



Exploring ethnic consumer response to crossover brand extensions



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ABSTRACT

This research uses a social identity theory approach to investigate the impact of cultural identity on ethnic consumer response to *ethnic crossover brand extensions*—brands associated with one ethnic group that crossover into a product category associated with another ethnic group (e.g., McDonald's *Café con leche*). Study 1 demonstrates that the manner in which crossover brand extensions blend ethnic consumers' in-group and out-group cultural representations impact brand extension cultural fit and parent brand attitudes, and perceived ethnic target market impacts brand extension attitudes. Study 2 demonstrates that high ethnic embeddedness extensions strengthen ethnic consumers' self-brand connections. These findings provide managerial implications for practitioners considering a crossover brand extension strategy.

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1. Introduction

Cultural marketplace diversity creates strategic opportunities for marketers desiring to target U.S. ethnic consumers. Past research addresses the challenges of appealing to the mainstream Anglo market with ethnic-oriented products (i.e., ethnic crossovers) (Grier, Brumbaugh, & Thornton, 2006) and appealing to ethnic markets with mainstream Anglo products (Forehand & Deshpande, 2001; Karande, 2005). This research is the first to focus on appealing to ethnic consumers with a branding strategy that blends multiple cultural representations, *ethnic crossover brand extensions* (henceforth *crossover brand extensions*)—brands associated with one ethnic group that crossover into a product category associated with another ethnic group (e.g., Pantene's *Relaxed & Natural for Women of Color* hair care line, McDonald's *Café con leche*, and *Dulce de leche* Cheerios). Research on the implications of such extensions is considerably silent in spite of increasing consumer diversity in the U.S. and increasing numbers of crossover brand extensions.

Crossover brand extensions not only leverage the parent brand name's familiarity and reputation to enter new product categories as brand extensions generally do (Aaker & Keller, 1990; Kotler, 2000), but they also introduce a distinct culture's representations, symbols, and status to the parent brand's image. Such crossover extensions

challenge marketers to understand how consumers evaluate the joined yet separate cultural identities of the brand and product category. This research draws upon social identity theory (SIT) to examine how ethnic consumers' cultural group identification impacts four key responses to crossover brand extensions: perceived cultural fit, parent brand attitudes, brand extension attitudes, and self-brand connections.

2. Theoretical development and hypotheses

2.1. Brand extension perceived cultural fit and parent brand attitudes

Consumers' comparisons of parent brand image with an extension's determine perceived fit, which impacts brand extension preferences (Aaker & Keller, 1990; Park, Milberg, & Lawson, 1991; Volckner & Sattler, 2006). In line with SIT, ethnic consumers' fit evaluations of crossover brand extensions, which combine a cultural in-group parent brand and out-group product category, or vice versa, likely reflect their perception of the extensions' representation of their ethnic group's (in-group) status relative to their out-group's (other ethnic group) status. SIT proposes that people incorporate their group's identity into their own identity such that a more positive group identity reflects positively on the individual member's own identity (Tajfel, 1982). Group members are motivated to promote their group's (in-group) status relative to other groups (out-groups) by preserving the group's integrity and maintaining valuable resources (e.g., products marketed specifically towards their group) within their group (e.g., Montoya & Briggs, 2013; Simon & Brown, 1987; Taylor, Moghaddam, Gamble, & Zellerer, 1987). Favoring in-group products enhances preferences toward cultural in-group-associated product attributes and

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loyalty toward in-group-representative brands (Chattaraman, Rudd, & Lennon, 2009; He, Li, & Harris, 2012).

Ethnic consumers should be inclined, then, to favorably evaluate the fit of crossover extensions that protect perceived cultural in-group resources (i.e., product category or brand) and negatively evaluate fit when the extension threatens the in-group's resources. For example, the in-group resource in cultural in-group brand/out-group product category crossover extensions (e.g., Goya New England clam chowder) is the cultural in-group brand (e.g., Goya, a Hispanic brand), whereas in out-group brand/in-group product category-type extensions (e.g., Campbell's *caldo gallego*, a traditional Cuban soup) the product category is the in-group resource. SIT predicts ethnic consumers will be protective of their in-group resources, the Goya brand in the first example and the Cuban soup in the second. However, consumers perceive brands more concretely and product categories more abstractly; this difference in construal level may influence the extent to which the consumer deems each of these as an in-group resource (c.f. Cohen & Basu, 1987). A brand (e.g., Goya) is a more concrete mental structure containing brand-specific knowledge (i.e., associations) compared to a product category (e.g., New England clam chowder), which is a more abstract mental structure incorporating various brand schemas (Johnson, Lehmann, Fornell, & Horne, 1992). Brands are also self-concept building blocks (i.e., self-brand connections) that can strengthen a person's group identification, which makes the brand a more valuable resource to the group (Escalas, 2004). Contrariwise, a product category is a more elusive resource that may contain many brand schemas, including out-group brands (Cohen & Basu, 1987). This line of reasoning suggests ethnic consumers should be more protective of in-group brands than in-group product categories. The motivation to protect in-group resources (i.e., in-group brands) will lead ethnic consumers to perceive greater fit between an out-group brand combined with an in-group product category (e.g., Campbell's *caldo gallego*) relative to an in-group brand combined with an out-group product category (e.g., Goya's New England clam chowder).

