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New Products:
Why Fit is Not All That Matters**

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**THE DUAL PROCESS OF CO-BRANDED NEW PRODUCTS:
WHY FIT IS NOT ALL THAT MATTERS**

Abstract

Co-branding strategies involve collaboration of two or more brands to launch a new product that features both brands' names. While the focus of past research has been on the fit between the associated brands, why do sometimes incongruent brands succeed in their co-branding strategy? We explain this phenomenon by disentangling co-branding effects through two mechanisms: credibility and novelty. We demonstrate the mechanisms can operate in opposite directions leading to the possibility of different success outcomes. We find that the hedonic evaluation of a co-branded product provides a more powerful explanation through novelty than through credibility. Utilitarian evaluations, instead, are driven more strongly by credibility than by novelty. Furthermore, credibility offers full mediation between the brands' relevancy and consumer reactions to the co-branded product. Contributing to our understanding of perceptions of novelty, brand expectancy influences the perceived novelty of the co-branded new product only if consumers also perceive this brand as relevant to the product category.

Keywords: New Product, Co-branding, Novelty, Credibility, Congruence, Relevancy, Expectancy.

Branding strategy is a critical decision in bringing a new product to market.

Marketing scholars have analyzed a number of questions regarding the choice of brand names from varied perspectives including linguistics (Vanden Bergh, Adler and Oliver 1987; Lowrey, Shrum and Dubitsky 2003) and especially phonetics (Yorkston and Menon 2004; Lowrey and Shrum 2007; Doyle and Bottomley 2011). Nevertheless, what makes a brand name successful is still poorly understood and most of the attention on branding strategy over the last twenty years has been on understanding the impact of brand extension strategies. Brand extension is a very popular practice that consists in taking advantage of consumers' awareness and image of a well-established brand in a product category to identify a new product in a different product category. Another practice that is gaining popularity is brand alliances (Rao and Ruekert 1994; Simonin and Ruth 1998). Although brand alliance strategies include brand licensing (e.g., advertising one brand on another brand's packaging) and cross-marketing (i.e., joint promotion such as distribution discount coupons with another brand's product) (Ferrell and Hartline 2005), we are focusing this research on co-branding. Co-branding involves the combination of two or more brands. Since 1998 for example, Philips has marketed its Cool Skin, an electric razor that integrated Nivea shaving cream, as well as collaborated with Swarovski to launch Active Crystal, a USB key with Swarovski crystals. Adidas's adhesive sports shoes use special rubber soles developed together with Goodyear.

Despite the increased popularity of such brand alliances (Desai and Keller 2002), relatively few studies investigate why and in what conditions they do or do not work. Moreover, the extent research tends to rely on the concept of congruence or product fit as the key predictor of alliance success (Völckner and Sattler 2006, 2007; Zdravkovic, Magnusson and Stanley 2010; Gierl and Huettl 2011). However, while fundamental the concept of congruence was developed for explaining brand extension strategies (Simonin and Ruth

1998) and is not sufficient to explain the success or failure of co-branding strategies. In particular, some incongruent co-branding efforts have been successful while others with high congruence have not. For example, Bensimon leisure shoes successfully created a Chanel co-branded model despite the image difference of the two brands. Instead, Rayban's Roland Garros sunglasses failed even though both brands evoked outdoor activities and a sophisticated image. Thus, congruence cannot fully explain co-branding success. Nevertheless, prior research into the success or failure of co-branded new products has focused nearly exclusively on this explanatory mechanism. Yet the notion of congruence is not a unidimensional construct but instead it has been shown to be composed of two dimensions, relevancy and expectancy (Heckler and Childers 1992). Relevancy refers to the semantic link between entities, which mutually generate meaning. Expectancy instead refers to the extent to which the combination of entities matches a predetermined schema. The two dimensions have different effects through separate psychological mechanisms and each can even produce contradictory effects (Mandler 1982).

These mechanisms involve two distinct benefits: credibility and novelty. For example, the collaboration between the computer manufacturer Dell and nail lacquer manufacturer OPI was intended to offer added value because of the novelty of the brand association: women could match the color of their laptops exactly to their chosen nail polish. However, in collaborating with the designer Paul Smith the Austrian ski manufacturer Edelwiser was mostly interested in improving its credibility among luxury buyers who wanted handmade skis designed with the famous colorful stripe logo. We develop a theory of the role of the two dimensions of the congruence of the associated brands on co-branding success. In particular, we suggest that relevancy and expectancy affect the perceived credibility and novelty of a new co-branded product through respectively separate cognitive (utilitarian evaluation) and affective processes (hedonic evaluation). Different components of attitude toward the co-

branded product are then affected depending on the characteristics of the associated brands, explaining differences observed in purchase intentions.

By analyzing the mediating role of the perceived novelty and credibility of a new co-branded product, we provide new explanations for the impact of congruence on consumers' attitudinal and behavioral responses to such products. We find that the hedonic evaluation of a co-branded product provides a more powerful explanation through novelty than through credibility, whereas the reverse is true for utilitarian evaluations. Furthermore, credibility offers full mediation between the brands' relevancy and consumer reactions to the co-branded product. In contrast, the brands' expectancy influences the perceived novelty of the co-branded product only if the consumer also perceives those brands as relevant to the product category.

In the next section we develop our theoretical framework that brings together these two processes and we develop our research hypotheses. Then we describe our empirical analysis and our results.

CONCEPTUAL FRAMEWORK: CO-BRANDING AS A DUAL PROCESS

Our overall thesis is that co-branding works through two different processes in parallel. The first one is cognitive and it is the relevancy of the combination of brands for the new product that contributes to the credibility of that new product. This credibility translates to a stronger new product evaluation from a functional point of view. The second process is affective and concerns the unexpected or novelty that impacts the hedonic evaluation of the new product. This dual processing is expressed graphically in Figure 1. We now develop the theoretical arguments for these parallel processes.

[Insert Figure 1 about here]

Co-branding and the Role of Congruence

Co-branding occurs when two or more existing brands combine to market jointly a new product, such as Porsche's and Blackberry's new mobile phone. The new products belong to the category of one of the brands (the "host brand"), i.e., Blackberry, whereas the partner, which is typically new to that market, is the "invited brand" (i.e., Porsche). Co-branding helps position the new product uniquely within a portfolio of brands and vis-à-vis competitors. In particular, co-branding can be very effective to create a distinctive product offering in poorly differentiated product categories (Lebar et al. 2005). Co-branding benefits are due to the transfer of attributes from each brand to the new product. In that process, the transfer of attributes from each brand into a new product improves the image of the co-branded product (Hillyer and Tikoo 1995; Martin and Stewart 2001). Co-branding also has positive implications for each brand's individual image (Geylani, Inman, and Ter Hofstede 2008). On top of these benefits, co-branding can lead to cost and time efficiencies. It is less expensive to associate perception with those of an invited brand that already possesses the desired attributes than to strive to persuade consumers that the new product benefits from these attributes through intensive communication marketing. However, these positive benefits assume that the two associated brands are congruent (Lanseng and Olsen 2008).

