Beyond Survival of the Fittest:
The Influence of Consumers’ Mindset on Brand Extension Evaluations

Tom Meyvis, New York University *
Kelly Goldsmith, Yale University
Ravi Dhar, Yale University

* Tom Meyvis is Associate Professor of Marketing, Stern School of Business, New York University (e-mail: tmeyvis@stern.nyu.edu). Kelly Goldsmith is a doctoral student (e-mail: kelly.goldsmith@yale.edu) and Ravi Dhar is the George Rogers Clark Professor of Management and Marketing (e-mail: ravi.dhar@yale.edu) at the Yale School of Management.
Abstract

Previous research has shown that consumers’ evaluations of brand extensions depend on the perceived quality of the parent brand and the fit between the brand and the extension category. We propose that the relative importance of these two factors is malleable and depends on the mindset of the decision maker. At a theoretical level, we demonstrate how minor changes in the decision context alter consumers’ mindset and systematically change consumers’ brand extension evaluations. In particular, we show that promoting a concrete mindset shifts consumers’ focus from the fit of the brand extension to the quality of the parent brand. Since most academic brand extension studies use a relatively abstract decision context, a substantive implication of our findings is that prior research may have underestimated the importance of parent brand quality by implicitly inducing a mindset that is more abstract than the natural mindset of a consumer in the marketplace.
Treating their brands as assets, many businesses have attempted to leverage their brand equity by using established brand names to launch new products as brand extensions. Prior research has demonstrated that consumers’ evaluations of these brand extensions primarily depend on two factors: the perceived quality of the parent brand and the perceived fit between the brand and the extension category (e.g., Aaker & Keller 1990, Bottomley and Holden 2001). Mostly focusing on the latter factor, previous studies have shown that a good fit between the brand and the extension category is a necessary condition for favorable consumer reactions. However, this prior research has tended to study consumers’ reactions in the relatively abstract context of isolated, hypothetical extension concepts (e.g., how would you evaluate Heineken popcorn?). This context is quite different from many purchase contexts in the marketplace that often involve concrete choices between multiple brands in a product category (e.g., choosing between Heineken popcorn and Stop & Shop popcorn). We propose that such differences in the decision context can elicit different mindsets that, in turn, activate different considerations and change consumers’ preferences. In particular, we will demonstrate that the presentation of visual information and the facilitation of brand comparisons activate a more concrete mindset, shifting consumers’ focus from fit to quality.

First, we will argue that changes in the nature of the decision context can change the level of abstraction at which consumers evaluate the extension. Based on recent findings, we propose that consumers who can visually inspect the brand extensions or compare them to other brands in the category will be in a more concrete mindset than consumers who evaluate the brand extensions in isolation and without any visual information. Indeed, visual cues and brand comparisons will make the decision situation
more vivid and more contextualized, resulting in more concrete construals (Amit et al. 2008; Liberman, Trope, and Stephan 2007). It follows that consumers who are considering a brand extension in the marketplace will usually be in a more concrete mindset than participants in most brand extension studies.

Second, we propose that these mindset differences substantially alter what consumers focus on when evaluating a brand extension. Since abstract construals tend to emphasize normative principles (Fujita et al. 2006a, Trope, Liberman, and Wakslak 2007), we posit that consumers who are in a more abstract mindset should be more likely to rely on perceived market ideals, such as the principle that extensions should fit the image and skills of the brand. In contrast, consumers who are in a concrete mindset should be more concerned about the specific benefits provided by the extension. Since high quality brand names are generally perceived as guarantees for rewarding products, consumers in a concrete mindset will be more likely to focus on the quality of the parent brand rather than the fit of the extension.

In general, this paper intends to make two distinct contributions. First, at a theoretical level, we aim to demonstrate that extension evaluations are malleable and depend on the mindset that is activated by the decision context. More specifically, we posit that presenting brand extensions in the context of other competing options or accompanied by visual information will elicit a more concrete mindset, which will reduce consideration of the fit of the extension, but increase consideration of the quality of the parent brand. Second, since brand extension studies often present extensions without comparison brands or visual information (whereas many purchase situations do allow brand comparisons and visual inspection), we posit that academic extension studies have
tended to overestimate the importance of the fit between the brand and the extension and underestimate the importance of the quality of the parent brand.

To test our propositions, we will examine the effect of subtle changes in the decision context on people’s relative preference for extensions of high quality versus high fit brands. In particular, we will demonstrate that people’s preference for low fit extensions of high quality brands can be dramatically increased by (1) priming concrete thinking in a previous, unrelated task, (2) adding a generic, non-diagnostic picture of the extension category, (3) asking people to imagine the extension product, and (4) presenting the extension in the context of other brands. The substantial effects of these subtle manipulations have several important implications. They not only caution against wholesale generalizations of findings from past brand extension research, but they also suggest recommendations for the testing of new product concepts, as well as communication strategies for increasing consumers’ acceptance of novel brand extensions. Before empirically investigating our predictions, we will briefly review prior research on brand extensions, discuss the evolving view on the importance of brand-extension fit, and describe how the importance of fit may depend on consumers’ mindset.

CONSUMER REACTIONS TO BRAND EXTENSIONS: MOVING BEYOND FIT

Whereas initial studies on consumers’ reactions to brand extensions acknowledged the importance of consumers’ attitude towards the parent brand, they also suggested that consumers’ brand attitude will only impact their extension evaluations if they perceive a good fit between the brand and the extension category. For instance,
Aaker and Keller (1990) observed that brand extensions were only aided by a brand’s quality image if there was a basis of fit between the original product category and the extension category. In a similar vein, Boush and Loken’s (1991) categorization model of brand extension evaluations holds that the affect transferred from the parent brand to the brand extension depends on the fit between the brand and the extension category. More generally, a good fit between the brand and the extension category has been widely considered to be a necessary condition for favorable consumer reactions, regardless of whether fit is conceptualized as a function of overlapping category associations and compatible skills (Aaker and Keller 1990), the match between the brand image and the extension category (Park, Milberg, and Lawson 1991), or overlapping benefit associations (Broniarczyk and Alba 1994).

However, recent studies have cast some doubt on the idea that a good fit is a necessary condition for favorable extension evaluations. Favorably regarded brand names have been shown to directly increase extension evaluations, regardless of fit. Bottomley and Holden’s (2001) meta-analysis of previous brand extension studies revealed a main effect of brand quality perceptions on extension evaluations (aside from an interactive effect with fit). Similarly, Yeung and Wyer (2005) demonstrated that brand-elicted affect can produce favorable extension evaluations, even in the absence of a good fit. Furthermore, Klink and Smith (2001) showed that if sufficient attribute information is made available for the extension, consumers simply evaluate the extension based on the attribute information and the effect of fit completely disappears. Finally, perceptions of fit have been shown to be malleable, implying that an initial poor fit can still be remedied. For instance, fit for moderately far extensions can be improved through
positive mood (Barone, Miniard, and Romeo 2000) or repeated exposures to the extension (Klink and Smith 2001).

In sum, while previous studies have identified both brand quality and extension fit as important drivers of extension evaluations, they differ in their conclusions regarding the relative importance of each. Whereas some findings indicate that fit is essential, other findings suggest that high quality brand extensions can be evaluated favorably regardless of fit. Given the diversity of previous results, the present research aims to identify the conditions under which consumers rely more on fit versus when they rely more on parent brand quality. In line with a large body of past research that has demonstrated the constructive nature of both attitudes (e.g., Schwarz and Bohner 2001) and preferences (e.g., Bettman, Luce, and Payne 1998), we propose that consumers’ evaluations of brand extensions are highly malleable and depend on the characteristics of the decision context. Furthermore, we posit that these characteristics influence extension evaluations by changing the level of abstraction of the activated mindset. In the next section, we will discuss how the relative focus on the fit of the extension versus the quality of the parent brand depends on the mindset of the decision maker, and how this mindset in turn depends on the nature of the decision context.

