



The Differences of Asian and Western Consumers' Attitudes towards Brand Extensions by Information Types: Attribute-related versus Non-attribute-related Information¹

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ABSTRACT

This study aims to empirically examine how Asian and Western consumers with different cultural backgrounds (holistic vs. analytic thinking) in different brand extension situations (high vs. low brand-extension fit) perceive two different types of brand extension information (attribute-related vs. non-attribute-related information). The previous brand extension studies have demonstrated that Asian consumers are considerably better in recognizing fit between parent brands and their extensions than Western consumers. However, only few studies have been conducted so far to investigate how firms can effectively communicate with consumers from different cultures when extending their existing brands. For that, an inter-subjects experiment consisting of 2 (high vs. low similarity with parent brands) * 2 (attribute-related vs. non-attribute-related information) * 2 (Asian vs. Western consumers) groups was conducted with the samples from South Korea, US, Canada and France (N = 393). As a result, Westerners tended to show more favor to attribute-related information than Asians when brand-extension fit was high. When brand-extension fit was low, however, Asians tended to show more favor to attribute-related information than Westerners. In addition, Asians overall showed more favor to low-similarity extensions compared to Westerners when non-attribute-related information was suggested.

Keywords: Holistic versus Analytic Thinking, Attribute-related versus Non-attribute-related Information, Brand Extensions, Brand-extension Fit
JEL Classification: M3

1. INTRODUCTION

When launching a new product, firms may substantially benefit from using their pre-existing brand name rather than making a completely new one. The size of benefits can be significant when firms already have strong brand equity which can provide beneficial halo effects for new products (Barone et al., 2000; Keller and Aaker, 1992). Therefore, it is not surprising to see that brand extensions have become one of the most popular new product launch strategies for firms with strong brand equity. It has been commonly considered that brand extension strategies can be effectively implemented within product categories currently served by parent brands. However, in reality, they do take place in seemingly completely irrelevant product categories

as well, perhaps much more often than one would expect (Boush and Loken, 1991; Smith and Park, 1992). Also, as a result of globalization, an increasing number of firms are implementing brand extension strategies not only on a domestic but also on a global scale.

Without a doubt, one of the most crucial things firms need to do in order to launch a successful brand extension is to communicate effectively with consumers so that they can possibly perceive high fit between parent brands and their extensions (Bridges et al., 2000). However, it can be a particularly difficult task for firms doing business in multiple countries as consumers from different cultures are highly likely to process information (e.g., their subjective evaluation of advertisement) in significantly different ways and thus respond differently to exactly the same brand extension information. If so, then one can safely argue that firms need to implement proper communication strategies specifically

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tailored to “fit” different cultures in order to increase the overall likelihood of brand extension success.

In this vein, a handful of previous brand extension studies have looked into the effects of communication strategies on consumers' brand extension evaluations. Suggesting that it is important to establish proper “fit” between parent brands and their extensions in consumers' mind, some of these studies have examined whether consumers respond differently to “attribute-related information” (the physical aspects of parent brands such as price, package and function of products and their relevance to extension products) and “non-attribute-related information” (the non-physical - and thus, abstract - aspects of parent brands such as users and situations of use and their relevance to extension products) (Bridges et al., 2000; Keller, 1993; Park et al., 1991). Also, considering that brand extensions do not always take place within product categories currently served by parent brands, other studies have further examined the distinctive effects of “relational communication strategy” (emphasizing similarity between parent brands and their extensions) and “elaborational communication strategy” (emphasizing the distinct characteristics of new products per se and not on the association with parent brands) (Aaker and Keller, 1990; Keller, 1998; Kirmani et al., 1993).

All these studies mentioned above clearly point out one thing: In order to launch a successful brand extension, it is important for firms to choose a “right” communication strategy that works best in a given situation. However, only little attention has been so far paid to the issue of how firms can effectively communicate with consumers from different cultures when implementing brand extension strategies in a global scale. Based on the discussion so far, the current study aims to scrutinize in detail how Asian and Western consumers actually evaluate high- and low-similarity extensions when they are exposed to either attribute-related or non-attribute-related information.

Previous cross-cultural studies have repeatedly demonstrated that Asians are characterized by “holistic thinking,” looking at focal objects in relation to the whole, while Westerners are characterized by “analytic thinking,” focusing only on the attributes of focal objects (Choi and Nisbett, 1998; Nisbett et al., 2001). Considering that these two different styles of thinking play a decisive role in interpreting external stimulations and processing information (Nisbett et al., 2001), it is possible to argue that attribute-related and non-attribute-related information may have distinctive effects on Asian and Western consumers' evaluation of brand extensions. In addition, a series of previous cross-cultural studies examining consequences of holistic versus analytic thinking have so far successfully shown that Asians tend to exhibit hindsight bias more often than Westerners (Choi and Nisbett, 2000). Hindsight bias is a tendency of people to see that outcome could have been predicted despite the fact that there has been no objective basis for predicting it (Fischhoff, 1975). These findings implicitly suggest that Asian consumers are highly likely to perceive brand extensions favorably than Western consumers when brand-extension similarity is noticeably low (John et al, 2006). Summing up, types of brand extension information delivered to consumers and a degree of parent-extension similarity may arguably have interactive effects

on Asian and Western consumers' perception of brand extensions, which this study ultimately aims to look closely into.