These benefits follow closely those identified in brand extension research where the effectiveness of the branding strategy depends on the fit perceived between the core product and the new product category. The fit follows from the similarity of the core brand with the new product category in terms of applicability of skills and assets, complementarity and substitutability (Aaker and Keller 1990). The reason that fit is important is because it determines in the consumers' mind the relevance of the information contained in the transfer from one product to the other. Similarly, the notion of fit or congruence has been found to be

a key factor in explaining co-branding success (Lanseng and Olsen 2008). Although different terminologies are used -- fit, congruity, or congruence-- they all describe the same fundamental concept: the consumer's perception that two entities generally match and go well together (Speed and Thompson 2000). The attributes that serve as a basis for assessing the congruency can be concrete or abstract (Keller and Aaker 1992). Therefore, these attributes can be functional, physical, i.e., in terms of benefits (Tauber 1981), or according to product goals (Martin and Stewart 2001). Congruence can also be evaluated symbolically, on the basis of a global image and brand associations just like similarity between brands (Boush et al. 1987; Boush and Loken 1991; Keller and Aaker 1992). Congruence is the central variable that researchers have used to explain co-branding success or failure, although variations in the specific operationalization is found depending on which entities it applies: congruence between the host and invited brands (Bouten, Snelders, and Hultink 2011; Simonin & Ruth 1998; Tauber 1981; Walchli 2007), congruence of each brand with the new co-branded product category (Bouten, Snelders, and Hultink 2011; Lanseng and Olsen 2008; Simonin and Ruth 1998; Walchli 2007), and congruence between the product categories of both host and invited brands (Bouten, Snelders, and Hultink 2011).

The concept of congruence is more precisely defined in the cognitive consumer behavior literature in terms of the consumers' cognitive schema (Meyers-Levy and Tybout 1989). It is similar to Wilton and Myers (1986)'s notion of expectancy disconfirmation. Building on Mandler (1982)'s theory, Meyers-Levy and Tybout (1989) test the idea that in general people prefer congruent objects that conform to their expectations and that allow predictability. This cognitive dimension is also proposed in the literature on brand extension where the effectiveness of the brand extension is based on the cognitive process that is elicited by such a strategy. Specifically, when consumers are highly motivated, they process the information contained in the brand extension as a piecemeal process whereas low

motivated consumers use a subtyping model (Gurhan-Canli and Maheswaran 1998).

Therefore, in the co-branding context this supports the result that, generally (assuming there is no confounding effects that would lead to the dilution of the brands), the higher the fit between the two brands, the better it is for both brands and the co-branded product.

Consumers' attitudes toward brand alliances grow more positive when the product categories fit together well (Bouten, Snelders, and Hultink 2011; Lanseng and Olsen 2008; Park, Jun, and Shocker 1996; Simonin and Ruth 1998), as predicted by homeostasis or balance theory (Heider 1946): Consumers prefer situations that allow them to maintain an interior balance and do not challenge their existing schemas.

However, another stream of research posits that moderate incongruence could be even more effective (Mandler 1982; Meyers-Levy and Tybout 1989), because it encourages consumers to resolve the incongruity by elaborating on the co-branding links (Walchli 2007). In effect, it is schema incongruity that drives attention and the consequent information processing by individuals. Indeed, Derbaix and Vanhamme (2003) refer to "schema discrepancy" to describe the disconfirmation of expectations or the "unexpected", and they demonstrate that such unexpected situations (a percentage of which concerned new products and services) are associated to surprise emotions (some positive and some negative). This leads to the implication that moderate incongruity is more favorable to new product evaluations. With congruence, the cognitive route dominates the effect of co-branding on the evaluation of the new product. However, with some incongruence, there is a mix of information processing and affective consequences. Extreme incongruity is different. "Extreme incongruity is defined as incongruity that cannot be resolved or can be resolved only if fundamental changes are made in the existing cognitive structure (e.g., redefining the basic soft drink schema)" (Meyers-Levy and Tybout 1989, p. 40). Extreme incongruity leads to negative evaluations. Even if they generate cognitive elaboration, these are typically not

resulting in its resolution but instead lead to even more negative evaluations. In contrast, moderate incongruities are viewed as "interesting and positively valued" (Mandler 1982, p. 22), leading to a search for resolving the schema conflict. This process is rewarding in itself and explains that moderate incongruity generates more positive responses than when there is no conflict at all (Meyers-Levy and Tybout 1989). Therefore, moderate incongruity in the cognitive schema leads to an effect on the affective component of the evaluation of the new product. This greater affect may also explain that "people like to talk about things that they find surprising and/or interesting" (Moldovan, Goldenberg and Chattopadhyay 2011, p. 110).

In both theories though, congruence appears as a one-dimensional construct. As we noted previously and as it appears in Mandler's incongruence theory, congruence can be decomposed in two dimensions: relevancy and expectancy. The best co-branding combination might be both relevant and unexpected (Heckler and Childers 1992; Mandler 1982). This moderate incongruence should be effective for two reasons. First, the surprising incongruence (Mandler 1982) or unexpected link (Heckler and Childers 1992) draws consumers' attention. Second, the relevancy of the pairing (Heckler and Childers 1992) provides clues for understanding their connection and helps consumers resolve the incongruency (Mandler 1982).

Therefore, it is critical to understand how the separate effects of these two dimensions determine behavioral responses. It is also a prerequisite for management to decide on the opportunity to co-brand new products. Accordingly, we develop a theory about the role of each dimension of congruence in relation to various components that lead to co-branding success. More specifically, we anticipate that relevancy and expectancy initiate two different processes, one through perceived novelty and the other through perceived credibility of the co-branded product, which, therefore, influence the cognitive and affective components of attitude (as depicted in Figure 1).

The Role of Relevancy and Expectancy on New Co-branded Product Novelty

Novelty can therefore be one of the consequences of associating two brands. However, in spite of the ubiquity of the concept of novelty, its antecedents are complex. The concept of novelty is intimately tied to the new product literature. Newness has been defined in terms of being new to the firm, new to consumers, or new to the market (Calantone, Chan, and Cui 2006; Lee and O'Connor 2003). In the context of co-branding, the new product is new to the two firms involved (even if the new product is in the same product category as the host brand) and new to the consumers. However, our concern is from the perspective of the consumer who needs to evaluate the new product. Novelty concerns how new the idea of and how creative the co-branded new product is perceived by consumers (Sethi, Smith, and Park 2001). However, it also contains an emotional sense of surprise. Consequently, novelty can be induced by originality which comes from the unexpected that can create surprise.

There are three sources of novelty that comes from co-branding. First, despite its increasing popularity, co-branding remains somewhat unusual. Therefore, it can be surprising by itself when it occurs. Second, the host brand may be familiar in the product market, but the invited brand likely represents a totally different area. In the case of the Adidas–Goodyear sports shoe, Adidas is a familiar brand of sports shoe; however consumers do not expect Goodyear to be associated with sports shoe and thus the co-branding should evoke surprise. Finally, surprise might arise if the two partner brands are not perceived a priori as having much in common, i.e., are not highly congruent. Such surprises for new co-branded products come from the low degree of expectation to see the brands associated. Consequently, it is the unexpected event itself that results in a perception of novelty.

However, the concept of novelty does not only correspond to originality, as the new product must also bring added value to the market. Thus, unexpectancy alone is not enough

and must be combined with relevancy for the new product being perceived as really novel in an effective way. We could interpret the writings of Mandler (1982) in the same way: to be effective, incongruence, which by its nature surprises by disrupting expectations, must ultimately be comprehensible if it is to be resolved. In this case, moderate incongruence would correspond to a combination that is unexpected but relevant in the sense proposed by Heckler and Childers (1992). Thus, the benefit of incongruence emerges from the interaction of relevancy and expectancy.

Moreover, relevancy induces a more cognitive and analytic process whereas expectancy, which is linked to surprise, involves a more affective and holistic process (Petty and Cacioppo 1986). In the co-branding context, as the host brand is in its own market, the evaluation of the perceived novelty of the new co-branded product is likely to focus more on the invited brand, which is by nature more surprising and then, draws more attention. It means that when relevancy of the invited brand is low, the perceived novelty of the co-branded product will be likely to be evaluated on the basis on a more holistic process, above all according to expectancy. On the contrary, a high relevancy of invited brand is likely to induce a more cognitive process, where expectancy will be less taken into account in the evaluation of the perceived novelty of the co-branded product. Therefore, we propose:

H₁: When relevancy of the invited brand is low, the less expected the invited brand is, the higher the perceived novelty of the new co-branded product is. This effect decreases as the relevancy of the invited brand increases so that, for highly relevant invited brands, the unexpectancy of the invited brand has no effect on perceived novelty.

