

Can followers overcome pioneers? The role of superior alignable differences in consumer evaluation of brand extensions

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Abstract

Purpose – This paper seeks to examine whether the follower extensions with superior alignable differences can overcome the pioneer extensions with regard to brands.

Design/methodology/approach – Three laboratory experiments were conducted to test hypotheses.

Findings – Findings suggest that the effect of superior alignable differences on consumer evaluations of followers vs pioneers is moderated by two factors – the perceived fit between the parent brand and extensions, and order of market entry. High fit followers with superior alignable differences easily overcome pioneers; however, such alignable differences do not help low fit followers to overcome pioneers. Although the low fit followers with better quality and superior alignable differences can overcome the low fit pioneer, they cannot overcome the high fit pioneer.

Research limitations/implications – The limitation of the study is that it does not explore how low fit followers can overcome high fit pioneers.

Practical implications – Managers can better determine whether and how to introduce brand extensions as a pioneer or follower.

Originality/value – The originality and value lie in first examining whether follower extensions can overcome pioneer extensions.

Keywords Brand extensions, Consumers

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

Brand extension, defined as using a successful brand to enter new product categories, has been widely used as a source of strategic growth by many companies over the past few decades (Aaker, 1991; Farquhar, 1989; Tauber, 1988). This is because brand extensions can substantially reduce the risk of introducing a product into a new market by offering consumers a sense of familiarity and knowledge based on the established brand (Aaker and Keller, 1990). Moreover, brand extension can substantially reduce introductory marketing expenses, increase the efficiency of promotional expenditures, and enhance the possibility of success by bolstering distributor and consumer acceptance (Keller and Aaker, 1992; Morein, 1975). Scholars argue that the perceived fit between the parent and the extended brand is one of the main psychological factors driving brand extension evaluations

(Broniarczyk and Alba, 1994). This research has shown that extension evaluations tend to be more favorable as the perceived fit between the parent and the extension increases. But Oakley *et al.* (2008) argue that this research does not apply to a dynamic context where brand extensions enter a category sequentially. They asserted that although consumer evaluations of the pioneer are based on monadic or singular judgment, evaluation of the follower is based on comparative judgment. They showed that there is no differences between the evaluations of high and low fit extensions as long as they are pioneers; e.g. the fit of the Frito-Lay brand to the pizza category did not matter as long as its partially baked pizza was seen as a pioneer. In the case of followers, however, low fit followers are evaluated significantly less favorably than pioneers; e.g. if the Frito-Lay brand was seen as having low fit to the pizza category, it would be viewed less favorably, even if it exceeded the Pizza Hut on some dimensions. Moreover, high fit followers are evaluated more positively than pioneers; e.g. if the Domino's brand was seen as fitting the partially baked pizza category it would be evaluated more positively than the Pizza Hut.

However, Oakley *et al.* (2008) did not examine the question of how the extensions of followers, especially low fit followers, can overcome extensions of pioneers. Literature suggests that followers can overcome pioneers by providing better quality, a superior but overlooked product positioning, lower prices, greater promotional expenses (Shankar *et al.*, 1998), superior alignable differences (features that are comparable along the same dimension; Zhang and Markman, 1998), or trial

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inducements (Muthukrishnan, 1995; Muthukrishnan and Kardes, 2001). Zhang and Markman (1998) found that followers with superior alignable differences were evaluated more positively than pioneers. Their findings, however, cannot be directly applied to brand extension because consumer evaluations of follower extensions may be moderated by the perceived fit between parents and extensions. Accordingly, this paper extends Zhang and Markman's (1998) findings to brand extension. Specifically, the purpose of this paper is to examine whether extensions of followers with superior alignable differences can prevail over extensions of pioneers.

Consumer evaluations of brand extensions

Literature suggests that consumer evaluations of a brand extension depend on the perception of its fit or degree of similarity between the parent brand and its extensions (Aaker and Keller, 1990; Boush and Loken, 1991; Boush *et al.*, 1987; Herr *et al.*, 1996; Park *et al.*, 1990). When the perceived fit or degree of similarity between the parent brand and the extension is high, knowledge of the parent will be seen as highly relevant to the extensions (Keller and Aaker, 1992). As a result, extensions tend to be evaluated as favorably as the parent. Studies have shown that a high degree of similarity results in high consumer evaluations, purchase intentions, and sales of brand extensions (Chakravarti *et al.*, 1990; Herr *et al.*, 1996). However, a low degree of similarity leads to a negative evaluation of brand extensions, because the extension is seen as irrelevant to the parent brand (Boush and Loken, 1991; Keller and Aaker, 1992; Herr *et al.*, 1996) and the positive evaluations of the parent do not carry over.