CHANGING EXTENSION EVALUATIONS BY CHANGING MINDSETS

We propose that the relative importance of brand-extension fit versus parent brand quality depends on the mindset of the consumer evaluating the extension. More specifically, we propose that abstract mindsets focus consumers on brand-extension fit,
whereas concrete mindsets focus them on parent brand quality. Previous research indicates that greater psychological distance and abstract mindsets tend to increase reliance on normative ideals and general principles (Fujita et al. 2006a, Liberman et al. 2007). Consumers in an abstract mindset should therefore be more likely to consider whether the extension is normatively appropriate, that is, whether the extension fits the image and skills of the brand. In contrast, consumers in a concrete mindset will be more concerned about the immediate benefits that the brand extension can provide them with—benefits that can be inferred from the quality of the parent brand. Stated differently, abstract mindsets tend to distance consumers from the decision (Liberman et al. 2007), which allows them to take normative considerations into account, such as what brands should do (i.e., only introduce products that fit their image and skills). Conversely, concrete mindsets bring consumers closer to the decision, overwhelming them with immediate considerations about quality at the expense of higher level principles such as the requirement of fit between the brand and the extension. This predicted shift from fit to quality is consistent with prior findings that people who are making concrete choices tend to be less principled (Fujita et al. 2006a, Kivetz and Tyler 2007) than people who are contemplating more psychologically distant decisions.

So far, we have argued that the relative focus on fit versus quality depends on the level of abstraction of consumers’ mindset. Next, we consider how changes in the decision context can activate different mindsets and, thus, shift consumers’ focus. We propose that the level of abstraction of consumers’ mindset can be systematically altered by changing one of two features of the decision environment: the presence of visual information and the opportunity to engage in brand comparisons. Since presenting visual
information and facilitating brand comparisons results in a richer, more vivid, and more contextualized representation of the decision, it will lead consumers to adopt a more concrete mindset (Trope et al. 2007). As Amit and colleagues (2008) point out, visual information is readily imaginable, distinctive, and context-bound, whereas verbal information is more pallid and de-contextualized. Consistent with this perspective, they demonstrate that people who are asked to categorize a series of objects tend to create more categories for pictures than for words, indicating that pictures constitute lower level (more concrete) representations than verbal information (Amit et al. 2008). Furthermore, just like visual illustrations make the brand extension more concrete, the presence of other brands in the product category contextualizes the extension evaluation and facilitates more detailed imagery through brand comparisons, consistent with the activation of a concrete mindset (Liberman et al. 2007). In short, we propose that the presence of visual information and the opportunity to engage in brand comparisons tend to elicit a more concrete mindset, which in turn shifts consumers’ focus from the fit of the extension to the quality of the parent brand.

The predicted effect of the decision context on consumers’ extension evaluations has important implications for interpreting the results of academic studies on brand extensions. Although there are certainly exceptions, the decision environments typically used in brand extension studies tend to be more abstract than the context in which consumers encounter brand extensions in the marketplace. Indeed, participants in brand extension studies are often presented with verbally described extension concepts that are then evaluated either in isolation or in the context of other extensions of the same brand. For instance, participants are asked to indicate their attitudes towards Rolex bracelets
(Park et al. 1991) or towards Häagen-Dazs popcorn, cottage cheese, and candy bars (Aaker and Keller 1990). In contrast, consumers in the marketplace often have the extension visually available to them and tend to evaluate the extension in the context of other brands in the product category (e.g., choosing between Häagen-Dazs cottage cheese and ShopRite cottage cheese). There are of course exceptions to this classification. For instance, some brand extension studies do involve choices between brands (e.g., Broniarczyk and Alba 1994, Meyvis and Janiszewski 2004) and some marketplace decisions do involve isolated evaluations (e.g., when considering purchasing McDonald’s yogurt). However, in general, compared to consumers in the marketplace, participants in brand extension studies are less likely to encounter visual information or brand comparisons, and thus tend to adopt a more abstract mindset, resulting in an increased focus on fit rather than quality.

In sum, we propose that accompanying brand extensions with visual information and presenting them in the context of other brands will elicit a more concrete mindset, which in turn will shift consumers’ emphasis from brand-extension fit to parent brand quality. These proposed mindset effects have important implications for the ability to generalize from academic extension studies and brand concept testing to many consumer purchase situations in the marketplace. For those purchase situations where consumers choose between different brands that are immediately available to them, people’s isolated evaluations of proposed brand extensions may underestimate the relative importance of parent brand quality relative to brand-extension fit. Furthermore, this framework also allows recommendations for influencing consumers’ responses to novel extensions by changing the characteristics of the decision context. In particular, it suggests two distinct
strategies for increasing the impact of brand quality (and reducing the impact of fit): facilitating brand comparisons and enhancing the vividness of the extensions. We will examine the impact of both types of changes in the studies reported below. In eight experiments, we will demonstrate how these contextual manipulations can increase consumers’ preference for low fit extensions of high quality brands over better fitting extensions of lower quality brands.

OVERVIEW OF THE EXPERIMENTS

The studies we present in this paper are based on the same paradigm used in previous brand extension research: participants are presented with hypothetical brand extensions and are asked to evaluate these extensions. However, in each study, we will systematically alter one contextual variable that is expected to activate a more concrete mindset and increase the importance of brand quality relative to brand-extension fit. To assess the relative importance of these two factors, we compare participants’ evaluation of a low fit extension of a high quality brand (e.g., Häagen-Dazs cottage cheese) to that of a better fitting extension of a lower quality brand (e.g., ShopRite cottage cheese). A shift in preference from the extension of the better fitting brand to the extension of the higher quality brand indicates an increase in the importance of quality relative to fit.

In the first study, we directly test the assumption that activating a more concrete mindset increases people’s relative sensitivity to quality rather than fit. In the subsequent studies, we systematically examine the features of the decision environment that are expected to change consumers’ extension preferences by changing the level of
abstraction of their mindset. The second study shows that making the decision context more concrete by adding a picture of the product category increases preference for the higher quality (but worse fitting) extension. Studies 3A and 3B replicate this effect and reveal that the effect of the picture on consumers’ extension preferences is mediated by an increase in the relative number of thoughts about quality versus fit. Study 4 shows that a similar shift in preferences can be obtained by simply asking people to imagine the extensions. Studies 5 and 6 demonstrate that evaluating extensions in the presence of other brands (rather than in isolation) also increases the importance of quality versus fit. Finally, study 7 demonstrates the robustness of the effects by showing that they generalize to different types of low quality brands.

STUDY 1: THE EFFECT OF CONSUMERS’ MINDSET ON THE RELATIVE IMPORTANCE OF FIT VERSUS QUALITY

We first tested our proposition that adopting a concrete rather than abstract mindset increases the importance of parent brand quality relative to brand-extension fit. To test this proposition, we first induced either a concrete or an abstract mindset using a separate procedure (unrelated to the main task). Next, we presented participants with two target extension categories and asked them to choose, for each category, between an extension of a high quality, but worse fitting national brand and an extension of a lower quality, but better fitting store brand\(^1\). We expected that participants in a concrete (rather

---

\(^1\) In most of our studies, we used store brands since there was general agreement among the participants that they are lower quality than the national brands, yet can credibly extend to a range of different product categories (and thus fit those categories better than the national brands).
than abstract) mindset would be more likely to choose the extension of the worse fitting, but higher quality national brand.