There have been several empirical studies looking into distinctive responses of Asian and Western consumers to brand extensions so far (Bottomley and Holden, 2001; Han and Schmit, 1997; Monga and John, 2004; 2007; 2008; Ng and Houston, 2006). These studies have successfully demonstrated that Asian consumers who are familiar with holistic thinking in general tend to recognize associations between parent brands and their extensions better than Western consumers. However, only few studies has been so far conducted to investigate how firms can effectively communicate with consumers from different cultures when extending their brands and our study may possibly provide a comprehensive answer to the question.

2. CONCEPTUAL OVERVIEW AND STATEMENT OF HYPOTHESIS

2.1. Brand Extension Similarity

Brand extension can be defined as the use of already well-established brand names to enter new product categories (Aaker and Keller, 1990). In general, it reduces the level of risk consumers are aware of upon purchasing new products (Keller and Aaker, 1992; Tauber, 1988) and saves costs involved with advertisement, business relations with distributors and sales promotion (Collins-Dodd and Louviere, 1999; Tauber, 1988). It may also reduce consumers' brand switching intention significantly (Keller, 2003).

Brand extensions can be roughly divided into two different types: (1) High- and (2) low-similarity extensions. In the situation of high-similarity extensions, consumers often have positive attitudes towards brand extensions as they can easily recognize similarity between parent brands and their extensions (Smith and Park, 1992). In other words, when brand-extension similarity is high, consumers tend to categorize extension products into pre-existing “parent categories” (i.e., category evaluation process), which induces them to evaluate brand extensions favorably. Meanwhile, in the situation of low-similarity extensions, consumers are likely to consider specific characteristics or attributes of parent brands and their extensions as unsuitable for each other (i.e., analytical evaluation process), which prevents certain qualities or images of parent brands from being reflected into extension products. This may in turn lead to consumers' negative brand extension evaluations and ultimately brand dilution effects (Nosofsky, 1988). The criteria of brand-extension similarity include similarities in terms of e.g., product category, complementarity (the extent to which consumers view the original and extension product categories as complements), transferability (perceived ability that any firm operating in the original product category to make a product in the extension product category), manufacturing technology, product attributes and images (Cretu and Brodie 2005; Smith and Park, 1992). Aaker (1991) considered parent-brand similarity as one of the most important factors in deciding the success of brand extensions. If so, then it is arguably crucial for firms to find suitable product categories that can be well associated with parent brands when extending their existing brands. High congruence and

consistency between parent brands and their extensions is likely to result in successful brand extensions, while the opposite may have a low chance of success (Jonas et al., 1997).

However, in reality, a large number of firms carry out not only high - but also low-similarity extensions. Occasionally, firms implement brand extension strategies in seemingly irrelevant product categories as well due to a variety of reasons, e.g., long-term strategic plans such as diversification or vertical integration, pro-active responses to market opportunities and disruptive changes in the market. Interestingly, this trend is more commonly observed in the global rather than the domestic market (Klink and Smith, 2001; Reddy et al., 2009). Furthermore, a series of previous brand extension studies have well observed that extensions with an extreme low-similarity can be also successfully carried out if parent brands have sufficient product power (Dacin and Smith, 1994). Similarly, Park et al. (1991) also insisted that brand extensions into seemingly irrelevant product categories can be successfully launched especially if consistent images or concepts of pre-existing parent brands can be effectively reflected on extension products. Above this, firms can successfully carry out low-similarity extensions through creating positive mood or implementing sequential extension strategies to gradually bridge the gap between parent brands and extensions (Barone et al., 2000; Dawar and Anderson, 1994; Swaminathan, 2003).

In short, not all firms pursue brand extension strategies in product categories served by parent brands; low-similarity extensions do take place frequently in reality and it certainly deserves more in-depth studies. Considering the complexities in international marketing today in particular, the analysis of Asian and Western consumers' responses to different types of brand extensions - especially, low-similarity extensions - is thus undoubtedly of importance.

2.2. Differences between Asian and Western Consumers towards Attribute-related and Non-attribute-related Information

A brand creates its equity value through an association mechanism. Among a variety of different dimensions of brand associations, attributes are one of the most basic and core dimensions which eventually determine consumers' perception of products. Attributes can be mainly divided into two different types: (1) Product-related attributes and, (2) non-product-related attributes (Keller, 1993). Product-related attributes mean physical elements related to specific functions performed by products, while non-product-related attributes mean various external elements appeared upon purchase or consumption of products (Keller, 1993). Upon brand extensions, firms usually begin to communicate with consumers by using parent brand associations. The relationship between parent brands and their extensions can be suggested to consumers largely in two different ways using, (1) attribute-related information focusing mainly on product-related attributes and, (2) non-attribute-related information focusing rather on non-product-related attributes (Bridges et al., 2000).