Order of entry and consumer evaluations of brands

Literature suggests that consumers use different standards to evaluate pioneers and followers (Carpenter and Nakamoto, 1989; Oakley *et al.*, 2008; Ross *et al.*, 1991; Spalding and Ross, 1994; Zhang and Markman, 1998). Consumers use singular or monadic judgments to evaluate pioneers because there are no pre-existing reference points (Oakley *et al.*, 2008). Information concerning the pioneer in a new product category is likely to be viewed as novel, interesting, and attention-drawing (Kardes and Kalyanaram, 1992). Accordingly, a pioneer can define category preferences and consumer attitudes toward a product in a new category, against which followers will be judged (Carpenter and Nakamoto, 1989). As a result, consumers may generate favorable attitudes toward the pioneer when it is evaluated alone (Posavac *et al.*, 2004) even though it is a low fit brand, i.e. the brand doesn't fit the category very well (Oakley *et al.*, 2008). However, consumers use comparative judgment to evaluate followers, simply because comparison points exist (Oakley *et al.*, 2008). As a result, consumers evaluate followers by comparing them with existing brands (Oakley *et al.*, 2008; Zhang and Markman, 1998). Recently, Oakley *et al.* (2008) applied this theory to brand extension and found that consumer evaluations of pioneers and followers is moderated by two factors – the degree of similarity between parent brands and extensions and the order of entry.

When consumers compare followers to pioneers, they compare three factors: commonalities, alignable differences

(features of one brand that have correspondences with the other; e.g. three spicy flavors for one brand versus three bland flavors for the other brand may be alignable along the spicy-bland continuum, even though the specific flavors are not alignable), and nonalignable differences (features of one brand that have no correspondence with the other) (Goldstone, 1994; Markman and Gentner, 1993a, b; Medin *et al.*, 1993). Commonalities are common features shared by both the pioneer and the follower. Before the follower enters the market, much is known about the pioneer (Kardes and Kalyanaram, 1992). Therefore, the commonalities of the follower will be seen as redundant with what is known about the pioneer. Since redundant information is not attention-getting and is not weighted heavily in judgment (Wilton and Myers, 1986; Wyer, 1970), commonalities are not the focal point of comparison. Thus followers who enter a market with a feature set that closely matches the pioneer do not get evaluated highly.

Alignable differences can be conceived of in two ways. On one hand, they can be conceived of as commonalities because they represent corresponding aspects. On the other hand, they can be conceived of as differences because they are corresponding aspects with different attributes (Zhang and Markman, 1998). The dual conception of alignable differences makes them focal points of comparison, while nonalignable differences are often ignored because they are not focal points of comparison. Since alignable differences are easier to remember, the follower with superior alignable differences will be preferred over the pioneer. Zhang and Markman (1998) compared followers with superior alignable differences to pioneers. They found that alignable differences are easier to remember than nonalignable differences. Moreover, they also found that consumers generate more favorable attitudes towards followers than pioneers when product attributes are alignable differences than when they are nonalignable differences.

Hypotheses

Because consumers use comparative judgments to evaluate followers, they pay more attention to alignable differences. Although Zhang and Markman (1998) showed that followers with superior alignable differences get more favorable evaluations than pioneers, the effect of superior alignable differences may be moderated by the perceived fit between the parent and the extension. When consumers compare a high fit follower to a low fit pioneer, the high fit status of the high fit follower is more salient. Accordingly, consumers evaluate the high fit follower more positively than the low fit pioneer (Oakley *et al.*, 2008). Moreover, superior alignable differences cause consumers to evaluate the high fit follower more favorably than the low fit pioneer. Owing to this double favorableness effect, we assert that high fit followers with superior alignable differences will be evaluated more favorably than low fit pioneers.

When comparing a high fit follower to a high fit pioneer, consumers pay more attention to the superior attributes of the follower when category fit is not the focal point of comparison. Zhang and Markman (1998) showed that followers with superior alignable differences were evaluated more favorably than pioneers. Oakley *et al.* (2008) also found that the high fit brand is evaluated more favorably as a follower than as a pioneer. It is therefore reasonable to expect that high fit followers with superior alignable differences will be evaluated more positively than high fit pioneers.