H1. An out-group parent brand with an in-group extension will produce greater perceived cultural fit than an in-group parent brand with an out-group extension.

Ethnic in-group brand/out-group product category-type extensions produce low perceived fit because they do not protect the cultural in-group resource (the parent brand). As a result, such low fit crossover extensions cause attitudes toward the parent brand to suffer because the brand introduced a product category that is inconsistent with the parent brand's cultural in-group image. Low fit crossover brand extensions dilute the parent brand image by introducing brand image-inconsistent associations, particularly out-group associations, and produce weaker parent brand attitudes relative to high cultural fit crossover brand extensions (e.g., Keller, 1993; Loken & John, 1993).

H2. Cultural out-group brands with an in-group extension will produce more positive parent brand attitudes than in-group brands with an out-group extension.

2.2. Perceived target market and brand extension attitudes

Perceived fit impacts brand extension attitudes (Aaker & Keller, 1990; Park et al., 1991; Volckner & Sattler, 2006); however, an important factor that should moderate this impact is whether ethnic consumers perceive the crossover extension as intended for them (or their cultural in-group) (c.f. Grier et al., 2006). When ethnic consumers perceive a product as targeted towards their cultural in-group, their in-group resource protection motivation will lead consumers to rely on perceived cultural fit to evaluate the extension (e.g., Simon & Brown, 1987; Taylor et al., 1987). As a result, cultural in-group-targeted crossover extensions will produce stronger attitudes toward high cultural fit extensions

(i.e., cultural out-group brand/in-group product) relative to a low cultural fit extension (i.e., cultural in-group brand/out-group extension). Alternately, when ethnic consumers perceive a crossover extension as intended for their cultural out-group, protecting in-group resources is not a relevant consideration. Rather, ethnic consumers will turn to central product attribute information for extension evaluation (Briley & Aaker, 2006; Zhang & Khare, 2009). Specifically, ethnic consumers will evaluate the extent to which the out-group-targeted crossover extension's central product attributes appeal to the out-group target market. The low cultural fit extension, which consists of the in-group brand/out-group product (e.g., Goya New England clam chowder), contains more out-group-appealing product attributes (e.g., ingredients, taste, usage situation) than the high cultural fit extension, which consists of the out-group brand/in-group product (e.g., Campbell's *caldo gallego*). As such, ethnic consumers' attitudes should be more positive toward the out-group-targeted low cultural fit extension. For instance, Goya New England Clam Chowder's flavors and ingredients are more amenable to the cultural out-group's (i.e. Americans) preferences than Campbell's *caldo gallego*'s (a traditional Cuban soup) flavors and ingredients, resulting in more positive attitudes toward the Goya extension as an American-targeted product.

H3. Ethnic consumers' attitudes will be more positive toward in-group-targeted high cultural fit brand extensions than low cultural fit brand extensions, and will be more positive toward out-group-targeted low cultural fit brand extensions than high cultural fit brand extensions.

2.3. Crossover brand extension ethnic embeddedness and self-brand connections

Ethnic consumers can use brands to build bridges toward their ethnic in-group and fences against out-groups by incorporating in-group brands' social and cultural meanings into their self-concepts, forming self-brand connections (Aaker, Benet-Martínez, & Garolera, 2001; Douglas & Isherwood, 1979; Escalas, 2004; Escalas & Bettman, 2003; Escalas & Bettman, 2005; Muñiz & O'Guinn, 2001). For example, if a Hispanic consumer's Goya brand schema contains Hispanic cultural meanings, she can strengthen her Hispanic group identity by incorporating Goya's Hispanic-related brand associations into her self-concept. Conversely, consumers avoid brands that they associate with cultural out-groups to build a psychological fence against their out-groups (Escalas & Bettman, 2005; Muñiz & O'Guinn, 2001). For example, if a Hispanic consumer believes Anglo-Americans (an out-group) cook meals with McCormick products, she may avoid the brand to create greater psychological distance from out-group brand associations.

High cultural fit crossover extensions (out-group brand/in-group product category) encourage self-brand connection formation because the extension introduces in-group cultural associations to the out-group brand schema. However, the strength of resulting connections depends, in part, on the brand extension's ethnic cues (e.g., ethnic spokespersons, culture-specific symbols in advertisements, and product packaging and cues). Such cues are an important source of a product's cultural associations (Grier et al., 2006). Since crossover brand extensions combine a parent brand and a product, each associated with a distinct cultural group, this combination of parent brand and product category presents mixed ethnic cues. The extent to which the extension's ethnic cues will lead consumers to perceive the extension as pertaining more or less to one particular ethnic group is the extension's ethnic embeddedness (Grier et al., 2006; Williams, 1995). A high ethnic embeddedness crossover brand extension consists of mainly one culture's ethnic cues, which signals that the product is intended for that cultural group. For example, if an American brand introduces an authentic Hispanic food item made entirely with Hispanic ingredients (e.g., Spanish cheese-stuffed *empanadas*) then it consists of primarily Hispanic ethnic cues and signals that the food item is mainly Hispanic. Alternately, low ethnic embeddedness presents mixed ethnic cues,

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