Parent brands and their extensions may have attribute-based associations if they share the same physical attributes (Sengupta

and Johar, 2002). On the contrary, they may have non-attribute-based associations if they share rather the same images, situations of use, users, etc. (Bridges et al., 2000). Generally speaking, specific information can attract more interests from consumers compared to abstract information (MacKenzie, 1986) and thus tends to be remembered easily and also for a longer period (Paivio et al., 1994; Sadoski et al., 1993). Therefore, one can possibly argue that parent brand associations would be better reflected on extension products when attribute-related information is suggested rather than non-attribute-related information, leading to much better awareness of similarity between parent brands and their extensions. However, consumers' evaluation of brand extensions may also significantly differ depending on differences in ways of thinking between the East and the West.

2.3. The Ways of Thinking: Holistic versus Analytic Thinking

Previous cross-cultural studies have identified two different ways of thinking, i.e., (1) holistic thinking that focuses on correlation between all factors of the universe, and (2) analytic thinking to see those factors as independent features. Each of these ways of thinking sees the universe from the circular and the linear perspective respectively (Munro, 1985; Nakamura, 1985; Nisbett et al., 2001). Holistic thinkers usually pay attention to the relations between the focal objects and the field and prefer to explain or predict events based on that relationship (Morris and Peng, 1994). In other word, it can be defined as involving an orientation to the context or the field as a whole (Nisbett et al., 2001). Meanwhile, analytic thinkers tend to focus on the salient objects appearing after detaching the objects from the context. They group the objects based on their attributes and try to explain or predict behavior of the objects by using categorization-related rules or properties (Choi and Nisbett, 1998; Nisbett et al., 2001). Due to a variety of cultural differences between the East and the West, Asians generally take the way of holistic thinking while Westerners, on the other hand, analytic thinking (Nisbett et al., 2001). Consequently, Asians tend to concentrate on relations between objects and context and make field-dependent decisions compared to Westerners (Ji et al., 2000). For example, according to the study of "fish experiment" conducted by Masuda and Nisbett (2001), Japanese and American experiment participants were instructed to observe the center picture (moving fish) as well as the surrounding picture (water plant, stone, foam, etc.) and told to remember what they saw after a while; as a result, the frequency that the experiment participants associated the center picture with the surrounding picture was found to be much higher among the Japanese than the American group. In addition, in the experiment of grouping different objects with the samples of American and Chinese children, Chiu (1972) found that Asian (Chinese) children tended to group the objects based on the relationship between them. For example, they classified mother and baby as the same category, based on the fact that mothers take care of their babies. Meanwhile, Western (American) children tended to categorize the objects by focusing on the attributes of the objects. For example, they classified mother and father as the same category based on the fact that both are adults, and jeep and boat as the same category as they all have motors. In short, it seems quite clear that Asians with holistic thinking and Westerners with analytic thinking indeed

think differently with noticeable different cognitive processes.

Due to such differences in ways of thinking, Asian and Western consumers are likely to respond differently to the same brand extension information as well. More specifically, brand extension communication strategies based on attribute-related information is expected to be accepted favorably by Western than Asian consumers, especially when parent brand-extension similarity is relatively high. Since Western consumers tend to focus on focal objects - or more precisely product-related attributes in the context of brand extension evaluations - attribute-related information may help them perceive associations between parent brands and their extensions more easily in the situation of high-similarity extensions. In other words, when information on product-related attributes are suggested upon high-similarity extensions, Western consumers may recognize similarity between parent brands and their extensions more strongly and thus evaluate brand extensions in a favorable light compared to Asian consumers.

H1: Western consumers evaluate attributes-related information favorably compared to Asian consumers when brand-extension similarity is high.

Meanwhile, Asian consumers are likely to evaluate attributes-related information in favorable light compared to Western consumers when brand-extension similarity is low. In such a situation, as already discussed elsewhere, consumers' evaluations towards brand extensions are generally unfavorable as consumers have difficulties recognizing concrete associations between parent brands and their extensions (Smith and Park, 1992). Here, if specific attributes-related information is delivered, it can eventually cause severe cognitive dissonance. However, Asian consumers are believed to have better control over such a negative cognition at least to some degree than Western consumers. Previous cross-cultural studies have indeed clearly showed that hindsight bias is more prevalent among Asians than Westerners. Hindsight bias is a psychological tendency to be overconfident of one's ability to predict the results of events and therefore not to be much surprised even if the results are undoubtedly surprising (Fischhoff, 1975). Therefore, hindsight bias is often called as "I knew it would happen" bias.

