy this product even if I had not intended to purchase it.	1	2	3	4	5	6	7
c) If I don't buy this product right away, it is very likely that I won't have a change to purchase it later.	1	2	3	4	5	6	7
d) I would buy this product without considering the consequences.	1	2	3	4	5	6	7

III. After brand X introduced a brand extension, what do you NOW think of <u>brand X</u>?

a) What is your perception of the quality of the brand?

Low Quality **High Quality**

1 2 3 4 5 6 7

b) What is your likelihood of purchasing brand X?

Not at all Likely **Very Likely**

1 2 3 4 5 6 7

c) Please indicate whether you think brand X is inferior or superior.

Inferior **Superior**

1 2 3 4 5 6 7

IV. Indicate the extent to which you agree/disagree with the following about <u>yourself</u>.

	Strongly Disagree						Strongly Agree
a) The well-known national brands are for me.	1	2	3	4	5	6	7
b) The more expensive brands are usually my choices.	1	2	3	4	5	6	7
c) The higher the price of the product, the better the quality.	1	2	3	4	5	6	7
d) Nice department and specialty stores offer me the best products.	1	2	3	4	5	6	7
e) I prefer buying the best-selling brands.	1	2	3	4	5	6	7
f) The most advertised brands are usually very good choices.	1	2	3	4	5	6	7

V. Keeping in mind the video you just viewed, indicate the extent to which you agree/disagree about brand X being offered at Price X

	Strongly Disagree						Strongly Agree
a) The brand X extension fits well with price X	1	2	3	4	5	6	7
b) The brand X extension is a logical extension to be offered at price X	1	2	3	4	5	6	7
c) Brand X extension should be offered at price X	1	2	3	4	5	6	7

VI. Please think about brand X and answer the following questions.

a) How familiar is this brand to you?

Very Unfamiliar **Very Familiar**

1 2 3 4 5 6 7

b) How much information do you know about brand X?

No Information **A Great Deal of Information**

1 2 3 4 5 6 7

c) How much previous experience do you have with brand X?

No Previous Experience **A lot of Previous Experience**

1 2 3 4 5 6 7

IX. Please answer the following demographic questions.

1. What is your gender?

☐ Female

☐ Male

2. What is your current age? __________ years old

3. Please indicate the race that you identify as.
☐ White/Caucasian ☐ African American ☐ Hispanic
☐ Asian ☐ Native American ☐ Pacific Islander
☐ Mixed Race, please indicate _______
☐ Other, please indicate ________

4. What is your combined annual household income for the year 2012-2013 (includes parents' income)?
☐ $19,999 or less ☐ $20,000-$34,999 ☐ $35,000 - $49,999
☐ $50,000 - $64,999 ☐ $65,000-$79,999 ☐ $80,000- $99,999
☐ $100,000 or above