Method

Pretests. Two pretests were conducted to identify brands that reliably differed on perceived quality and fit with the extension category. Both the quality pretest and the fit pretest used 9-point scales to respectively measure the perceived quality of the brands (1 = “Extremely Low Quality,” 5 = “Moderate Quality,” 9 = “Extremely High Quality”) and the perceived fit between the brand and the extension category (1 = “Extremely Low Fit,” 5 = “Moderate Fit,” 9 = “Extremely High Fit”). Based on the pretest results \((n = 67)\), we selected Häagen-Dazs cottage cheese and Crest facial moisturizer as the extensions of the low fit national brands and ShopRite cottage cheese and Wal-Mart facial moisturizer as the extensions of the better fitting store brands. The Häagen-Dazs brand was perceived to be significantly higher in quality than the ShopRite brand \((M_{Häagen-Dazs} = 8.23, M_{ShopRite} = 4.39, t(22) = 9.11, p < .001)\), but a significantly worse fit with cottage cheese \((M_{Häagen-Dazs} = 2.39, M_{ShopRite} = 6.27, t(43) = 9.13, p < .001)\). Similarly, the Crest brand was perceived to be significantly higher in quality than the Wal-Mart brand \((M_{Crest} = 6.91, M_{Wal-Mart} = 4.26, t(22) = -7.17, p < .001)\), but a significantly worse fit with facial moisturizer \((M_{Crest} = 2.79, M_{Wal-Mart} = 5.29, t(13) = 2.45, p = .029)\).

Design and Procedure. Seventy-eight undergraduate students and 171 members of a national online panel participated in the main study in exchange for either monetary compensation or lottery prizes. Participants were randomly assigned to either the abstract

our final study (study 7), we use low quality national brands instead to make sure that our results are not limited to comparisons with store brands.
or concrete construal condition. Prior to the main study, we manipulated the level of abstraction of participants’ mindset using an ostensibly unrelated task adapted from Fujita et al. (2006b). Participants were asked to either generate superordinate category labels (abstract construal) or subordinate exemplars (concrete construal) for 16 different words, such as singer, king, chair, and car. For instance, those in the abstract construal condition were asked to indicate what a chair is an example of (e.g., furniture), whereas those in the concrete construal condition were asked to provide an example of a chair (e.g., a desk chair).

Following the construal manipulation, participants were asked to fill out a second, allegedly unrelated survey in which they were asked to imagine that they were shopping for five different products. For each product category, they were presented with two brands and asked to indicate which brand they would prefer in that category. The critical categories were the two categories identified in the pretests: participants chose between Wal-Mart and Crest facial moisturizers and between ShopRite and Häagen-Dazs cottage cheese. The remaining products served as filler categories (e.g., Starbucks and Godiva frozen yogurt). The order in which the store and national brands were presented was counterbalanced. Furthermore, at the end of the survey, participants were asked to circle the parent brand names they “did not know.” Participants who did not know one of the parent brands for one of the replicates were excluded from the analyses for that replicate. We used the same counterbalancing procedure and familiarity check in subsequent studies.

2 For approximately half of the respondents, we also provided a “no choice” option to make sure that any effect of the construal manipulation would not be due to changes in participants’ confidence in their preferences rather than changes in the preferences themselves. Since this factor did not change the impact of the construal manipulation, we do not further discuss it here and instead pool across the forced choice and free choice formats.
Results and Discussion

Consistent with our hypothesis, inducing a concrete rather than an abstract mindset increased participants’ relative preference for the high quality, low fit national brand extension. Compared with participants in the abstract construal condition, those in the concrete condition were significantly more likely to prefer Häagen-Dazs over ShopRite cottage cheese ($P_{Abstract} = 41.8\%$, $P_{Concrete} = 58.4\%$, $\chi^2(1) = 3.97, p = .046$) and marginally more likely to prefer Crest over Wal-Mart facial moisturizer ($P_{Abstract} = 50.6\%$, $P_{Concrete} = 62.9\%$, $\chi^2(1) = 2.88, p = .090$). Furthermore, when collapsing across both replicates, we observe a reliable increase in preference for the national brand extensions following the concrete construal manipulation ($F(1, 122) = 4.22, p = .042$).

Thus, asking people to think concretely (versus abstractly) in a completely unrelated task shifted their preferences towards the extension of the higher quality, but worse fitting brand. This indicates that adopting a concrete (versus abstract) mindset increases the impact of parent brand quality relative to brand-extension fit. These findings are consistent with our argument that a more concrete mindset shifts consumers’ concerns from abstract market principles to immediate benefits, resulting in a corresponding shift in preference from extensions of better fitting brands to extensions of higher quality brands.

Whereas participants in this study were directly primed with a concrete versus abstract mindset, we expect that these mindsets can also be naturally influenced by the

---

3 As in subsequent studies, data from participants who were not familiar with one of the parent brands for the cottage cheese ($n = 81$) or moisturizer ($n = 2$) extensions were removed from the analysis for that replicate. Furthermore, data from participants who chose the “no choice” option when choosing between the cottage cheese brands ($n = 24$) or the facial moisturizer brands ($n = 60$) were also removed from the analysis for that replicate.
presence or absence of visual information and brand comparisons. The remaining studies will examine how these contextual factors can change consumers’ mindset and, consequentially, influence their preference for high fit versus high quality brand extensions.

STUDY 2: PICTURE THIS — THE EFFECT OF VISUAL CUES ON EXTENSION EVALUATIONS

The objective of the second study is to provide a first test of our claim that subtle changes in the decision environment can substantially alter consumers’ extension evaluations by changing their mindset. The contextual change that we first examine is the addition of a visual cue. In particular, we examine how presenting a (non-diagnostic) picture of the product category influences consumers’ evaluations of brand extensions. Since prior research has demonstrated that visual information elicits a more concrete mindset than verbal descriptions (Amit et al. 2008), and since concrete mindsets shift consumers’ preferences from high fit brands to high quality brands (study 1), we expected that adding the picture would shift consumers’ preferences towards the higher quality, but worse fitting brands. Furthermore, since most brand extension studies do not present visual information, whereas consumers in the marketplace often can visually inspect the extensions, this outcome would also suggest that academic studies often underestimate the importance of parent brand quality relative to brand-extension fit.

Method
Design and Procedure. Four hundred and twenty-seven people participated in this study. Roughly half the participants were individuals from across the United States who participated in an online study and were incentivized with a raffle for prizes. The remaining participants were college students who completed this and other studies in the lab in exchange for monetary compensation. Participants were randomly assigned to either the control condition or the picture condition.

All participants were shown two brand extensions for each of eight different extension categories: the two target extension pairs that were used in study 1 (Crest and Wal-Mart facial moisturizer, Häagen-Dazs and ShopRite cottage cheese), as well as six filler extension pairs (e.g., Starbucks and Godiva frozen yogurt). Participants were asked to rate each brand extension separately on two 9-point scales (adopted from Broniarczyk and Alba 1994), measuring liking (1 = “Dislike”, 9 = “Like”) and perceived performance (1 = “One of the Worst”, 9 = “One of the Best”). To increase the similarity between our procedure and the isolated evaluation procedures used in previous extension studies, we separated the two brands of each extension pair. Participants first rated eight of the extensions (one from each pair, e.g., Crest facial moisturizer), then completed a brief distraction task (unscrambling four unrelated anagrams), and only then rated the remaining eight extensions (e.g., Wal-Mart facial moisturizer).

The procedure in the two conditions was entirely identical, with the exception that only participants in the picture condition were shown a generic picture of the product next to each brand extension (e.g., Häagen-Dazs and ShopRite cottage cheese were both accompanied by a picture of the same white container with either the Häagen-Dazs logo or the ShopRite logo imposed on it, see Appendix A for the actual pictures used).
Results and Discussion.