Choi and Nisbett (2000) proved differences in hindsight bias between Asians and Westerners as the following. They set a scenario that one religious and kind seminary student is asked for help from one stranger on the way to hurry church as he is already late for sermon, and suggested condition (a) "He helped the stranger" and condition (b) "He just passed not helping the stranger" to determine the degree of surprisal felt by experiment participants. As a result, both Asians (Koreans) and Westerners (Americans) were not much surprised upon condition A. However, upon condition B, while Westerners were still much surprised, Asians were less surprised than Westerners. The responses of Western participants were largely based on the attributes of seminary students (their duty is to help others in need). However, Asian participants considered that the seminary student could just pass by as they focused on not only the attributes of seminary students but also the context given in the scenario (the seminary

student hurries church). The result of the study indicates that Asians with holistic thinking tend to show higher hindsight bias than Westerners with analytical thinking. Asian participants were not surprised or threatened because they thought "I knew it would happen" or "It could happen."

Because of such differences in cognitive processes, Asian consumers are expected to better accept discrepant situations and thus respond less negatively to attribute-related information than Western consumers even if brand-extension similarity is significantly low. In other word, Asian consumers tend to show middle way- or compromise-centered thinking even if they are exposed to information inconsistent with pre-existing knowledge; therefore, they recognize less surprisal and dissonance accompanied by inconsistent information (Choi and Nisbett, 2000; Peng and Nisbett, 1999). Hereby, it is possible to argue that the degree of surprisal derived from attributes-related information upon low brand-extension similarity are likely to be lower among Asian consumers than Western consumers, due to their tendency to think holistically and thus be susceptible to hindsight bias.

H2: Asian consumers evaluate attributes-related information favorably compared to Western consumers when brand-extension similarity is low.

As already discussed above, Western consumers with analytic thinking tend to infer associations between parent brands and their extensions mainly from attributes-related information. However, Asian consumers with holistic thinking may also draw an inference about parent brand associations equally well from non-attribute-related information. Considering Asian consumers' overall tendency to take account of all kinds of relations between "objects" and "events" simultaneously as a whole, they are likely to recognize the diagnosticity of extension information relatively easily from non-attribute-related information and thus evaluate brand extensions based on not only salient objects but also the context or field. Therefore, it is possible to argue that Asian consumers show a favorable response to brand extensions than Western consumers when non-attributes-related information (e.g., who use it when, how and in which circumstances) is suggested. Asian consumers with a high degree of hindsight bias are believed to be able to effectively control negative responses potential to be arisen upon low-similarity extensions and favorably accept non-attributes-related information.

H3: Asian consumers evaluate non-attributes-related information favorably compared to Western consumers regardless of a degree of brand-extension similarity.

3. EXPERIMENT PROCEDURE AND METHOD

3.1. Pretest for Brand Selection

The pretest was conducted with the samples of 30 Koreans (undergraduate students) and 30 Westerners (international students, students learning the Korean language and "foreign"

language instructors) from one of the universities and the language schools located in Seoul, South Korea (60 in total). Based on the results of the pretest, we chose the parent brand to be used in the experiment as well as the extension product categories which are either similar or dissimilar to the parent brand. Previous brand extension studies have used either actual or virtual brands in their experiments in accordance with the specific goals and objectives they pursue. In this study, however, reality was highlighted by using an actual brand. Brand extensions are based on the premise that parent brands have high equity value and their associations is favorable (Keller and Aaker, 1992), which also strongly suggests that using actual brands might be preferable to using virtual brands.

The parent brand to be used in this study has to be sufficiently recognized for its equity value in both the East and the West. Thereby, a focus group discussion (FGD) was conducted in 5 Koreans and 5 Westerners randomly selected from the total participants. The researchers informed them of the objective of the study and instructed them to select appropriate brands to be used. Based on FGD, total 6 global brands in different product categories with a high brand extension potential were suggested (Polo, New Balance, iPhone, McDonald, Google and Chanel perfume). After that, the total 60 participants, consisting of 30 Koreans and 30 Westerners, were asked to select the brand on the spot and frankly describe their feelings about it. As a result, the brands selected by the largest number of participants were "Polo" and "Chanel perfume" in order; the latter was finally selected to be used, as it was considered as more appropriate for proper experimental manipulations. There were indeed other global brands suggested as well. However, they were excluded from this study as they are seen as having a low potential for further extensions.

In order to manipulate brand-extension similarity, two different extension categories with either high or low similarity to Chanel perfume were selected. For this, FGD used in the process of brand selection was conducted again. As a result, total 10 categories were suggested such as sun glass, electronic dictionary, sports center, suit, camera, sports car, jewellery, brown goods (wine or cosmetics refrigerator), etc. These product categories were then evaluated for similarity recognized by considering associations with the brand "Chanel." The recognized suitability was assessed by total 4 questions about "overall fit," "product attributes-related similarity" and "brand concept-related similarity" with 5-point scale (Aaker and Keller, 1992; Keller and Sood, 2003; Smith and Park, 1992). As a result, the product category with the highest similarity to Chanel perfume was defined as cosmetics ($M = 3.89$), while the product category with the lowest fit was defined as brown goods ($M = 1.29$). Thereafter, four experimental advertisements in total (high vs. low brand-extension similarity * attribute-related vs. non-attribute-related information) were constructed both in English and in Korean.