The Role of Invited and Host Brand Relevancy on the New Co-branded Product Credibility

While relevancy moderates the effect of unexpectancy, as proposed above, we have pointed out its cognitive character. Its main effect is therefore on the credibility perceived of the combined brands. Product credibility is defined in terms of whether consumers believe the product can continuously deliver what has been promised (Baek, Jooyoung, and Hyunjae

2010; Erdem and Swait 2004). These beliefs often rely on the ability (i.e., expertise) and trustworthiness of the brand (Erdem and Swait 2004; Ohanian 1990). The brand itself is a signal of quality (Keller 2008), so two brands should send a stronger signal if they combine their expertise and competencies. That is, co-branded products should enhance perceptions of credibility (Desai and Keller 2002; Park, Jun and Shocker 1996) compared with a single-brand product. Häagen-Dazs ice cream with Godiva chocolate should induce an image of quality, positive evaluations, and buying intentions because of the recognized expertise of Häagen-Dazs as an ice-cream maker and Godiva in the chocolate domain. This corresponds to the condition found by Moorthy (2012) in the context of brand extension that the quality perceptions of the old and of the new products be positively correlated. However, how is credibility affected by the nature of the brand combination? The relevance of the brands to the new product affects this credibility because relevance means that information is conveyed from the two brands to the new product. Consumers who perceive the presence of both brands as relevant to a co-branded product understand why both brands got together to create that new product, and the reasons for their association. Therefore, relevance leads to perception that the new product is more credible.

H₂: The relevancy of the invited and the host brands have a positive effect on the perceived credibility of the new co-branded product.

The Dual Cognitive and Affective Processes

Hypotheses 1 and 2 highlight the critical but separate roles of perceived credibility and novelty. These two constructs are however of a different nature since one is cognitive while the other is affective. Therefore it becomes important to distinguish hedonic and utilitarian components of attitude toward the new product (Batra and Ahtola 1991; Voss, Spangenberg, and Grohmann 2003). These two-dimensions include the sensations derived from the experience of using the product as well as the functions actually performed by

products. The evaluation process of a new co-branded product has both cognitive and affective components, along utilitarian and hedonic dimensions, respectively. Measures of the hedonic and utilitarian dimensions of attitude reveal brand positionings that may not be apparent with a single-dimension attitude measure (Dillon et al. 2001; Machleit, Allen, and Madden 1993). Credibility is inherently linked to firm expertise and the product's functional performance. Therefore, the perceived credibility of the co-branded product should influence utilitarian attitudes: higher credibility then improves attitudes toward the product and increases purchase intentions.

In contrast, when the product is perceived as new and original, the sensations derived from the experience are activated (Batra and Athola 1991; Voss, Spangenberg, and Grohmann 2003). Consequently, the evaluation of the hedonic dimensions increases. Therefore, we propose the two hypotheses:

H₃: Credibility impacts purchase intentions through a higher utilitarian evaluation of the co-branded product.

H₄: Novelty impacts purchase intentions through a higher hedonic evaluation of the co-branded product.

TEST OF HYPOTHESES

Design And Procedure

A field study was designed to test our hypotheses. Brand combinations were selected to provide variability in the phenomenon described in our theoretical section and the two dimensions of congruence, i.e., relevancy and expectancy, were measured with multiple items. Two product categories are analyzed, sports shoes and shampoos, to enhance external validity. In each category, two host brands (Adidas and Geox for sports shoes, Fructis and Klorane for shampoos) were combined with two invited brands (Bic and Michelin for plastic soles, Andros and Chupa Chups for apple aroma¹). We checked that these 8 conditions varied

in terms of relevancy and expectancy. The participants evaluated one co-branded new product each: new sports shoes with a nonslip sole or a new shampoo with apple scent.

Study participants. Respondents were recruited by e-mail, providing a heterogeneous sample ($n = 285$) in terms of gender (58% males), age (18 to 55 years), and employment, including middle managers (30%), students (30%), senior managers (25.5%), and employees (14.5%). Each participant was randomly assigned to one of the conditions. The two product categories were chosen to be general so that they are relevant to the participants: shoes and shampoo. The host brands in each category have similar brand awareness: Adidas, Geox, Fructis and Klorane. The invited brands are Bic, Michelin, Andros and Chupa Chups, also equally well known in the population. The distribution of the sample is well balanced across the different conditions of the study : Adidas–Bic= 41, Adidas–Michelin= 42, Geox–Bic= 40, Geox–Michelin= 43, Fructis–Andros= 28, Fructis–Chupa Chups= 32, Klorane–Andros= 29, Klorane–Chupa Chups= 30.

Measures

Dependent variables. Study participants evaluated the new product on both utilitarian and hedonic measures, using Voss, Spangenberg, and Grohmann's (2003) scale. The utilitarian scale consists of five items "Effective/ineffective, Helpful/unhelpful, Functional/not functional, Necessary/unnecessary, and Practical/impractical," and the hedonic scale contains five items "Not fun/fun, Dull/exciting, Not delightful/delightful, Not thrilling/thrilling, and Enjoyable/unenjoyable". Each scale provides good reliability with $\alpha = .88$ and $\alpha = .85$ respectively for utilitarian and hedonic evaluation. Participants indicated their intentions to purchase and to recommend with two separate statements ($\alpha = .91$): "If I had to buy a [new product category], I would like to buy this product" and "I would be likely to recommend this brand to a friend."

Mediating variables. Perceived novelty was measured using Fang's (2008) six-item scale: "With these two brands, this new product is: very ordinary/very novel for the market of [new product category], not challenging/challenging to existing ideas of [new product category], not offering/offering new ideas to the market, not creative/creative, uninteresting/interesting, not capable/capable of generating ideas for other products" ($\alpha = .89$). Perceived credibility of the new product was measured using Erdem and Swait's (2004) five item scale: "With these two brands, this new product reminds me of someone who's competent and knows what he/she is doing, has the ability to deliver what it promises, has a name you can trust"; "These brands' product claims are believable"; and "Over time, my experiences with these brand have led me to expect them to keep their promises" ($\alpha = .91$).

Exogenous variables. Because perceptions are key to our framework, it is critical to assess the degree of each of the combined dimensions, relevancy and expectancy, to separate their effects. To evaluate how relevant each brand is to the new co-branded product, study participants rated their agreement with the following two statements using Likert scales (Fleck and Quester 2007): "That [host/invited brand] launched this new [co-branded product] tells me something about it" and "When I see this new [co-branded product], I can understand [host/invited brand] better" ($\alpha = .77$ for host and $.84$ for invited brand).

Similarly, to measure how expected each brand was in the new co-branded product category, we asked study participants to rate their agreement with the following three statements using Likert scales: "I am not surprised that [host/invited brand] launched a new [co-branded product]," "One would expect [host/invited brand] to launch this new [co-branded product]," and "It was predictable that [host/invited brand] would launch this new [co-branded product]" ($\alpha = .88$ for both host and invited brand).

Empirical Analysis

In this section, we first describe the specification of our model and its estimation. We then present the results.

Model specification. The model presented in Figure 2 represents structural relationships among constructs measured with multiple items so that structural equation models are a particularly well-adapted methodology to estimate structural effects while considering errors in measurement. However, the model contains moderated effects among constructs corresponding to the test of our first hypothesis. The usual approach of moderated regression is complicated in the case of latent variables because the interaction term of these unobserved constructs contains the product of measurement errors. A usual method used to avoid this complexity is to split the sample according to the level of the moderator variable. In our case, we could take a median split on the relevance of the invited brand. However, such method has been criticized for not making use of the entire data available. Instead, we use the extended LISREL model.