To infer each participant’s preference between the two brands, we first averaged the two ratings for each brand, after which we compared the averages (e.g., comparing the average for Crest facial moisturizer to the average for Wal-Mart facial moisturizer). The brand with the highest average rating was inferred to be that participant’s preferred brand for that extension category. When the two averages were equal, we removed that observation from the analysis for that extension replicate (since no preference could be inferred). Since concrete mindsets tend to decrease the importance of fit relative to quality (study 1), we expected that making the decision context more concrete by adding a generic picture of the product category would increase the relative preference for the lower fit, higher quality national brand extensions. Consistent with this prediction, participants in the picture condition were significantly more likely to prefer Crest moisturizer over Wal-Mart moisturizer ($P_{\text{Control}} = 41.0\%, P_{\text{Picture}} = 55.6\%, \chi^2 (1) = 5.01, p = .025$) and slightly more likely to prefer Häagen-Dazs cottage cheese over ShopRite cottage cheese ($P_{\text{Control}} = 45.6\%, P_{\text{Picture}} = 52.8\%, \chi^2 (1) = 2.34, p = .126$) than were participants in the control condition. Simply adding a picture of a generic moisturizer container reliably increased preference for Crest over Wal-Mart, even though the container did not convey any information and was identical for both brands. Furthermore, collapsing across both replicates, we observe a general increased preference for the worse

---

4 Data from participants who were not familiar with one of the parent brands for the cottage cheese ($n = 229$) or moisturizer ($n = 151$) extensions were removed from the analysis for that replicate.

5 This resulted in the exclusion of an additional 51 participants for the cottage cheese replicate and 36 participants for the facial moisturizer replicate. Distributing these participants equally over both brands does not affect the results (see also Novemsky and Dhar 2005).
fitting national brand when the extensions are accompanied by the visual cues ($\chi^2(1) = 7.25, p = .007$).

Although these results suggest that adding visual information can indeed increase the relative importance of quality over fit, they do have two potential limitations. First, it is not clear to what extent this effect generalizes since it was only reliable for one of the two replicates. Second, although we observed a shift in preference towards the higher quality, worse fitting brand, we do not have direct evidence that this shift is caused by an increased concern about quality rather than fit. In the next studies, we will address these limitations by testing both the robustness of the effect and the mechanism underlying the effect.

A CONCEPTUAL REPLICATION (STUDY 3A) AND EXPLANATION (STUDY 3B) OF THE EFFECT OF VISUAL CUES ON EXTENSION PREFERENCES

The next two studies further examine the effect of presenting a non-diagnostic picture of the product category on consumers’ extension preferences. First, study 3A tests the robustness of the effect by replicating study 2 with new brands and extension categories and using a direct choice measure rather than inferred preference. Next, study 3B uses thought listings to examine if the preference shift is indeed driven by increased concerns about quality rather than fit. Participants first choose between the brand extensions and then describe how they made their choice. We expected that, compared to participants in the control condition, those who had been provided with a picture of the
category would be relatively more likely to mention thoughts relating to parent brand quality rather than brand-extension fit.

Method

*Design and Procedure – Study 3A*. Two hundred and twenty-seven college students completed this study, either after being approached on campus (without compensation) or as part of a lab session with other studies (for monetary compensation). Students were randomly assigned to either the *control* condition or the *picture* condition. The procedure differed from study 2 in three respects. First, instead of inferring brand extension preference from extension evaluations, we asked participants to choose between the brand extensions. Second, we used different brands and extension categories to test the robustness of the effect. We describe the selection of these stimuli below. Third, we now also presented the brand logo in the control condition. Thus, in the picture condition, the extensions were accompanied by a generic picture of a typical product with the brand logo imposed on it, whereas in the control condition, only the brand logo was presented (for the actual stimuli, see Appendices B and C). By also presenting the brand logos in the control condition, we made sure that any differences between the two conditions would be due to the picture of the product rather than to the presence of the logos.

We used the same pretest procedure as used in study 1 to select the new stimuli. We selected Nike deodorant and Speedo camping gear as the low fit, high quality national brand extensions and CVS deodorant and K-Mart camping gear as the better fitting, lower quality store brand extensions. According to the pretest results (*n* = 23), the
Nike brand was perceived to be significantly higher in quality than the CVS brand \( (M_{\text{Nike}} = 7.35, M_{\text{CVS}} = 5.57, t(22) = -4.54, p < .001) \), but a significantly worse fit with deodorant than CVS \( (M_{\text{Nike}} = 4.23, M_{\text{CVS}} = 7.66, t(21) = -5.33, p < .001) \). Similarly, the Speedo brand was perceived to be significantly higher in quality than the K-Mart brand \( (M_{\text{Speedo}} = 6.45, M_{\text{K-Mart}} = 3.95, t(21) = -4.34, p < .001) \), but a significantly worse fit with camping gear \( (M_{\text{Speedo}} = 3.77, M_{\text{K-Mart}} = 7.05, t(21) = 4.76, p < .001) \).

**Design and Procedure – Study 3B.** Two hundred seventy-three participants were randomly assigned to either the control or picture condition. Participants were undergraduate students who participated either in fulfillment of a course requirement \( (n = 180) \), or for monetary compensation \( (n = 94) \). The procedure was identical to the procedure used in study 3A, with two exceptions. First, after their choice, participants were asked to “describe how you made your choice.” Second, since we assumed that the thought listings would interfere with subsequent questions, we only presented one replicate (deodorant).

**Results and Discussion**

**Study 3A – Testing the robustness of the picture effect.** As in the previous study, adding a non-diagnostic visual cue increased preference for the worse fitting, higher quality brand. Providing a generic picture of the product category significantly increased preference for Nike deodorant over CVS deodorant \( (P_{\text{Control}} = 50.3\%, P_{\text{Picture}} = 80.0\%, \chi^2 (1) = 16.23, p < .001) \) as well as preference for Speedo camping gear over K-Mart camping gear \( (P_{\text{Control}} = 68\%, P_{\text{Picture}} = 80\%, \chi^2 (1) = 4.67, p = .031) \). These findings

---

\(^6\) Data from participants who were not familiar with one of the parent brands for the deodorant \( (n = 57) \) or camping gear \( (n = 12) \) extensions were removed from the analysis for that replicate.
clearly attest to the robustness of the picture effect, as the effect was replicated in a
different decision context (choice rather than evaluation) and with different brands and
products. Furthermore, the subtle manipulation had a dramatic effect on participants’
preferences: simply providing the outline of a deodorant stick increased the choice share
of Nike deodorant from 50 percent to 80 percent.

*Study 3B – Explaining the picture effect*. First, we replicated the picture effect
observed in study 3A: adding the deodorant outline significantly increased participants’
preference for Nike deodorant over CVS deodorant. Although participants in the control
condition already exhibited a pronounced preference for Nike deodorant ($P = 69.5\%$), this
preference reliably increased when the picture was present ($P = 81.1\%, \chi^2 (1) = 4.68, p =
.030$). Second, we examined the thought listings to test whether this shift in preference
was driven by a corresponding shift in concerns about quality versus fit. Two coders who
were blind to the hypotheses and conditions recorded the number of thoughts relating to
parent brand quality (e.g., “Nike makes quality products”) and brand-extension fit (e.g.,
“CVS knows personal hygiene products”) for each respondent. The coders agreed on 87
percent of the classifications, the remaining ones were resolved through discussion.
Consistent with our predictions, presenting the picture significantly increased the number
of thoughts related to quality ($M_{\text{Control}} = 0.60, M_{\text{Picture}} = 0.91, F (1, 256) = 14.77, p < .001$)
and marginally decreased the number of thoughts related to fit ($M_{\text{Control}} = 0.30, M_{\text{Picture}} =
0.19, F (1, 256) = 3.00, p = .056$). Thus, the presence of the visual cue shifted people’s
concerns from fit to quality (Quality-Fit difference scores: $D_{\text{Control}} = 0.31, D_{\text{Picture}} = 0.72$,
$F (1, 256) = 15.04, p < .001$).