3.2. Pretest for Attribute-related versus Non-attribute-related Information

The four brand extension scenarios (Appendix) with either attribute-related information or non-attribute-related information were carefully constructed by referring to the different types of product feature similarity suggested by previous studies (Park

et al., 1991; Bridges et al., 2000). The attribute-related information was mainly constituted by paying attention to Chanel perfume's unique fragrance, while non-attribute-related information was constituted by focusing on users, images and dignity-related contents. In order to inspect the adequacy of scenario stimulus, the pretest was re-conducted in the same participants. Presenting the experimental advertisements, the second pretest examined whether or not they clearly recognize attribute-related information and non-attribute-related information as two different types of information. The participants' subjective perception of attribute-based associations (e.g., physical forms and other product attributes) and non-attribute-based associations (users, situations of use and images) on each of the four different scenarios was measured on 5-point scale. As a result of the pretest, the participants recognized these two different types of information separately. Specifically, In case of attribute-based associations, the mean values of the two "cosmetics" scenarios with attribute-related and non-attribute-related information was 3.98 and 1.90 respectively ($t = 9.78$, $P < 0.000$) and the mean values of the "brown goods" scenarios, 3.81 and 1.50 ($t = 10.01$, $P < 0.000$). Also, in case of non-attribute-based associations, the mean values of the "cosmetics" scenarios with attribute-related and non-attribute-related information were 2.01 and 3.89 respectively ($t = 9.00$, $P < 0.000$) and the mean values of the "brown goods" scenarios, 1.99 and 3.94 ($t = 11.04$, $P < 0.000$).

4. TEST RESULTS

This study basically aims to demonstrate Asian and Western consumers' distinctive responses to attribute-related vs. non-attribute-related information per parent-extension similarity through an experiment. The samples of 250 Asian consumers were randomly selected from students at a university located in South Korea (including postgraduates and undergraduates) and the samples of 250 Western consumers from students at a French wine university, students with major in advertisement at a US university and employees of a Canadian company. The experiment was conducted using a between-subject experimental design consisting of 2 (high vs. low brand-extension similarity) * 2 (attribute-related vs. non-attribute-related information) * 2 (Asians vs. Westerners) groups. Experimental participants were exclusively exposed to one of the two different types of information (either attribute-related or the non-attribute-related information) involved with either high (cosmetics) or low (brown goods) brand-extension similarity. The questionnaires with incomplete responses were excluded during screening processes. In addition, the samples representing excessive favor or disfavor to the target brand, namely Chanel perfume, was excluded as well. Resultingly, total 393 responses were used for the further analysis. The number of samples in each of the groups is provided in Table 1. As being classified in Table 1, total 8 types of the questionnaires written in either English or Korean (4 each) were dispensed to 8 different groups. The researchers did not inform experiment participants of the actual objectives of the study. The age of respondents was ranged between 19 and 45 and among them, respondents aged between 20 and 24 took majority (72%). The percentage of male and female was 45% and 55%, respectively.

This study premises that Western consumers are likely to evaluate brand extensions favorably than Asian consumers upon exposure to attribute-related information in case of high brand-extension similarity (H1). On the other hand, Asian consumers are likely to evaluate brand extensions favorably than Western consumers upon exposure to attribute-related information in case of low brand-extension similarity (H2). Two-way ANOVA was conducted in order to verify these hypotheses using the samples in subgroup 1, 2, 5 and 6 which are exposed to attribute-related information exclusively (Table 2). As being presented in Table 3, the results of the analysis clearly show that there are statistically significant 2-way interaction effects between brand-extension similarity (high vs. low) and origins of consumers (Asians vs. Westerners). In addition, as presented in Table 4, Western participants tended to evaluate brand extensions favorably than Asian participants when brand-extension similarity was high (M Westerner = 3.65, M Asian = 3.20). The result of t-test (subgroup 1 and 2) shows that mean difference between Asian and Western participants is statistically significant ($t = 2.61, P < 0.05$). Therefore, H1 is accepted. Also, as presented in Table 5, Asian participants tended to evaluate brand extensions favorably than Western participants when brand-extension similarity was low (M Westerner = 3.34, M Asian = 2.87). The results of t-test (subgroup 5 and 6) confirm that mean difference is statistically significant ($t = 3.09, P < 0.05$). Therefore, H2 is accepted as well.