In our model, two latent constructs ξ_2 and ξ_3 interact as a result of ξ_3 moderating the effect of ξ_2 on η_1 . However, each construct is measured with several items and the product term of the two latent constructs expresses the interaction just as in moderated regression analysis. The difference is that the components of the product terms are affected by the measurement errors of the constructs involved in that product term. Nevertheless, each of the combinations of the items measuring its components is a measure of the product/interaction construct. If one would consider all the combinations of the items involved in the interaction term, this would lead to the full model as originally proposed by Jöreskog and Yang (1996), following Kenny and Judd (1984)'s procedure. This, however, implies a repetition of each item in creating multiple product terms among the observed indicators. Instead, the extended

model typically considers the matched-pair strategy where each manifest variable (item) is used only in one combination (Marsh, Wen and Hau 2004).

[Insert Figure 2 about here]

This model specification, however, implies certain constraints on the parameters due to the repetition of measures and latent variables. These restrictions should be imposed while estimating the model parameters. Several methods have been proposed. In particular, Ping (1995) has proposed an excel spreadsheet to calculate the effects. Instead, we integrate the constraints directly into the structural equation model to be estimated with STATA12. This full model specification with the implicit constraints embedded lead to the constrained extended interaction model. The constraints imposed concern (1) the factor loadings of the product of latent constructs, (2) the mean of the latent product term of the latent constructs, and (3) the variance of the latent product term of the latent constructs.² These restrictions are shown below and should be imposed in estimating the structural relationships:

$$\lambda_{q+1}^2 = \lambda_{i2}^2 \lambda_{j3}^2 \quad (1)$$

$$E[\xi_2 \xi_3] = \kappa = \Phi_{23} \quad (2)$$

$$V[\xi_2 \xi_3] = V[\xi_2]V[\xi_3] + (\text{Cov}[\xi_2, \xi_3])^2 = \Phi_2 \Phi_3 + \Phi_{23}^2 \quad (3)$$

Where:

λ_{q+1} reflects the item on the augmented factor loading matrix (i.e., augmented to include the latent variable of the interaction term, with λ_{i2} being the factor loading of the second exogenous latent construct on item i and λ_{j3} the factor loading of the third exogenous latent construct on item j , and

Φ is the matrix of the covariance of the latent exogenous constructs.

Following Anderson and Gerbing (1988), we estimated first the measurement model parameters for the exogenous and endogenous constructs (excluding any interaction term) using a confirmatory factor analysis model with correlated latent variables. We then estimated the structural parameters, constraining the measurement parameters to the values estimated in the first stage, as well as with the constraints imposed by the multiplicative latent construct implied by the moderating effect. These constraints were evaluated based on the parameter estimated in the first stage CFA (i.e., we replaced the expressions in Equations (1) through (3) with the estimates obtained from the confirmatory factor analysis). It has also been suggested that the structural model with interacting latent constructs could be estimated without specifying these constraints (Kelava et al. 2008). The unconstrained estimation provided similar results and we therefore report the estimated parameter of the restricted model specification.

Structural equation model results. The proposed structure imposed by the model fits the data very well.³ In terms of overall fit statistics, the confirmatory fit index (CFI= .976) is above the recommended value (Bollen 1989; Bentler 1990). Similarly, the root mean square error of approximation of .038 is also very satisfactory (Hair et al. 2006). The chi-square is significant (392.67, $p < .01$) but it is a poor indicator of fit for our relatively large sample size (N=285) and large covariance matrix to be fitted (25x25). The parameter estimates are reported in Table 1.

[Insert Table 1 about here]

Although we did not hypothesize a direct link from the relevancy of the invited brand to purchase intentions, the importance of the role played by a core brand has been

theoretically and empirical established in the brand extension literature (e.g., Swaminathan, Fox and Reddy 2001). The invited brand in the co-branding context is the brand that determines the meaningfulness of the combination because it comes from a different product category than the new co-branded product. Furthermore, the modification index suggested a significant improvement in model fit if included. Indeed, the positive impact of the relevancy of the invited brand on the intention to purchase the new product is strongly significant (coefficient = .291, $p < .01$). Therefore, the results we report are obtained from a model with this link, as shown in the model specification represented graphically in Figure 2 without changing the nature of the other results. These results show that the relevancy of the invited brand (estimated coefficient = .434, $p < .01$) and of the host brand (coefficient = .295, $p < .01$) has a positive effect on the perceived credibility of the new co-branded product. This brings support to the prediction and explanation of Hypothesis 2. The estimates of the other model parameters are presented within the discussion of the other hypotheses.

Test of moderated mediation of Expected Invited on Hedonic Evaluation via

Novelty. The interaction term between the relevancy and the expectancy of the invited brand is significant at the $\alpha = .05$ level (coefficient = .123, Table 1), supporting the moderating role of relevancy on the effect of expectancy on perceived novelty (H_1). However, to assess fully the moderating effect of the relevancy of the invited brand, we need to estimate the effect of the expectancy regarding the invited brand on perceived novelty at different levels of the moderator variable. This is especially important given that our hypothesis (H_1) states that relevancy has no effect any longer when there is no surprise factor in the combination between the invited brand and the new product. Consequently, we estimated the effect of expectancy at different levels of relevancy of the invited brand. The estimated effect is a linear combination of the estimated parameters that is normally distributed but requires

knowledge of the covariance between the estimated parameters. Instead of performing these calculations using the estimated covariance matrix of the relevant parameters, we estimated the empirical distribution of the linear combination via the bootstrap method. More specifically, we first re-estimated the structural equation model using the factor scores for all the constructs and computed the product term of the constructs involved in the moderating effect (the factors are mean centered as an outcome of the confirmatory factor analytic model). The structural model parameters are then estimated using Seemingly Unrelated Regression to taken into account the contemporaneous correlations in the structural equation residuals. This is similar to the model estimated using maximum likelihood in the sense that the fixed measurement parameters are reflected in the weights used to compute the factor scores. It differs from the SEM estimation due to the fact that the variances in measurement errors are not explicitly taken into account in the estimation. The bias is minimal, however, given the good fit of the measurement model. Indeed, the results of such estimation provide almost identical parameter estimates (as can be seen from Table 2).

[Insert Table 2 about here]

We then develop a subroutine in STATA12 that provides bootstrap estimates of the effect of expectancy of the invited brand at different levels of the moderator variable, relevancy of the invited brand (using SUR estimations). The boundaries of a 95% confidence interval are computed based on the distribution of parameter estimates of the product term over the number of replications (we used 5000 as recommended by Preacher and Hayes 2004).

These estimates are provided in Table 3. The effect of expectancy regarding the invited brand was estimated at the minimum value in the sample of the relevancy of the invited brand (i.e., -1.33), as well as at its maximum value (+2.59) to cover the range of

values of the moderating factor (it is also estimated at plus and minus one and two standard deviations). The effect of expectancy regarding the invited brand on perceived novelty decreases in absolute value from $-.525$ at the smallest value of the range of the moderator to $-.11$ at the maximum range value, point at which it is not statistically significant.

Consequently, H_1 is fully supported by the data.