---

Data from participants who were not familiar with one of the parent brands ($n = 15$) were
removed from the analysis.
To test whether this change in thought patterns accounts for the effect of the picture manipulation on the brand choices, we also conducted a mediation analysis. As we mentioned earlier, the picture reliably influenced both brand choice and participants’ thoughts about quality versus fit. Furthermore, participants’ relative thoughts influenced their brand extension choices ($\chi^2(1) = 16.86, p < .001$) and when this effect is controlled for, the picture effect is not significant anymore while the thought effect remains reliable (picture effect: $\chi^2(1) = 1.76, p = .185$; thought effect: $\chi^2(1) = 14.46, p < .001$). Finally, the Sobel test indicates that this reduction in the picture effect is reliable ($z = 2.82, p = .005$).

Together, studies 2, 3A, and 3B demonstrate that by inducing a more concrete mindset with a subtle change in the decision environment, one can substantially change consumers’ considerations and, as a result, shift their brand extension preferences. In particular, across different replicates and different preference measures, simply adding a non-diagnostic picture of the product category increased people’s preference for the worse fitting, but higher quality national brand extension. Furthermore, this effect was fully mediated by a shift in participants’ thought pattern from concerns about brand-extension fit to concerns about parent brand quality.

**STUDY 4: IMAGINE THIS: THE EFFECT OF ELABORATION ON BRAND EXTENSION PREFERENCES**

The preceding studies demonstrated that adding a picture of the product category changes people’s brand extension preferences by shifting their focus from brand-extension fit to parent brand quality. We have argued that the product picture shifts
consumers’ focus by activating a more concrete mindset—consistent with previous research that visual cues activate more concrete mindsets, and consistent with our initial finding that activating a concrete mindset increases preference for worse fitting, higher quality brands (study 1). However, although the picture of the product category was identical for both brands and was deliberately selected to not provide any information about the extension products, we cannot completely rule out the possibility that it communicated some additional information to participants that was not available in the control conditions. To address this issue, we conducted an additional study in which we asked participants, before they chose between the extensions, to think about each extension for a moment and write down their thoughts. We expected that, similar to presenting a picture of the product category, asking participants to imagine the extension would encourage the adoption of a more concrete mindset and would, consequently, increase preference for the poorly fitting national brand. However, unlike presenting a picture, the current manipulation did not provide participants with any additional information, thus ruling out this alternative interpretation.

Method

Participants were undergraduate students who participated in fulfillment of a course requirement ($n = 178$) or after being approached on campus (without compensation) ($n = 216$). They were randomly assigned to either the control condition or the elaboration condition, and to either the camping gear replicate or the deodorant replicate. Thus, unlike in previous studies, the replicates were manipulated between subjects in this experiment.
The control condition was identical to the control conditions used in studies 3A and 3B, with the exception that the store brand for the camping gear replicate was either Wal-Mart or Target, depending on the subject population (since the Wal-Mart brand was deemed very undesirable in one of the recruitment locations, we were forced to replace it with Target to avoid floor effects). The elaboration condition differed from the control condition in that participants were first asked to “take a moment to think about the following two products,” after which they wrote down their thoughts about each of the two extensions.

Results and Discussion

As predicted, participants who first imagined the two brand extensions showed an increased preference for Nike deodorant over CVS deodorant ($P_{\text{Control}} = 26.8\%$, $P_{\text{Imagine}} = 56.2\%$, $\chi^2(1) = 9.32$, $p = .002$) as well as increased preference for Speedo camping gear over Wal-Mart or Target camping gear ($P_{\text{Control}} = 27.8\%$, $P_{\text{Imagine}} = 44.0\%$, $\chi^2(1) = 6.84$, $p = .009$). Thus, imagining what the brand extensions would be like had a similar effect as being presented with a picture of the product category: it again increased preference for the worse fitting, but higher quality brand. This result suggests that consumers’ relative concerns about fit versus quality can be altered by merely encouraging them to represent the decision concretely—and without providing them with any additional information.

STUDY 5: THE EFFECT OF BRAND COMPARISONS ON BRAND EXTENSION PREFERENCES

---

8 Data from participants who were not familiar with one of the parent brands for the deodorant ($n = 9$) or camping gear ($n = 26$) extensions were removed from the analysis for that replicate.
The previous studies demonstrated the malleability of consumers’ extension evaluations by showing their sensitivity to changes in consumers’ mindset. Activating a more concrete mindset reliably increased consumers’ preference for extensions of higher quality, but worse fitting brands. This occurred both when the mindset was manipulated directly (study 1) or indirectly by changing a feature of the decision environment: by adding a visual cue (studies 2, 3A, and 3B) or by requesting participants to imagine the extensions (study 4). In the next study, we examine another contextual feature that can change consumers’ brand extension preferences by changing their mindset: the presence of brand comparisons. We propose that considering a brand extension in the context of other brands contextualizes the extension evaluation and brings to mind more detailed imagery (e.g., about product features) through brand comparisons. Since more contextualized and detailed representations are the essence of a concrete mindset, we predict that the consideration of the extension in the context of other brands will increase preference for the worse fitting national brand by inducing a more concrete mindset. Furthermore, since brand extension studies, unlike most consumer purchase situations, often present brand extensions in isolation, the proposed effect would provide further support for the claim that academic studies tend to underestimate the importance of parent brand quality relative to brand-extension fit.

To test our prediction, we presented participants with the same brand extensions as in the first two studies, but this time we manipulated the possibility of comparing the two brands in each extension category. In the first three conditions, brand comparisons were facilitated, either because participants evaluated the two brands right after each
other (proximal evaluation condition) or because participants made a choice between the two brands in each extension category (choice and free choice conditions). In contrast, in the isolated evaluation condition, brand comparisons were made less likely by separating the two brands with filler brands and a distraction task. We expected that, compared to participants in this last condition, participants in the proximal evaluation and choice conditions would be more likely to prefer the low fit national brand extension (as a result of being in a more concrete mindset).

Method

Design and Procedure. Three hundred and twenty-four participants were recruited at a large public transit station and asked to fill out a short questionnaire in exchange for a small incentive (either gum or candy). Participants were randomly assigned to either the isolated evaluation condition, the proximal evaluation condition, or one of two choice conditions.

The isolated evaluation condition was identical to the control condition in study 2. Participants again used the two 9-point scales (liking and performance) to evaluate the two target brand extension pairs (Crest and Wal-Mart facial moisturizer, Häagen-Dazs and ShopRite cottage cheese) as well as six filler extension pairs. To minimize the possibility of brand comparisons, we again separated the two brands of each extension pair: participants first rated one brand from each of the eight extension pairs, followed by the brief distraction task (unscrambling four unrelated anagrams), and only then rated the other brand from each extension pair.
In the *proximal evaluation* condition, participants evaluated the brand extension pairs on the same 9-point scales, but the extensions to the same category (e.g., Crest and Wal-Mart facial moisturizer) were presented adjacent to each other, thus encouraging participants to compare the two brands. In other words, although participants in both evaluation conditions rated both Crest and Wal-Mart facial moisturizers, participants in the proximal evaluation condition rated them adjacent to each other, whereas participants in the isolated evaluation condition rated them separately (i.e., separated by a distraction task and the filler brands).

In the *choice condition*, participants were simply presented with both brand extensions for each category and asked to check the brand they would choose if they were shopping for that product. Finally, the *free choice* condition was identical to the choice condition, with the exception that participants now also had the option to choose neither of the brands. This condition was included to make sure that any observed differences between the choice and evaluation conditions were not due to the fact that people in the choice condition were forced to establish a preference, even when they were indifferent.

