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Original article

The effect of fit and authenticity on attitudes toward the brand extension: The case of the Monumental Complex of the Alhambra and Generalife

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ABSTRACT

As a widely-used strategy among firms wishing to launch new products, brand extension has been the focus of numerous studies in recent years. However, very few works have focused on analysing brand extensions in the cultural context – that is, the use of a brand linked to cultural heritage as the parent brand from which to grow the extension. The present investigation is designed to shed light on this issue, taking the Monumental Complex of the Alhambra and Generalife (MCAG) as the parent brand for analysis. The work examines the effect of two factors, brand extension fit and brand extension authenticity, on attitudes toward the brand extension. A between-subjects experimental design was used: 2 (high vs. low degree of brand extension fit) \times 3 (high, moderate, and low degree of brand extension authenticity). The results demonstrate that there is a transfer of positive effect from the MCAG parent brand to the brand extension, and that the greater the degree of the extension's authenticity relative to the Monumental Complex, the stronger this transfer.

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1. Introduction

In the literature on brand value and brand management, one particular issue attracting the interest of many researchers is that of brand extension [1]. In view of the high costs associated with launching new brands, the brand extension strategy has played a major role in business growth in recent decades [2,3]. Extension involves using a well-established brand name (or other references to it) to launch a new product category [4]. Among the main advantages of this strategy are a reduction of the cost of introducing the new category to the market, the greater probability of success, and lower communications costs [4–6].

Numerous academic studies provide data on how consumers evaluate brand extensions [4,7–12]. These works conclude that, among the many factors that can influence the success, or otherwise, of brand extensions, the following stand out in particular: the extent to which there is perceived to be a good match between the parent brand and the extension (fit), and the characteristics of the parent brand used for the extension (authenticity). Researchers define brand extension fit as the perceived similarity of the parent

brand (for example in terms of product category) and relevance of the brand's associations (attributes or benefits, for instance), relative to the brand extension [13,14]. Furthermore, brand extension authenticity, as judged by the consumer, indicates that a brand extension is legitimate and culturally consistent with the parent brand [12].

Despite the extensive bibliography on the brand extension strategy and the determining factors that influence its success, there are very few works that jointly examine the effect of brand extension fit and brand extension authenticity on consumer responses to the extended brand. Also, most studies to date have focused on the industrial sector, and there are very few examining the service sector [15–17]. There are fewer works still that investigate the effect of brand extensions in the context of cultural heritage. One notable exception is that of D'Astous et al. [18], which provides some useful information on the impact of certain factors on consumer attitudes toward the brand extension strategy in arts organizations.

Cultural heritage is currently one of the key factors among the strategic measures undertaken in territorial development, as it constitutes an undeniable driver of economic growth, employment, and wealth-generation [19–24]. Present-day societies demonstrate considerable interest in valuing their heritage. In this regard, Bowitz and Ibenholt [20] found, in the Norwegian region of Røros, that cultural tourism provided a source of income for the entire region and accounted for just over 7% of regional employment.

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Elsewhere, Plaza [25] undertook a study on the impact of the Guggenheim Museum in Bilbao on the local economy. She observed a significant increase in the number of tourists and jobs in the area, thanks to the museum, and a return on the initial investment in less than ten years. Navrud and Ready [26] examined a range of case studies on the valuation of cultural heritage in different countries. They concluded that, in all instances, there were economic benefits to be had from actively managing cultural heritage. The present study addresses the case of the Monumental Complex of the Alhambra and the Generalife (MCAG) in Granada, southern Spain. The organization's published *Economic Impact Study* shows that, in 2010 alone, it generated over 6800 jobs in the city and a gross aggregate value of €270.9 million [27].

These data demonstrate the growing economic importance of cultural heritage management. Further, they indicate that it is essential for managers in this sphere to pay close attention to heritage branding, particularly those brands 'kitemarked' World Heritage (WH), due to their ability to foster beliefs, awaken emotions, and trigger values and future behaviours [28,29]. These effects apply not only to tourists but also to all other stakeholders. Heritage awarded this WH label are able to generate high brand equity, as defined by Kotler and Keller [30], and to stimulate positive thoughts and associations among their target publics – such as quality, authenticity, and artistic, cultural, and historical value [29]. On this point, Wuepper and Patry [31] develop a model of the determinants of the WH brand, finding that some territories use it to attract more visitors, while others do so to heighten support for conservation – in both cases generating significant income via tourism.