To assess the role of perceived novelty as a mediating explanatory mechanism for the effect of expectancy on hedonic evaluation, a mediation test should be performed. Even if novelty has a significant positive impact on hedonic evaluation (coefficient = $.266$, $p < .01$, Table 1), it is necessary to assess the indirect effects and the direct effect of the expectancy regarding the invited brand on hedonic evaluation. The direct effect should be insignificant if the process is fully mediated. As pointed out in Zhao, Lynch and Chen (2010), the focus should be on the product of the parameters corresponding to an indirect (mediated) path. However, testing the significance of these indirect effects should not be done through the Sobel test that assumes that the product term is normally distributed and that the components are uncorrelated: neither assumptions are met. Consequently, we follow the recommendation of Preacher and Hayes (2004, 2008), Preacher, Rucker and Hayes (2007), and Hayes and Matthes (2009) and use the bootstrap estimation. This method is particularly adapted in the case of a moderated mediation process like the one hypothesized here. Indeed, the first stage of the mediation (i.e., the effect of expectancy on novelty) is moderated by the relevancy of the invited brand, as discussed above. We therefore expand the method presented above and evaluate the direct and the indirect effects at different levels of the moderator variable (the same as indicated above). The results (shown in the bottom part of Table 3) indicate that the effect of expectancy regarding the invited brand on hedonic evaluation through novelty is significant and negative at low level of relevancy (e.g., indirect effect = $-.139$ at the minimum range value of relevancy). In other words, when the invited brand is irrelevant to the new

product, the less expected it is that the invited brand is co-branded with the host, the more novel the new product is perceived to be and the higher the hedonic evaluation of the new product is. However, for high degree of relevancy of the invited brand, expectancy is insufficient to have an effect through novelty on hedonic evaluation (at the highest value of the range of relevancy, i.e., +2.59, the perceived novelty is insignificant and so is the indirect effect of expectancy on hedonic evaluation with an estimate of $-.029$ which is not significant). The direct effect of expectancy regarding the invited brand on hedonic evaluation is insignificant (coefficient = $.020$, Std. Err = $.06$, from Table 1). Therefore, we conclude that perceived novelty fully mediates the effect of expectancy through a moderated mediation process. Consequently, the indirect and the total effects plotted in Figures 3a and 3b respectively show identical patterns. The graph shows the estimates at values of the moderator within the range of the empirically observed measures. For small values of the moderator (i.e., low relevancy), the confidence interval is below the zero line, indicating that the effects (indirect and total) are negative (the more expected the combination, the less novel it is perceived). However, the confidence interval is within the zero line at high values of expectation, which means that the perceived novelty is not affected by the expectancy of the combination). In summary, these results correspond to Hypothesis 1, which is consequently verified.

[Insert Table 3 about here]

[Insert Figure 3 about here]

Test of the mediating role of credibility and novelty to explain purchase intention of co-branded product. In order to test the dual process hypothesized, we need to assess the simultaneous role of credibility and novelty on the utilitarian and hedonic evaluations leading

to purchase intentions. This corresponds to the mediations proposed in hypotheses 3 and 4. Therefore, we now consider the role of novelty and credibility on purchase intentions.

Similarly to the analysis above, we performed a bootstrap estimation of the indirect and total effects of novelty and credibility respectively on purchase intentions through the two evaluation processes, i.e., via hedonic evaluations and via utilitarian evaluations. The estimates are provided in Table 4. The direct effects are those obtained through the Seemingly Unrelated Regression estimation (shown in Table 2).

It is particularly revealing that the total effect of credibility on purchase intention is more than five times as large as the total effect of novelty (.660 vs. .123), both being statistically significant effects. However, the route that leads credibility to purchase intention is more complex than novelty. Novelty plays a role completely mediated through the hedonic evaluation it generates on consumers who then are more inclined to purchase (indirect effect through hedonic evaluation = .129, $p < .01$), and novelty per se does not affect consumers' behavioral intentions. Indeed, the direct effect of novelty is insignificant and so are the paths other than the one hypothesized in H₄. Consequently, H₄ is fully supported.

The results are also consistent with Hypothesis 3. However, credibility acts in two ways in parallel. Credibility enhances purchasing behavior directly (direct effect = .447, $p < .01$), which shows the strong cognitive processing about the meaning of the co-branded new product. At the same time, utilitarian evaluation is higher for credible co-branded new products (estimate = .438, $p < .01$ in Table 1). While the role of utilitarian evaluations on purchase intentions is not significant, the hedonic value of the co-branded new product is improved if the co-branded product is credible both through a direct link and through its path through a higher utilitarian value (indirect effect through Utilitarian and then Hedonic evaluation = .192, $p < .01$ in Table 4). This follows from the significant link from utilitarian evaluation to hedonic evaluation in Table 1 (estimate = .575, $p < .01$). Therefore, while the

data are consistent with Hypothesis 3, it is only partially verified with a partial mediation where the two processes appear interrelated.

[Insert Table 4 about here]

In fact, the nomonological net of relationships reflected by our model allows us to compute the total effects of antecedent variables (using the “teffects” procedure in STATA12). These results, based on the estimates from the structural equation model, are shown in Table 5.

[Insert Table 5 about here]

The estimates of the various effects shown on the Table highlight the danger of considering effects in isolation. While some effects like credibility are consistent whether considering direct or indirect effects (and consequently the total effects), the effects of other constructs such as novelty follow particular paths and are not as dominant throughout the network of relationships, in part due to the contingencies identified by our moderation tests.

In addition to the comparison between the roles of credibility versus novelty mentioned above, several other contrasts are revealing. In spite of the lack of significant effect of direct utilitarian evaluation on purchase intention, the total effect of utilitarian evaluation is almost as large (.317) as the total effect of hedonic evaluation (.418). Also, the importance of the relevance of the invited brand is reaffirmed with the larger total effect on purchase intentions (.636), partly due to its effect through novelty (.642).

DISCUSSION AND CONCLUSION

Theoretical Findings

Most co-branding studies argue that the concept of congruence is central to understanding product evaluations (Hillyer and Tikoo 1995, Lanseng and Olsen 2008; Völckner and Sattler 2006, Walchli 2007). However, these studies also conceptualize congruence as a one-dimensional construct. With this study, we demonstrate the need to decompose the notion of global congruence between relevancy and expectancy components (Heckler and Childers 1992). This study establishes that it is required to explain the effectiveness of co-branding. As our first contribution, we highlight the separate role of each congruence dimension. Moreover, we integrate the role of perceived credibility and novelty on attitudes toward co-branded products into a theoretical framework that involves a dual cognitive and affective process. Our findings suggest that each congruence dimension between each brand and the new co-branded product affects the perceived credibility and novelty of this new product through separate mechanisms. Each explains purchase intention respectively by affecting separately utilitarian and hedonic components of product evaluations.

As expected, the main effect of relevancy has a positive effect on both perceived credibility and novelty. When host and invited brands are relevant to the co-branded product, that product appears more credible and more new, generating more positive consumer reactions. The effects of relevancy are mediated by perceived credibility as a means to explain co-branding effectiveness in terms of utilitarian evaluations and purchase intentions. The results confirm that perceived credibility is a central element for explaining utilitarian evaluations.

The unexpected combination of brands is not a simple explanation of the extent to which a new co-branded product is perceived as novel; rather, unexpectancy produces

complex reactions. When we include the interaction between the relevancy and expectancy of the invited brand, we find an expected and significant effect of the interaction, a significant and negative effect of expectancy, and a significant and positive effect of relevancy.

Therefore, novelty is not easy to evoke in consumers' minds; an unexpected co-branding cannot generate positive reactions unless it is also relevant, in line with Mandler's (1982) theory. This finding is consistent with Moldovan, Goldenberg, and Chattopadhyay's (2011) interaction effect of originality and new product usefulness as a means to explain positive word of mouth. Expectancy and relevancy can align with originality and usefulness, and originality enhances positive buzz only if the product is also perceived as useful.