Results and Discussion

In order to compare the evaluation conditions to the choice conditions, we needed to infer participants’ brand preferences in the evaluation conditions. As in study 2, we did so by comparing each participant’s average evaluation for each of the two brands in each replication.

---

9 Data from participants who were not familiar with one of the parent brands for the cottage cheese \( n = 96 \) or moisturizer \( n = 32 \) extensions were removed from the analysis for that replicate. In addition, data from participants who gave identical average evaluations to both cottage cheese brands \( n = 19 \) or both facial moisturizer brands \( n = 17 \) were also removed from the analysis for that replicate since no preference could be inferred.
extension category. The brand with the highest average evaluation was inferred to be that participant’s preferred brand in that category.

We expected that participants who considered the brand extensions in the context of other brands would adopt a more concrete mindset, and would therefore be less concerned about fit and more concerned about quality. Consistent with this prediction, facilitating brand comparisons within an evaluation task significantly increased the relative preference for the low fit, high quality brand extension. Compared to participants in the isolated evaluation condition, those in the proximal evaluation condition were more likely to prefer Häagen-Dazs cottage cheese over ShopRite cottage cheese ($P_{proximal} = 83.3\%, P_{isolated} = 34.0\%, \chi^2 (1) = 23.7, p < .001$) and more likely to prefer Crest facial moisturizer over Wal-Mart facial moisturizer ($P_{proximal} = 64.3\%, P_{isolated} = 41.8\%, \chi^2 (1) = 5.23, p = .022$).

Similarly, participants in the choice condition were also more likely to prefer the low fit, high quality brand than participants in the isolated evaluation condition. They were more likely to prefer Häagen-Dazs cottage cheese over ShopRite cottage cheese ($P_{choice} = 61.4\%, P_{isolated} = 34.0\%, \chi^2 (1) = 8.55, p = .003$) and more likely to prefer Crest facial moisturizer over Wal-Mart facial moisturizer ($P_{choice} = 59.4\%, P_{isolated} = 41.8\%, \chi^2 (1) = 4.09, p = .043$). However, this difference between the choice and isolated evaluation conditions could possibly be driven by participants who are truly indifferent between the brands, but systematically select the national brand when forced to make a choice (Dhar and Simonson 2003). To test this possibility, we included a fourth condition, the free choice condition, in which participants had the option to not choose any brand. Compared to participants in the isolated evaluation condition, participants in the free choice
condition were also significantly more likely to prefer Häagen-Dazs cottage cheese
\( (P_{\text{FreeChoice}} = 64.2\%, P_{\text{Isolated}} = 34.0\%, \chi^2 (1) = 11.08, p < .001) \) and Crest facial moisturizer
\( (P_{\text{FreeChoice}} = 72.7\%, P_{\text{Isolated}} = 41.8\%, \chi^2 (1) = 11.62, p < .001) \), indicating that the
difference between the isolated evaluation and choice conditions was not driven by a tie-breaking mechanism.

In sum, when participants were more likely to engage in brand comparisons, either because they chose between the two extensions or evaluated them adjacently, they showed an increased preference for the extension of the worse fitting, but higher quality brand. These results are consistent with our assertion that considering a brand extension in the context of other brands in the same category, results in a more contextualized, concrete mindset, making consumers more concerned about parent brand quality, but less concerned about brand-extension fit. In addition, these findings suggest that brand extension studies that elicit isolated extension evaluations will tend to overestimate the importance of fit (relative to quality) when generalizing to purchase situations in which consumers do engage in comparisons with other brands.

While we propose that brand comparisons changed consumers’ extension preferences by activating a more concrete mindset, other researchers have demonstrated that brand comparisons can also change preferences by increasing the impact of easily comparable attributes. In particular, Nowlis and Simonson (1997) observed that enriched, non-comparable attributes, such as brand names, receive greater weight in separate evaluations than in comparison-based tasks. We propose that, in addition to changing the weight of comparable versus non-comparable attributes, the presence of brand comparisons can also alter the mindset of the decision maker and change the weight of
attributes based on their congruence with the activated mindset. Even though both brand-extension fit and parent brand quality were easily comparable (i.e., the national brand was clearly superior on quality and clearly inferior on fit), the presence of brand comparisons increased the weight of the attribute associated with concrete benefits (i.e., the quality of the parent brand), but reduced the weight of the attribute associated with abstract principles (i.e., the fit with the product category). Furthermore, in the first set of studies, we observed similar shifts in preference even though the comparative nature of the judgments was held constant.

However, although we observed that brand comparisons increased preference for Crest and Häagen-Dazs, we did not obtain any direct evidence that this preference shift was due to increased concerns about quality rather than fit. In other words, while our data are consistent with our premise that changes in consumers’ mindset activate different considerations in brand extension evaluations, we did not directly measure consumers’ considerations. Therefore, in the next study, we included thought listings to test whether the effect of brand comparisons on participants’ extension preferences were indeed mediated by corresponding changes in the number of thoughts about quality and fit.

STUDY 6: EXPLAINING THE EFFECT OF BRAND COMPARISONS

In study 6, we replicated two conditions from study 5 (isolated evaluation and free choice) for one of the replicates (facial moisturizer). In addition, we asked participants to list the thoughts they relied on when they were making their evaluations or choices. We expected that, compared to participants in the evaluation condition, those in the choice
condition would mention more thoughts relating to parent brand quality and fewer thoughts relating to brand-extension fit. We also expected that these changes in the relative number of quality versus fit questions would mediate the effect of brand comparisons on consumers’ relative preferences.

Method

Two hundred eighty-seven undergraduate students participated in exchange for monetary compensation. They were randomly assigned to either the choice or evaluation condition. The procedure was identical to the procedure used in the corresponding conditions of study 5, with the exception that after indicating their preference, participants were asked to “list the thoughts you relied on when making your evaluations (choices).” They were then presented with both products of interest (Wal-Mart Facial Moisturizer and Crest Facial Moisturizer) and asked to list the thoughts they relied on for each product.

Results and Discussion

We first replicated the effect of brand comparisons observed in study 5. Whereas participants in the isolated evaluation condition were, on average, indifferent between the two brands ($P_{\text{Crest}} = 52.0\%$), those who actually chose between the brands tended to prefer Crest facial moisturizer over Wal-Mart facial moisturizer ($P_{\text{Crest}} = 69.1\%$),

---

10 Data from participants who were not familiar with one of the parent brands ($n = 38$) were removed from the analysis. In addition, we also excluded participants who gave identical average ratings to both brands in the evaluation condition ($n = 21$) and participants who circled the “neither” option in the choice condition ($n = 98$).
reflecting a significant increase in preference for the extension of the low fit, high quality brand ($\chi^2 (1) = 3.84, p = .05$).

Second, we examined the thought listing to test whether this shift in preference was driven by a corresponding shift in concerns about quality versus fit. Two coders who were blind to the hypotheses and conditions recorded the numbers of thoughts relating to parent brand quality (e.g., “Crest is a brand you can trust”) and brand-extension fit (e.g., “Crest has no expertise in skin care products”) for each respondent. The coders agreed on 93.1 percent of the classifications, the remaining ones were resolved through discussion. Consistent with our predictions, participants in the choice condition listed significantly fewer fit-related thoughts ($M_{\text{Choice}} = 0.16, M_{\text{Evaluation}} = 0.44, F (1, 130) = 11.08, p = .001$) and marginally more quality-related thoughts ($M_{\text{Choice}} = 0.51, M_{\text{Evaluation}} = 0.31, F (1, 130) = 3.22, p = .075$). In other words, the presence of brand comparisons shifted participants’ concerns from fit to quality (Quality-Fit difference scores: $D_{\text{Choice}} = 0.22, D_{\text{Evaluation}} = -0.55, F (1, 130) = 14.32, p < .001$).