Table 1: The number of participants in each of the experimental groups

Information Type	The number of Asian samples (N)	The number of Westerner samples (N)
High similarity (cosmetics)	Subgroup 1	Subgroup 2
	48	48
Non-attribute-related information	Subgroup 3	Subgroup 4
	52	50
Low similarity (brown goods)	Subgroup 5	Subgroup 6
	48	47
Non-attribute-related information	Subgroup 7	Subgroup 8
	50	50

Table 2: Asian and Western consumers' brand extension evaluation with exposure to attribute-related information

Degree of Similarity	Asian		Westerner	
	N	Mean±SD	N	Mean±SD
High similarity	48	3.20±0.87	48	3.65±0.81
Low similarity	48	3.34±0.87	47	2.87±0.56

Table 3: Two-way ANOVA analysis

Source	DF	F	Significance probability
High/low similarity	1	7.793	0.006
Asian/Western	1	0.005	0.944
High/low similarity*Asian/Western	1	10.094	0.000
Error	187		

Dependent variable: Brand extension evaluations

Hypothesis 3 predicts that Asian consumers evaluate brand extensions favorably than Western consumers when they are exposed to non-attribute-related information regardless of a degree of brand-extension similarity. To test the hypothesis, the samples from subgroup 3, 4, 7 and 8 which are exposed to non-attribute-related information exclusively were selected for the further analysis. As a result of t-test in Table 7, Asian participants showed more favor with brand extensions compared to Western participants when similarity was low (M Westerner = 2.67, M Asian = 3.17, $t = 2.53, P < 0.05$). However, there was no significant difference in brand extension evaluations between Asian and Western participants when similarity was high (Table 6). Accordingly, Hypothesis 3 was partially supported.

Additionally, a degree of cognitive dissonance as well as resistance to brand extension information was measured in some of the experimental groups exposed to the scenarios about low brand-extension similarity (subgroup 5, 6, 7 and 8) in order to examine fundamental differences in psychological bases of information processing between Asian and Western consumers. The concept of cognitive dissonance is defined as “psychological discomfort with information non-consistent with one’s cognition, attitude and behavior,” by referring to preceding studies (Festinger, 1957). More specifically, in this study, “inconvenience,” “discomfort” and “anxiety” on negative inconsistent information were determined by adopting the measurement designed by Elliot and Devine (1994) and Brehm and Wicklund (1976). The results of t-test in Table 8 confirms that Western participants are likely to recognize a considerably higher degree of cognitive dissonance when they are exposed to the scenarios about low brand-extension similarity

Table 4: The result of t-test on Hypothesis 1: Attribute-related information in the situation of high brand-extension similarity

Attitude	Classification	N	Mean±SD	t
High similarity: Attitude towards brand extensions	Asian	48	3.20±0.87	2.61 (P<0.05)
	Westerner	48	3.65±0.81	

Table 5: The result of t-test on Hypothesis 2: Attribute-related information in the situation of low brand-extension similarity

Attitude	Classification	N	Mean±SD	t
Low similarity: Attitudes towards brand extensions	Asian	48	3.34±0.87	3.09 (P<0.05)
	Westerner	47	2.87±0.56	

Table 6: The result of t-test on Hypothesis 3: Non-attribute-related information in the situation of high brand-extension similarity

Attitude	Classification	N	Mean±SD	t
High similarity: Attitudes towards brand extensions	Asian	52	3.307±0.646	-1.557 (P=0.123)
	Westerner	50	3.506±0.643	

Table 7: The result of t-test on Hypothesis 3: Non-attribute-related information in the situation of low brand-extension similarity

Attitude	Classification	N	Mean±SD	t
Low similarity: Attitudes towards brand extensions	Asian	50	3.17±0.901	2.530 (P<0.05)
	Westerner	50	2.67±01.06	

Table 8: Differences in cognitive dissonance between Asians and Westerners in the situation of low brand-extension similarity

Response to Information	Classification	N	Mean±SD	t
Cognitive dissonance	Asian	98	2.975±0.771	3.132 (P<0.05)
	Westerner	97	3.328±0.809	

Table 9: Differences in resistance to brand extension information between Asians and Westerners in the situation of low brand-extension similarity

Response to Information	Classification	N	Mean±SD	t
Resistance to information	Asian	98	2.941±0.862	3.331 (P<0.05)
	Westerner	97	3.337±0.902	

than Asian participants (M Westerner = 3.32, M Asian = 2.97, t = 3.13, P < 0.001).

A degree of resistance to brand extension information in Asian and Western participants was measured by three items, i.e., “avoidance,” “denial” and “ignorance,” using Hunter’s scales related with intention to lessen cognitive dissonance (Hunter, 2005). As a result (Table 9), Western participants showed a higher degree of resistance to brand extension information than Asian participants when brand-extension similarity was low (M Westerner = 3.37, M Asian = 2.94, t = 3.33, P < 0.05). Considering the results above, it is possible to conclude that Western participants experience more psychological discomfort derived from cognitive dissonance when they are exposed to low brand-extension similarity. However, Asians tend to control it more effectively mainly based on their bias judgments, “I knew it would happen.”