Furthermore, these findings might help explain the non-monotonic effect of innovativeness on consumer reactions (Stock 2011), as suggested by Mandler (1982). If the brand combination is trivial, a new product does not draw attention, but if it is too original, consumers may not understand its relevancy. The moderate case with a lightly surprising innovation that is still relatively easy to understand may be the optimal choice. As a consequence, we could not show a simple mediating effect of perceived novelty between expectancy and consumers' responses to the co-branded product. However, we bring evidence of a more complex moderated mediation process with a significant effect of perceived novelty on hedonic evaluation and purchase intentions toward the co-branded product.

Perceived credibility is influenced more by invited brand relevancy than host brand relevancy. The role of the invited brand thus may be even more important than that of the host brand, perhaps because the host brand, in its main market, is expected, whereas the invited brand is surprising and draws more attention. Furthermore, for this study, the invited brands brought functional elements that were generally relevant to the product (apple

perfume, plastic soles), even if the invited brand seems surprising, the combination seems logical, so that it appears relevant for the new product offering.

Another interesting result is the significant link between utilitarian evaluation and hedonic one (estimate = .57, $p < .01$ in Table 1). We can explain the strength and the significance of this link by the characteristics of the product categories. As Voss, Spangenberg, and Grohmann found (2003), athletic shoes are at the same time high on utilitarian and hedonic dimensions. In the same way, we suggest that shampoos are at the same time high on the utilitarian dimension (they are expected to wash efficiently the hair) and high on the hedonic dimension (washing one's hair is expected to be a pleasant and sensuous moment). Thus, in the two cases studied here (sport shoes and shampoos), both utilitarian and hedonic dimensions are important in the product evaluations. That could explain the strong effect of utilitarian evaluation on the hedonic one but this may not generalize to all product categories.

Thus, it is only because we make the distinction between the two dimensions of congruence that we can explain the success of co-branding that is apparently incongruent or the failure of co-branding that may appear congruent. If we analyze the success of Bensimon-Chanel shoes, the combination seems to be quite incongruent as Bensimon is a very casual brand compared to Chanel, an iconic luxury brand. However, our model allows explaining the success, because the combination is unexpected, due to the very different range level, but at the same time, relevant: Chanel brings a very original, black and white, sober style, while Bensimon allows targeting trendy young adults and teenagers. This relevancy of Chanel and Bensimon makes the co-branded product credible, while the unexpectancy of Chanel on casual shoes makes them perceived as novel.

In the opposite, Ray Ban-Roland Garros sunglasses seem to be quite congruent and could have been a success but they failed. Both brands evoked outdoor activities and a

sophisticated image, so that they are both quite expected and these sunglasses are not perceived so novel. Moreover, Roland Garros is not relevant on Ray Ban sunglasses as it does not bring enough added value to this product and therefore is not credible to sign these sunglasses.

Managerial Implications

When selecting a brand to invite for co-branding a new product, it is not just a matter of fit. The results encourage managers to include measures of perceived credibility and novelty in their co-branding valuation analysis. The combination of brands has to be credible and surprising (novel). These two correspond to different processes – one cognitive, the other affective – that forge opinions and purchase likelihood. This means that management should consider carefully the relevancy and the expectancy that customers perceive about the potential brands to invite. When relevancy is sufficiently high, it is difficult to create a major surprise. Still surprise plays a role but more moderate as different degrees of expectations can still be perceived depending on the brand that is invited. However, our research indicates that it is especially critical to create surprise if the invited brand is less relevant. It is then the combination of unexpectancy and relevancy that creates the perceptions of novelty. These two components need to be managed carefully because of the dual process involving cognitions and affective evaluations. Increasing a co-branded product's success requires improving the relevancy and expectancy of the invited brand for the product. That is, effective creativity must trade off originality with appropriateness (Kilgour and Koslow 2009). Marketing managers might use these results to help justify expenditures in design, communication, and retailing strategies that influence levels of perceived congruence.

The dual mechanism examined in this study may apply as well in other domains that share similarity of bringing entities with individual perceptions into a new concept.

Therefore future research on brand extensions, alliances or partnerships could potentially benefit from using such a framework.

Limitations And Further Research

As we have noted, the results of our study are in accord with our theoretical expectations. While we demonstrate effects that correspond to our hypotheses, these results should be replicated with different product categories and brands to improve the external validity. It would be interesting to test our theory in the case of “symbolic co-branding” where the invited brand does not bring functional ingredient to the co-branded product (i.e. mobile phone LG Prada). The dual processes should still prevail because of the requirement of combining the unexpected and the relevancy components. Also, the present study did not examine personal factors as product involvement or variety seeking, factors that have been shown to be important determinants of innovation adopters. Such individual differences could be investigated in future studies.

Finally, other elements of the marketing launch of the new products might interact with the variables included in our framework. For example, the importance and type of advertising used to launch the co-branded product could be explored (Lee and O’Connor 2003).

In conclusion, our findings complement the extant literature on fit and congruence. However, while the general observation that the perceived congruence of co-branding has a direct influence on the evaluation of and purchase intentions toward co-branded product is still valid, our results show the limits of that effect. We also propose and test a simultaneous and interrelated dual explanatory mechanism. The affective and cognitive components evoked by the association of two brands should be combined in order to explain why some co-branded new products fail while others succeed, even though they seem congruent.

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Footnotes

1. These brands achieve high awareness ratings and strong images among French consumers from which our study participants are sampled.

2. A fourth constraint may be imposed on the variance of the measurement error associated with the product of two items:

$$\theta_{\delta_{j+1}} = \lambda_{i2}^2 \mathbf{V}[\xi_2] \theta_{\delta_j} + \lambda_{j3}^2 \mathbf{V}[\xi_3] \theta_{\delta_i} + \theta_{\delta_i} \theta_{\delta_j} = \lambda_{i2}^2 \Phi_2 \theta_{\delta_j} + \lambda_{j3}^2 \Phi_3 \theta_{\delta_i} + \theta_{\delta_i} \theta_{\delta_j},$$

where θ_{δ} is the matrix of the covariance of measurement errors. However, this constraint is superfluous, as it is already imposed by the other three restrictions.

3. In addition, we ran a model including dummy variables to reflect the combination of brands and product categories to reflect possible brand effects in each combination in the experimental design. Although we expect that our theory will provide explanations for the effects reflected in these combinations, it is possible that some brand specific effect remains after controlling for the process we advance as an explanation. Therefore, a dummy variable was introduced for the category of product, a dummy variable represented the brand used for the invited brand within a category and a third dummy variable represented the host brand within the category. All these dummies were not significant and the parameters remained unchanged.

Table 1. Structural Equation Model Parameter Estimates

Structural Relationship	Parameter Estimates	Standard Errors
Invited brand relevancy → Credibility	.434**	.096
Host brand relevancy → Credibility	.295**	.107
Invited brand expectancy → Novelty	-.354**	.093
Host brand expectancy → Novelty	.064 ^{ns}	.076
Invited brand relevancy → Novelty	.642**	.095
Interaction → Novelty	.123 *	.071
Credibility → Utilitarian evaluation	.438**	.070
Novelty → Utilitarian evaluation	.093 *	.053
Invited brand relevancy → Utilitarian evaluation	.014 ^{ns}	.097
Host brand relevancy → Utilitarian evaluation	.064 ^{ns}	.102
Novelty → Hedonic evaluation	.266**	.053
Credibility → Hedonic evaluation	.064 ^{ns}	.073
Invited brand expectancy → Hedonic evaluation	.020 ^{ns}	.060
Host brand expectancy → Hedonic evaluation	.068 ^{ns}	.059
Utilitarian evaluation → Hedonic evaluation	.575**	.079
Credibility → Purchase intention	.397**	.072
Novelty → Purchase intention	.009 ^{ns}	.053
Invited brand relevancy → Purchase intention	.291**	.072
Utilitarian evaluation → Purchase intention	.077 ^{ns}	.085
Hedonic evaluation → Purchase intention	.418**	.075
Model fit:	Chi2(df=279) = 392.67, p<0.01, N=285	
	CFI=.976,	
	TLI=.974,	
	RMSEA=.038	