Next, we conducted a mediation analysis to test whether the changes in participants’ concerns mediated the effect of the brand comparison manipulation on their brand preferences. As we mentioned earlier, the brand comparison manipulation reliably influenced both brand preference and the relative number of quality versus fit thoughts. Furthermore, participants’ thoughts reliably influenced their brand preferences, with increases in the relative number of fit versus quality thoughts resulting in decreasing preference for the national brand extension ($b = -1.41, \chi^2 (1) = 16.36, p < .001$) and when this effect is controlled for, the effect of the brand comparison manipulation is no longer significant ($b = -0.13, \chi^2 (1) < 1, p > .2$), whereas the effect of participants’ thoughts...
remains reliable ($b = -1.38, \chi^2 (1) = 13.75, p < .001$). Finally, the Sobel test indicates that this reduction in the comparison effect is reliable ($z = 2.26, p = .02$).

Thus, not only did these results replicate the effect of brand comparisons on people’s extension preferences, but they also demonstrated that this effect was fully mediated by a shift in participants’ concerns from brand-extension fit to parent brand quality. Together with the first set of studies, these findings confirm that changes in the decision environment, such as adding visual information or facilitating brand comparisons, can substantially alter consumers’ extension preferences by activating different considerations.

STUDY 7: INFLUENCING PREFERENCES FOR HIGH VERSUS LOW QUALITY NATIONAL BRAND EXTENSIONS

Although the studies presented so far examined different brands, product categories, and contextual manipulations, they all compared low fit national brands to better fitting store brands. We selected store brands since there was general agreement among the participants that they are lower quality than the national brands, yet can credibly extend to a range of different product categories. However, to make sure that our results are not driven by some unique store brand characteristics, we set out to replicate the effect of brand comparisons (i.e., study 5) with lower quality national brands instead of store brands.

Method
Three hundred and two undergraduate and graduate students participated in this study either in fulfillment of a course requirement or for monetary compensation. Participants were randomly assigned to either the isolated evaluation condition or the choice condition. The procedure in each condition was identical to that in the corresponding condition in study 5, with exception of the actual brand extensions. The extensions were selected using the same pretest procedure as used in studies 1 and 3, though only national brands were used and the anchors of the quality scale were changed (-4 = “Extremely low quality,” 0 = “Moderate quality,” +4 = “Extremely high quality”).

Based on the pretest results (n = 56), we selected Subway milkshake machines and Applebee’s Mexican cookbooks as the extensions of the low fit, high quality brands and McDonald’s milkshake machines and Taco Bell Mexican cookbooks as the extensions of the better fitting, lower quality brands. The Subway brand was perceived to be significantly higher in quality than the McDonald’s brand ($M_{Subway} = .70$, $M_{McDonald’s} = -1.21$, $t(55) = -6.33$, $p < .001$), but a significantly worse fit with milkshake machines than the McDonald’s brand ($M_{Subway} = 2.82$, $M_{McDonald’s} = 6.18$, $t(55) = 9.47$, $p < .001$).

Similarly, the Applebee’s brand was perceived to be significantly higher in quality than the Taco Bell brand ($M_{Applebee’s} = 0.47$, $M_{Taco Bell} = -1.21$, $t(54) = -4.41$, $p < .001$), but a significantly worse fit with Mexican cookbooks ($M_{Applebee’s} = 2.82$, $M_{Taco Bell} = 6.27$, $t(54) = 6.13$, $p < .001$).

Results and Discussion

\[\text{\textsuperscript{11}}\]

\[\text{\textsuperscript{11}}\] Data from participants who gave identical evaluations to both milk shake machine brands (n = 16) or to both cookbook brands (n = 29) were removed from the analysis for that replicate. In addition, one participant who was not familiar with both cookbook parent brands was removed from the analysis for that replicate.
Consistent with our prior findings, participants who made choices rather than isolated evaluations were more likely to prefer Subway milk shake machines over McDonald’s milk shake machines ($P_{\text{Evaluation}} = 12.7\%, P_{\text{Choice}} = 21.7\%, \chi^2 (1) = 4.09, p = .043$), and more likely to prefer Applebee’s Mexican cookbooks over Taco Bell’s Mexican cookbooks ($P_{\text{Evaluation}} = 41.2\%, P_{\text{Choice}} = 58.9\%, \chi^2 (1) = 8.72, p = .003$). Once again, encouraging participants to adopt a more concrete mindset by facilitating brand comparisons increased preference for the higher quality, but worse fitting brands.

**GENERAL DISCUSSION**

The eight studies reported in this paper demonstrate the surprising malleability of consumers’ reactions to extension evaluations. Small changes in the decision context, such as facilitating brand comparisons or presenting a picture of a typical product, significantly altered people’s extension preferences by changing the relative importance of the brand-extension fit relative to the quality of the parent brand. We propose that these changes in the decision environment changed consumers’ mindset, which in turn selectively activated those considerations that are congruent with the activated mindset. In particular, we propose that adding visual information or brand comparisons elicits a more concrete mindset by making the representation of the decision more vivid and contextualized. This more concrete mindset, in turn, reduced the weight of brand-extension fit (an abstract marketplace principle), but increased the weight of parent brand quality (a signal of immediate benefits).
The first study confirmed that inducing a concrete mindset indeed increases preference for extensions of higher quality brands over extensions of better fitting brands. The remaining studies demonstrated how similar shifts in consumers’ preference can be obtained through subtle changes in the decision environment that encourage the adoption of a more concrete mindset. In studies 2, 3A, and 3B, simply adding a generic picture of the product category shifted participants’ concerns from fit to quality, thus shifting preferences towards the worse fitting, but higher quality extension. Study 4 documented a similar shift in preference when participants were only instructed to imagine the extension, indicating that the picture effect was not due to any specific information conveyed by the visual cue. In the next two studies, a different contextual manipulation—the facilitation of brand comparisons—also increased the weight of quality relative to fit, again shifting preference from the better fitting brand to the higher quality brand. The final study replicated the effect of brand comparisons using lower quality national brands, thus demonstrating that the effects are not limited to choices between national brands and store brands.

Theoretical and Managerial Implications

These findings have some direct implications for both academic and managerial research into consumers’ reactions to brand extensions. To the extent that past extension research has studied isolated evaluations of verbally described extensions, it may have underestimated the importance of parent brand quality and overestimated the importance of brand-extension fit. The latter is consistent with Klink and Smith’s (2001) concerns about the external validity of past extension research. Yet, whereas they demonstrate that
the importance of fit can diminish (and even completely disappear) as attribute information is being added, our studies show that even contextual changes that do not provide additional information can reduce the importance of fit by changing the mindset of the decision maker.

However, there are several important qualifications to these external validity concerns. First, although many extension purchase situations indeed involve brand comparisons and some amount of visual information, there are also shopping contexts in which consumers do evaluate extensions in isolation (e.g., when considering purchasing McDonald’s yogurt) or without visualizing the extension (e.g., when purchasing a Virgin Airways ticket online, consumers do not necessarily visualize the flight experience). Second, across all conditions in our studies (even when participants were choosing between extensions in the presence of a visual cue), a sizable proportion of the participants still preferred the store brand extension. Since the store brands were almost uniformly perceived to be lower quality than the national brands in the pretests, this indicates that, regardless of the nature of the decision context, many people still value fit sufficiently to compensate for the difference in parent brand quality. In other words, our studies indicate that fit clearly does matter, although the magnitude of its importance may have been inflated by the nature of the decision context used in previous studies.