5. GENERAL CONCLUSIONS AND DISCUSSIONS

The current study have scrutinized the distinctive responses of Asian and Western consumers to brand extensions, by classifying the relationship between parent brands and their extensions as high versus low similarity and specifying brand extension information as attribute-related versus non-attribute-related information. The results and conclusions of the study are as follows.

Firms use brand extensions as one of the important strategic tools to take advantage of their existing brand equity. They may implement brand extension strategies within or outside of

product categories currently served by parent brands. According to the results of this study, Western consumers tend to evaluate high-similarity extensions favorably than Asian consumers when attribute-related information is suggested. In other words, Western consumers who are familiar with analytic thinking and thus tend to focus on focal objects recognize similarity between parent brands and their extensions relatively easily when attribute-related information focusing on product features is suggested. However, when brand-extension similarity is low, parent brand associations are less likely to be successfully transferred to extensions and thus consumers may perceive parent brands and their extensions as two different entities irrelevant to each other. In this case, the possibility of brand extension failure is high (Boush and Loken, 1991). Western consumers in particular show high tendency to infer similarity through attribute-related information. Therefore, when brand-extension similarity is low, any effort to transfer parent brand association through attribute-related information may increase denial to extensions and even cause a high degree of cognitive dissonance. However, Asian consumers who are familiar with holistic thinking and thus tend to show a high degree of hindsight bias do not show significant differences in brand extension evaluations regardless of a degree of parent-brand similarity in contrast to Western consumers. Based on the discussion so far, one can thus conclude that suggesting attribute-related information in the situation of high brand-extension similarity may have a positive impact on both Asian and Western consumers’ subjective evaluations of brand extensions. However, in the situation of low similarity, attribute-related information can be negatively perceived particularly by Western consumers.

However, in case of Asian consumers, brand extension evaluations would not change much even if attribute-related information is given when brand-extension similarity is low. Interestingly enough, the results of the current study shows that Asian experiment participants evaluated low-similarity extensions even more favorably than high-similarity extensions when attribute-related information was suggested. In other words, they seemed to be able to better infer associations between parent brands and their extensions from attribute-related information even when brand-extension similarity was low, mainly based on holistic thinking (e.g., It may be better to store Chanel products in Chanel’s cosmetic refrigerators). It can be thus understood that Asian consumers are likely to accept a wide range of brand extensions favorably due to their relation - and context-based thinking. From individual firms’ perspective, it implicitly suggests that they need to address a variety of marketing strategies in order to differentiate their extended brands from competitors’ in a creative way, at least in many of the Asian countries where holistic thinking is dominant. In addition, there is also a possibility that Asian experiment participants favorably responded to non-attribute-related information, associating Chanel’s high brand equity with its extensions from a contextual point of view. In general, when a brand already has a high value, its extensions can be successfully carried out in a much wider range of seemingly irrelevant product categories (Klein and Ahluwalia, 2005; Lane, 2000; Bridges et al., 2000; Swaminathan, 2003). For example, Yamaha has extended a range of its business from piano and musical instruments to motor cycle and golf club, which was eventually favorably reminded by

consumers. Sony also labeled a variety of home appliances with its corporate brand, "Sony," which in turn was also favorably accepted by consumers in general. Similarly, Asian experiment participants in particular seemed to genuinely recognize a wide range of extensions by Chanel due to its high brand value. This phenomenon appeared in both Asian and Western participants in this study, but more remarkably among Asian participants with holistic and context-based thinking.

This study has also predicted that Asian consumers may favorably evaluate brand extensions than Westerners regardless of a degree of brand-extension similarity when non-attribute-related information is suggested. This hypothesis is only partially supported. Upon low-similarity extensions, Asian consumers were found to take it favorably than Western consumers when non-attribute-related information was given. However, there was no statistically significant difference between Asian and Western consumers when brand-extension similarity was high. As a brand has been favorably accepted by a number of consumers and its value has successively increased over time since its launch, marketing communication in general tends to be more abstract and image-driven rather than specific and concrete attribute-driven. Such symbol- or image-based marketing communication may possibly appeal better to Asian consumers.

This study has also tried to understand the fundamental causes of distinctive responses of Asian and Western consumers arouse in relation to brand extension information. For this, cognitive dissonance derived from and resistance to "unexpected" brand extension information were measured. Asian consumers were found to be less sensitive to recognize cognitive dissonance upon low-similarity extensions than Western consumers. Similarly, Western consumers showed much stronger resistance to unexpected brand extension information than Asian consumers. It is fully consistent with the results of preceding cross-cultural studies which have already showed that Asians are less sensitive to and thus naturally accept unexpected stimulus due to hindsight bias than Westerners (Choi and Nisbett, 2000). In other words, Asian consumers tend to show a receptive attitude towards "cognitively inconsistent" brand extension information, while Western consumers tend to resist it in order to reduce a degree of perceived discrepancies between parent brands and their extensions.