** $p < .01$, * $p < .05$, ^{ns} Not significant

Table 2. Structural Parameters - SUR Estimates

Structural Relationship	Parameter Estimates	Standard Errors
Invited brand relevancy → Credibility	.435**	.071
Host brand relevancy → Credibility	.343**	.080
Invited brand expectancy → Novelty	-.385**	.074
Host brand expectancy → Novelty	.061 ^{ns}	.097
Invited brand relevancy → Novelty	.673**	.073
Interaction → Novelty	.106 *	.056
Credibility → Utilitarian evaluation	.498**	.050
Novelty → Utilitarian evaluation	.068 *	.038
Invited brand relevancy → Utilitarian evaluation	-.008 ^{ns}	.063
Host brand relevancy → Utilitarian evaluation	.054 ^{ns}	.070
Novelty → Hedonic evaluation	.265**	.052
Credibility → Hedonic evaluation	.003 ^{ns}	.037
Invited brand expectancy → Hedonic evaluation	-.034 ^{ns}	.042
Host brand expectancy → Hedonic evaluation	.073 ^{ns}	.042
Utilitarian evaluation → Hedonic evaluation	.789**	.060
Credibility → Purchase intention	.447**	.054
Novelty → Purchase intention	-.035 ^{ns}	.039
Invited brand relevancy → Purchase intention	.269**	.050
Utilitarian evaluation → Purchase intention	.038 ^{ns}	.071
Hedonic evaluation → Purchase intention	.489**	.056
N=285		
** $p < .01$, * $p < .05$, ^{ns} Not significant		

Table 3. Relevancy and Expectancy Interaction Effect on Hedonic Evaluation via Perceived Novelty (Bootstrap estimation)

<i>Expectancy Invited brand → Novelty</i>	Estimate	Standard Error	95% confidence interval
Relevancy of Invited brand (minus one standard deviation = -.91).			
Effect	-.48**	.099	[-.668 , -.277]
Relevancy of Invited brand (plus one standard deviation = +.91).			
Effect	-.289**	.070	[-.424 , -.150]
Relevancy of Invited brand (minus two standard deviation = -1.82).			
Effect	-.577**	.134	[-.835 , -.301]
Relevancy of Invited brand (plus two standard deviation = +1.82).			
Effect	-.192**	.092	[-.377 , -.008]
Relevancy of Invited brand (minimum of range = -1.33).			
Effect	-.525**	.114	[-.743 , -.291]
Relevancy of Invited brand (maximum of range = +2.59).			
Effect	-.110 ^{ns}	.121	[-.355 , .130]
Expectancy Invited brand → Novelty → Hedonic Evaluation			
Relevancy of Invited brand (minus one standard deviation = -.91).			
Indirect	-.127**	.036	[-.204 , -.065]
Total	-.162**	.056	[-.266 , -.045]
Relevancy of Invited brand (plus one standard deviation = +.91).			
Indirect	-.076**	.023	[-.126 , -.036]
Total	-.111**	.048	[-.202 , -.013]
Relevancy of Invited brand (minus two standard deviation = -1.82).			
Indirect	-.153**	.047	[-.254 , -.072]
Total	-.187**	.063	[-.306 , -.057]
Relevancy of Invited brand (plus two standard deviation = +1.82).			
Indirect	-.051*	.026	[-.108 , -.004]
Total	-.085 ^{ns}	.050	[-.181 , .013]
Relevancy of Invited brand (minimum of range = -1.33).			
Indirect	-.139**	.041	[-.227 , -.068]
Total	-.173**	.059	[-.284 , -.051]
Relevancy of Invited brand (maximum of range = +2.59).			
Indirect	-.029 ^{ns}	.033	[-.098 , .033]
Total	-.064 ^{ns}	.053	[-.168 , .041]

Table 4: Estimates of Direct, Indirect and Total Effects on Purchase Intention

Relationship	Parameter Estimate	Standard Error	95% confidence interval	Estimation Method
<i>Credibility → Purchase Intention</i>				
<i>Indirect through Utilitarian Evaluation</i>	.019 ^{ns}	.038	[-.058, .092]	<i>Bootstrap</i>
<i>Indirect through Hedonic Evaluation</i>	.002 ^{ns}	.029	[-.055, .057]	<i>Bootstrap</i>
<i>Indirect through Utilitarian and then Hedonic Evaluation</i>	.192**	.033	[.137, .269]	<i>Bootstrap</i>
<i>Direct</i>	.447**	.054	[.341, .554]	<i>SUR</i>
<i>Total</i>	.660**	.061	[.537, .780]	<i>Bootstrap</i>
<i>Novelty → Purchase Intention</i>				
<i>Indirect through Utilitarian Evaluation</i>	.003 ^{ns}	.006	[-.007, .020]	<i>Bootstrap</i>
<i>Indirect through Hedonic Evaluation</i>	.129**	.026	[.084, .186]	<i>Bootstrap</i>
<i>Indirect through Utilitarian and then Hedonic Evaluation</i>	.026 ^{ns}	.017	[-.006, .063]	<i>Bootstrap</i>
<i>Direct</i>	-.035 ^{ns}	.039	[-.111, .042]	<i>SUR</i>
<i>Total</i>	.123**	.046	[.028, .212]	<i>Bootstrap</i>

* $p < .05$. ** $p < .01$.

NS: Not significant.

**Table 5: Summary of Indirect, Direct, and Total Effects
(Structural Equation Model Estimation)**

	Direct effects		Indirect effects		Total effects	
	Estimate	z	Estimate	z	Estimate	z
<i>Purchase Intention</i> ←						
Credibility	.397**	5.51	.166**	4.56	.563**	7.11
Novelty	.009 ns	.17	.141**	5.31	.15**	2.6
Utilitarian evaluation	.077 ns	.9	.241**	7.24	.317**	3.55
Hedonic evaluation	.418**	5.57	--		.418**	5.57
Invited brand expectancy	--		-.044 ns	1.36	-.045 ns	1.36
Host brand expectancy	--		.038 ns	1.4	.038 ns	1.4
Invited brand relevancy	.291**	4.02	.345**	4.75	.636**	7.26
Host brand relevancy	--		.186**	2.59	.186**	2.59
Interaction	--		.018 ns	1.48	.018 ns	1.48
<i>Credibility</i> ←						
Invited brand relevancy	.434**	4.55	--		.434**	4.55
Host brand relevancy	.295**	2.75	--		.295**	2.75
<i>Novelty</i> ←						
Invited brand expectancy	-.354**	3.8	--		-.354**	3.8
Host brand expectancy	.064 ns	.84	--		.064 ns	.84
Invited brand relevancy	.642**	6.79	--		.642**	6.79
Interaction	.123 *	1.74	--		.123 *	1.74
<i>Utilitarian Evaluation</i> ←						
Credibility	.439**	6.26	--		.439**	6.26
Novelty	.093 *	1.77	--		.093 *	1.77
Invited brand expectancy	--		-.033 ns	1.63	-.033 ns	1.63
Host brand expectancy	--		.006 ns	.76	.006 ns	.76
Invited brand relevancy	.014 ns	.14	.25**	4.07	.264**	2.65
Host brand relevancy	.064 ns	.63	.129**	2.53	.193 *	1.76
Interaction	--		.011 ns	1.25	.011 ns	1.25
<i>Hedonic Evaluation</i> ←						
Credibility	.064 ns	.88	.252**	6.26	.317**	3.92
Novelty	.266**	5.03	.053 *	1.77	.32**	5.45
Utilitarian evaluation	.575**	7.24	--		.575**	7.24
Invited brand expectancy	.02 ns	.34	-.113**	3.15	-.092 ns	1.39
Host brand expectancy	.068 ns	1.15	.02 ns	.83	.088 ns	1.41
Invited brand relevancy	--		.351**	4.63	.351**	4.63
Host brand relevancy	--		.13 *	1.89	.13 *	1.89
Interaction	--		.039 *	1.66	.039 *	1.66