As such, our results should certainly not be used to question the conceptual insights gained from previous academic extension research. Instead, our findings should be taken into account whenever it is important to assess the specific magnitude of fit and quality effects—as is the case when managers try to predict the success of a proposed extension. Thus, when concept testing a proposed new brand extension, it is important to
accurately match the decision context of the test to the actual purchase situation. If actual shoppers will be able to directly inspect the extension and compare it to other brands, then predicting consumers’ reactions by eliciting isolated evaluations of abstract product descriptions will tend to overestimate the importance of fit and underestimate the importance of parent brand quality.

Our suggestion that, in many purchase situations, parent brand quality may be more important (and fit may be less important) than previously thought, may seem to place brand managers in an awkward position. Indeed, while the perceived fit of the extension can easily be influenced by the choice of the extension category, the perceived quality of the parent brand often has to be treated as a given—seemingly leaving the brand manager with little control over the extension evaluation. However, aside from predicting consumers’ reactions to extensions, our findings can also be used to influence their reactions. For instance, a company that is introducing a distant extension of a high quality brand would benefit from encouraging brand comparisons (e.g., through comparative advertising) and presenting the extension as vividly as possible. Conversely, a company that is introducing an extension of a lower quality brand in an adjacent category should promote isolated evaluations of their product and focus consumers on the abstract extension concept rather than on the concrete features of the extension.

Finally, our results emphasize the general importance of the mindset or perspective with which consumers and survey respondents approach their decisions. Seemingly distinct manipulations, such as adding visual imagery or facilitating comparisons, can influence consumers’ judgments through a common underlying mechanism, that is, by changing consumers’ mindset. Whereas previous studies have
demonstrated that consumers’ purchase likelihood can be substantially influenced by switching between a deliberative and an implemental mindset (Chandran and Morwitz 2005, Gollwitzer, Heckhausen, and Steller 1990, Xu and Wyer 2007), our studies indicate that consumers’ preferences can be similarly influenced by changing the level of abstraction of consumers’ mindset. Furthermore, the distinction between abstract and concrete mindsets may be particularly relevant to the marketing research field, to the extent that actual shoppers tend to be in a more concrete mindset than survey respondents. Indeed, we propose that participants who are asked to contemplate hypothetical decisions will often be in a more abstract mindset than shoppers who are actually making that decision then and there. Moreover, we propose that, as a result, research participants’ perspective may often be more similar to the distant, abstract mindset of a market observer (or marketing manager) than to the concrete mindset of the shopper making the decision.

To examine the effect of such a change in perspective, we conducted an additional study in which we asked undergraduate students \((n = 270)\) to use a 9-point scale to indicate their purchase intentions for the same target and filler brand extensions used in study 1. Moreover, roughly half of the respondents were first asked to take the perspective of a brand manager and indicate whether it would be a good idea for the brand to introduce the extension (on a different 9-point scale). The other participants were simply asked to imagine being a consumer shopping for these products. As expected, first taking the brand manager’s perspective reliably shifted consumers’ preferences (as inferred from their purchase intentions) from Crest facial moisturizers to Wal-Mart facial moisturizers \((F(1, 265) = 9.52, p = .002)\) and from Häagen-Dazs cottage
cheese to ShopRite cottage cheese \((F(1, 177) = 6.15, p = .014)\). Thus, similar to the abstract mindsets we examined in our previous studies, being primed with the outside perspective of a marketing manager shifted preferences towards the extension of the better fitting, but lower quality brand. Since taking a manager’s perspective implies a consideration of other consumers’ purchase intentions, these results are consistent with previous findings that taking the perspective of others increases the psychological distance to the decision (Liberman et al. 2007), which tends to result in more abstract construals.

Thus, to the extent that research participants adopt the perspective of an outside market observer, we expect their responses to systematically deviate from the decisions made by actual consumers. More specifically, since the observer’s perspective elicits a more abstract mindset, their responses are predicted to be more sensitive to normative principles, but less sensitive to immediate, pragmatic concerns. This problem is not limited to brand extension research, but also relevant to other areas, such as research on sponsorship and endorsements. Similar to participants in brand extension studies, participants in sponsorship or endorsements studies may tend to adopt a mindset that is more abstract than that of a typical consumer encountering the sponsorship or endorsement, leading them to overly rely on abstract concepts such as the fit between the company and the sponsored event, or the fit between the celebrity and the endorsed product.

Limitations and Future Research
Since all our studies pit low fit, high quality brands against better fitting, lower quality brands, we can only draw conclusions about changes in the relative importance of fit versus quality. In other words, the preference measures cannot tell us whether, compared to consumers in an abstract mindset, consumers in a concrete mindset put less weight on fit, more weight on quality, or both. However, the thought protocols collected in studies 3 and 6 can shed some light on this. In study 3, the presence of a product picture significantly increased the number of quality thoughts and marginally decreased the number of fit thoughts, whereas in study 6, the presence of brand comparisons marginally increased the number of quality thoughts and significantly decreased the number of fit thoughts. These findings suggest that changes in mindset can affect both the perceived importance of quality and the perceived importance of fit, though the actual magnitude of each effect may depend on the nature of the mindset manipulation.

Furthermore, our studies cannot fully discern the extent to which the mindsets shift consumers’ preferences by changing the importance of fit and quality or by changing consumers’ perceptions of fit and quality. Again, the thought protocol results from studies 3 and 6 provide a partial answer to this question. In these studies, the effect of the mindset manipulations on people’s preference was mediated by the relative number of quality-related versus fit-related thoughts. This indicates that the mindset effect is at least partly due to changes in the relative importance of these two factors. However, it is certainly also possible that changes in consumers’ mindset can also result in changes in fit or quality perceptions. Consumers in a concrete mindset may perceive a better fit between Crest and facial moisturizers than consumers in an abstract mindset. Such an effect on consumers’ perceptions of fit would in fact be consistent with a previous finding
that positive mood can improve the perceived fit of moderately far extensions (Barone et al. 2000) if positive mood results in more abstract processing. Future research could examine whether changes in consumers’ mindset indeed also influence perceptions of fit, and under which conditions this is most likely to occur. Yet, in the end, it may be difficult to disentangle the effects on the importance of fit versus consumers’ perceptions of fit since both are causally related: if consumers are less concerned about fit, they may also be more generous in their evaluations of fit.

Finally, whereas our studies indicate that low fit extensions of high quality brands may be received more favorably by consumers than was previously assumed, this does not necessarily imply that it is wise for high quality brands to introduce low fit extensions. Whether or not this is a good strategy will ultimately not only depend on consumers’ acceptance of the extension, but also on feedback effects of the extension on the parent brand. Future research could employ a similar construal-based procedure to examine whether low fit extensions (even when they are favorably received) hurt the parent brand and how these brand dilution effects are affected by the decision maker’s mindset.
REFERENCES


APPENDIX A

STUDY 5A: STIMULI USED IN THE PICTURE CONDITION

Wal-Mart Facial Moisturizer:

Crest Facial Moisturizer:

Häagen-Dazs Cottage Cheese:

ShopRite Cottage Cheese:
APPENDIX B

STUDY 5B: STIMULI USED IN THE PICTURE CONDITION

SPEEDO CAMPING GEAR

WAL-MART CAMPING GEAR

CVS DEODORANT

NIKE DEODORANT
APPENDIX C

STUDY 5B: STIMULI USED IN THE CONTROL CONDITION

<table>
<thead>
<tr>
<th>SPEEDO CAMPING GEAR</th>
<th>WAL-MART CAMPING GEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="speedo.png" alt="Speedo" /></td>
<td><img src="walmart.png" alt="Walmart" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CVS DEODORANT</th>
<th>NIKE DEODORANT</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="cvsp.png" alt="CVS" /></td>
<td><img src="nike.png" alt="Nike" /></td>
</tr>
</tbody>
</table>