6. LIMITATIONS AND FUTURE RESEARCH

This study was conducted in South Korea, US, France and Canada, dividing the experiment participants from the East and the West. When comparing the East and the West cross-culturally, it is extremely important to choose proper samples that can well represent each of these regions. Many of the cross-cultural studies have so far used East Asian countries such as China, Japan and Korea as a representative of the "Eastern" region and Anglo-Saxon countries such as US and UK as a representative of the "Western" region. However, as it has become increasingly important for firms to adapt their marketing strategies properly to suit consumers' various taste in different countries, future research may possibly be able to provide more practical and useful knowledge to marketing practitioners by choosing different extension product

categories, brands and regions as a subject of study. In order for firms to successfully implement segmentation strategies in specific regions, they need to scrutinize various demographic variables in depth within these regions. Even within the countries or the continents that can be easily classified as either "East" or "West," unexpected combinations of different ethnic groups might be noted (e.g., Hispanics in US), which makes studies based on a simple dichotomy between Asians and Westerners perhaps far too simple and unrealistic in practice. Therefore, future studies may be in need of dividing cultural regions to be examined in more comprehensible ways, not just "East" versus "West" and also consider additional contextual factors such as demographic variables.

Additionally, this study used one of the highly valued brands, namely "Chanel perfume," in the experiment. Certainly, there are also possibilities that the unique characteristics of Chanel might have influenced the result of the study, at least to some extents. Hence, it would be a good idea to include a variety of extension product categories in future research to strengthen generalizability of research findings. Also, the cross-cultural examination of the impact of brand equity and extension product categories on consumers' attitude towards brand extensions can be of interest as well.

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APPENDIX

Stimulus scenarios

1. Cosmetics attribute scenario

Early this month, Chanel and Chanel Homme released premium skin tonic. In the dry weather just spraying this prestigious tonic can bring you special skin treatment. In addition to skin moisturizing and softness, you could feel sophistication from the scent of tonic based on natural citrus extract of Chanel perfume line. Chanel perfume has been acknowledged as the most modern and prestigious scent and now presents freshness and moisture of the skin tonic. You might definitely be satisfied with delicate scent of the skin tonic you just can feel only from Chanel perfume line. Chanel perfume's four traditional scent, green apple, freesia, jasmine from India, white musk, using these all favorite scents, this skin tonic delivers soft touch plus skin refreshing. Especially, only once or twice spraying makes wonder to your dry skin.

2. Cosmetics non-attribute scenario

Earlier this month, Chanel and Chanel Homme, following its reputation, released a premium skin tonic. It is a prestigious face tonic product that can be easily applied for skin care dedicated to both men and women in dry weather conditions. Not only does the face tonic provides skin moisturizing and softness but also suggests a lively presence and modernistic feeling and internal warmth that has been long presented to customers of Chanel perfume. A luxurious value only presented to Chanel customers is now available through this face tonic. The moment you apply Chanel's face tonic, you will simultaneously feel the prestige and premium of Chanel perfume you have always used when meeting someone important. Brad Pitt and Gwyneth Paltrow, who attained fame through starring in advertisement for Chanel perfume, showed great satisfaction after trying the tonic for themselves in the public demonstration Chanel prepared ambitiously. They commented that the tonic would conveniently help their skin care during their irregular shooting schedule and suggested the general public should experience the sensation.

3. Brown goods attribute scenario

Based on its premium brand image, Chanel has become eye-catching by releasing a miniature make-up-refrigerator and wine cellar at the same time. Especially for the make-up-refrigerator, it carries the natural feeling of the original Chanel perfume which is translated into a fresh design. Moreover, to prevent bad smells arising from the refrigerator, it has been designed to let citrus fragrance, which is from the original Chanel perfume line, softly spread out in the refrigerator. This helps to protect make-ups and perfumes from bacterial contamination, which makes it possible to maintain a moist skin feeling. In addition, noise and vibration refrigerators might make have been eliminated and through eco-friendly digital cooling technology, the refrigerator activates on an ultra-low power consumption system.

4. Brown goods non-attribute scenario

Based on its premium brand image, Chanel has become eye-catching by releasing a miniature make-up-refrigerator and wine cellar at the same time. Chanel perfume that has been acknowledged for shining up stylish men and women has put in such recognized values directly into small home appliances. Particularly for the make-up-refrigerator, Chanel has designed it to contain the lively presence and modernistic feeling and the internal warmth that has been long presented to customers of Chanel. A prestige and premium once only presented to Chanel customers is now possible through the refrigerators. Brad Pitt and Gwyneth Paltrow, who attained fame through starring in advertisement for Chanel perfume and are good wine drinkers, showed great satisfaction after seeing the refrigerators for themselves in the public demonstration Chanel prepared ambitiously.