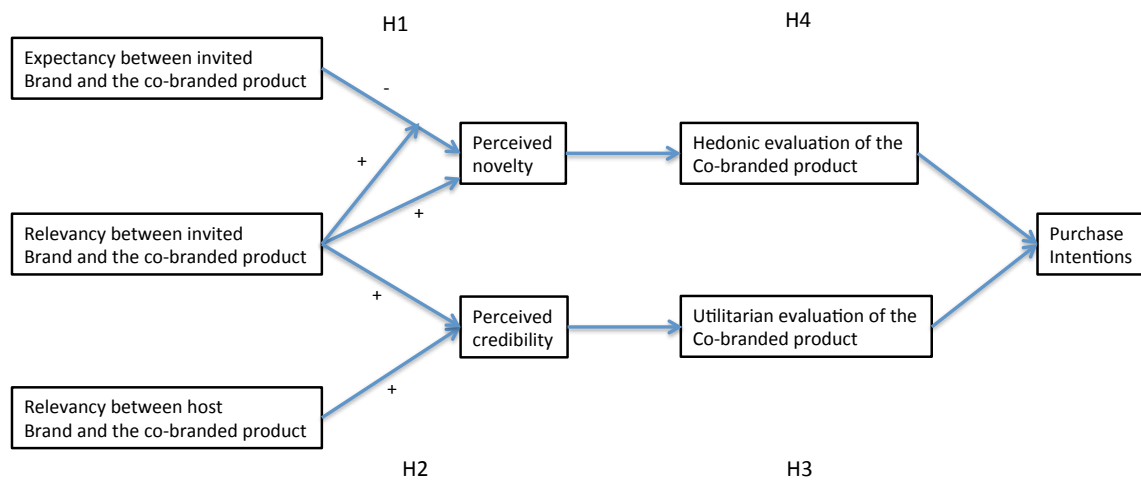
Figure 1. Conceptual Framework and Hypotheses

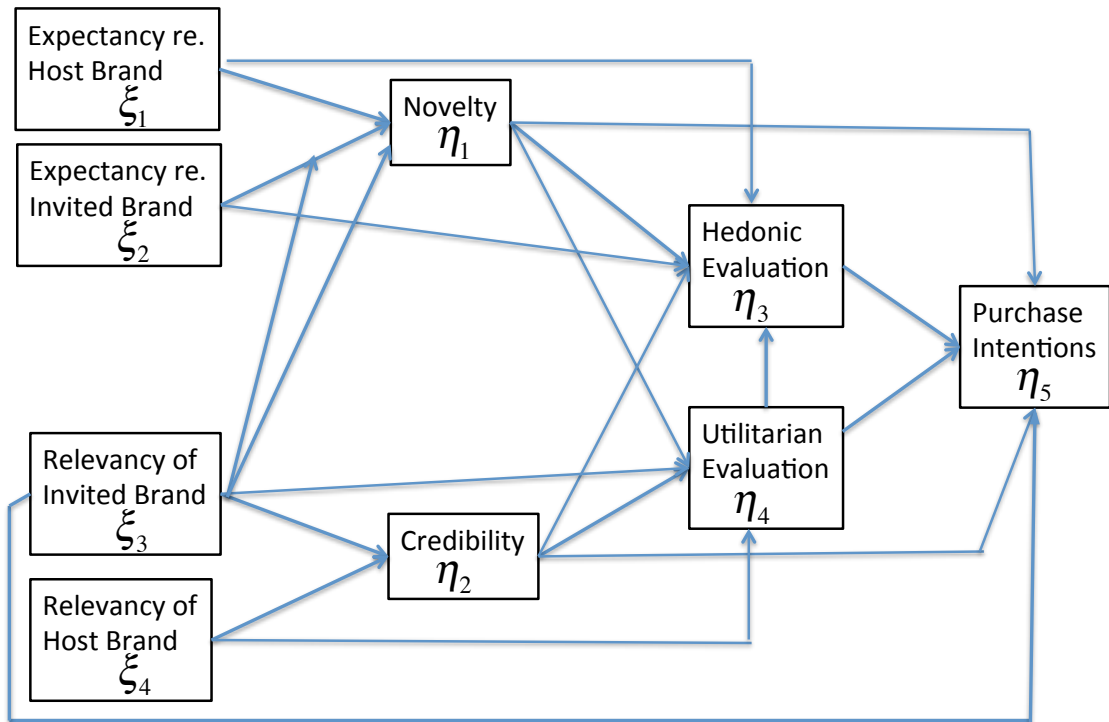
Figure 2 : Model Specification

Figure 3a: Indirect Effect of Expectancy of Invited brand on Hedonic Evaluation as a function of the Relevancy of Invited brand

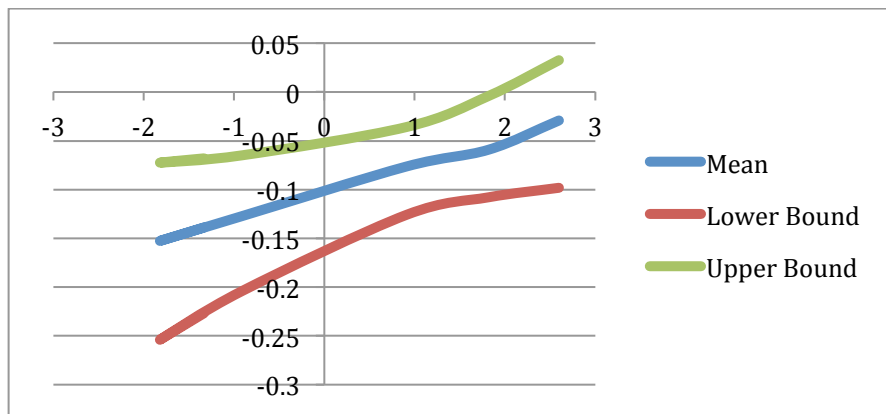
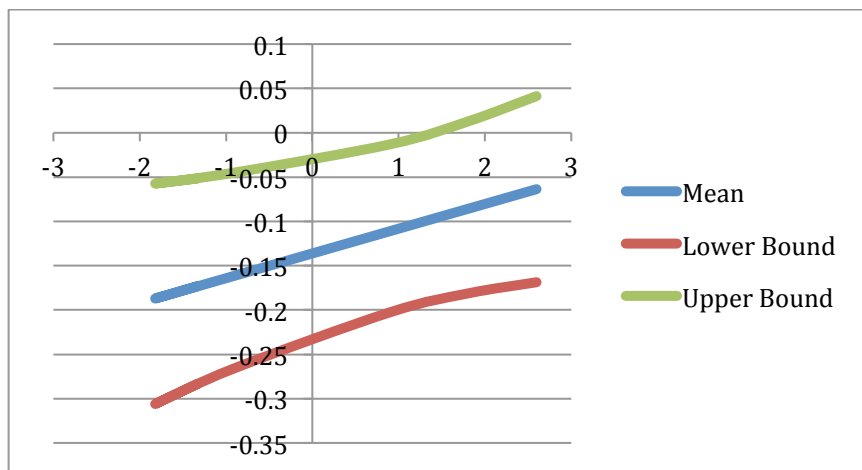


Figure 3b: Total Effect of Expectancy of Invited brand on Hedonic Evaluation as a function of the Relevancy of Invited brand



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