2. Research aim

Very few works have focused on analysing the use of a brand linked to cultural heritage as the parent brand from which to grow the extension. This study is designed to shed light on this issue, taking the MCAG as the parent brand for analysis. Using an experimental design consumer responses to the brand extension are analysed in attitudinal terms (attitude toward the brand) and different levels of fit and authenticity of the extension are identified. The present work makes a dual contribution:

- first, it contributes to the literature on brand extension theory by jointly examining the effect of two key factors in the development of brand extensions (brand extension fit and brand extension authenticity) on formation of consumer attitudes toward the extended brand;
- second, it provides insight into the lack of research on brand extensions in the cultural heritage field – a sector with great potential as a resource for many firms in their brand extension strategies.

3. Literature review

3.1. Brand extension fit and brand extension authenticity

Brand management has become a critical success factor for firms, retailers, manufacturers and services, and the creation of new brands is therefore also essential in today's increasingly competitive business environment [32,33]. Brand managers must look for opportunities to improve brand equity via brand extension, while endeavouring to preserve the cultural identity of the parent brand and its symbolic and semiotic value [12].

The strategy of brand extension is based on using a well-established brand name, or other references to it, to launch a new product category [4]. The success of brand extensions depends, to a

large degree, on how they are evaluated by consumers [34,35]. The academic literature has identified a number of advantages associated with this approach, including: lower communications costs [4,5,36]; lower costs of introducing a brand name into the market [10]; and a greater likelihood of success, due to consumers transferring their positive attitudes regarding the parent brand to the brand extension [4,10].

Among the many success factors that can shape the outcome for brand extensions, two have been found to be of particular importance [7,8,12,35]: the degree of fit between the parent brand and the product category to which the extension belongs; and the characteristics of the parent brand used for the extension (brand extension authenticity). First, researchers define brand extension fit as the perceived similarity of the parent brand (for example in terms of product category) and relevance of the brand's associations (attributes or benefits, for instance), relative to the brand extension [13,14]. Therefore, the perceived similarity between parent and extension, combined with the relevance of the brand associations, are the principal elements by which brand managers should be guided when contemplating future brand extensions.

Second, brand extension authenticity, as judged by the consumer, indicates that a brand extension is legitimate and culturally consistent with the parent brand [12]. Elsewhere, Bruhn et al. [37] define brand authenticity as the perceived authenticity of a brand that comes across in terms of continuity (stability and consistency), originality (individuality), reliability (capable of keeping its promise), and naturalness (non-artificial, flawless, genuine). According to Grayson and Martinec [38], perceptions of brand authenticity can be determined via indexical cues (perceived evidence) vs. iconic cues (perceived connection). On the one hand, indexical cues are the attributes of a brand or its behaviour, they are objective sources of information, and they provide verification of what the brand aims to be [39]. On the other hand, iconic cues convey a feeling or an emotional impression of something that influences the perceived authenticity of the brand [40]. Spiggle et al. [12] identified four dimensions to the building of authenticity in a brand extension:

- maintaining the style and standards of the parent brand, authentic brands present consistency in style and aesthetics by achieving uniformity in their design and sensory elements;
- respecting the parent brand's heritage, upholding internal consistency, and remaining true to the parent brand throughout time, thus honouring their origins;
- preserving the essence of the parent brand, which makes it unique, and its fundamental values;
- avoiding overexploitation of the brand, as those extensions that focus exclusively on profits are regarded by consumers as inauthentic.

The concept of brand extension authenticity differs significantly from that of fit, because regardless of whether the category of the extension is similar to that of the parent brand or not, or whether the specific associations of the brand are relevant or not, the extension itself may be perceived as authentic or not. Consumers perceive a brand extension to be authentic when it upholds the uniqueness, originality, heritage, values, and essence of the parent brand [12]. In other words, brand extension authenticity is a reflection of the cultural link (aura or DNA) between the extension and the parent brand [41], whereas brand extension fit is entirely neutral, from a cultural and relational point of view. Table 1 shows the main differences between the fit and the authenticity of the extension, according to various dimensions.

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