In contrast, the evaluation of low fit followers is more complicated. When consumers evaluate a low fit follower against a high fit pioneer, the low fit status of the follower is made more salient and consumers therefore evaluate the follower more negatively (Oakley *et al.*, 2008). The low fit status of a follower would lead consumers to strongly doubt its quality. Consumers may give more weight to quality than to alignable differences if all other factors are equal, because quality is the core of the product. Negative evaluations of the low fit follower may not be moderated by favorable evaluations of superior alignable differences. Consequently, we assert that low fit followers will not overtake high fit pioneers.

When comparing a low fit follower to a low fit pioneer, consumers pay more attention to the superior attributes of the follower because category fit is not the focal point of comparison. Zhang and Markman (1998) showed that followers with superior alignable differences were evaluated more favorably than pioneers. Therefore, we expect that low fit followers with superior alignable differences will be evaluated more positively than low fit pioneers.

Thus the hypotheses are:

- H1. High fit followers with superior alignable differences will be evaluated more favorably than (a) high or (b) low fit pioneers.
- H2. Low fit followers with superior alignable differences (a) will be evaluated more favorably than low fit pioneers, (b) but will not be evaluated more favorably than high fit pioneers.

Study 1

Design

This study is based on a 2 (order of entry: pioneer vs follower) \times 4 (condition) design. Order of entry is a within-subject variable and condition is a between-subject variable. Respondents were randomly assigned to evaluate four conditions: a high fit pioneer followed by a high fit follower, a high fit pioneer followed by a low fit follower, a low fit pioneer followed by a high fit follower, or a low fit pioneer followed by a low fit follower. In each assignment, participants sequentially evaluated both the pioneer and the follower. One hundred and eleven students enrolled in introductory marketing courses participated in this study and received extra credits for their participation.

Stimuli

Stimuli used by Oakley *et al.* (2008) were adapted for this study. Unlike the study conducted by Oakley *et al.* (2008) that only used a high fit and a low fit brand, this study used two high fit and two low fit brands. Pizza Hut and Frito Lay were identified by Oakley *et al.* (2008) as a high fit and a low fit brand with respect to the pizza industry respectively, so they were used in this study. Domino's Pizza (n.d) was perceived as the second-largest US pizza chain behind Pizza Hut (http://en.wikipedia.org/wiki/Domino's_Pizza). Additionally, 14 students were asked to list the main competitors of Pizza Hut, and Domino's Pizza was the most listed brand. Accordingly, Domino's was chosen as the other high fit brand. Nabisco is a name brand in the cookies and snacks sector, but does not offer pizza products and is unlikely to introduce any. Since Nabisco was also the most often listed by

students as Frito Lay's main competitor, it was chosen as the other low fit brand. Pretesting demonstrated that participants were quite familiar with these four brands ($F(3, 44) = 0.411$, $p > 0.1$) and that they were perceived as having the same quality ($F(3, 44) = 0.524$, $p > 0.1$). Pretesting also indicated that Pizza Hut and Domino's were high fit brands and that Frito-Lay and Nabisco were low fit brands ($M_{\text{PizzaHut}} = 4.58 = M_{\text{Domino's}} = 4.50 > M_{\text{Frito-Lay}} = 3.13 = M_{\text{Nabisco}} = 3.04$; $F(3, 44) = 5.546$, $p < 0.01$). As a result, the four conditions used in this study were, Pizza Hut followed by Domino's (H-H), Pizza Hut followed by Frito Lay (H-L), Frito Lay followed by Pizza Hut (L-H), and Frito Lay followed by Nabisco (L-L).

In order to manipulate the superior alignable differences, 18 MBA students in a public southeastern university were asked to read introductory information on pizza and Pizza Hut first. Next they read that Domino's was planning to introduce the same product and were asked to decide how to improve Domino's product and make it more attractive. The H-H comparison was used to avoid the possible moderating effect of the perceived fit. More variety in toppings (nine responses), different sizes (seven responses), and shorter cooking times (seven responses) were the top three listed suggestions. Moreover, the comparative adjectives "more" and "less" indicate that these features are alignable differences even though "variety" and "size" were not mentioned with respect to the pioneer. More variety in toppings, more sizes, and a ten-minute preparation time were identified as the superior alignable differences of followers.

Procedures

Printed instructions and stimuli were distributed to students in a classroom setting. The students were first asked to read information about the pioneer, and were then asked to complete the dependent measures for the pioneer. Next, after reading information about the follower, they completed the dependent measures for the follower. For the follower, participants were told that both products would be priced identically, would be packaged similarly (except for colors and logo), would be prepared in the same manner, and would be available at the same retail outlets. In contrast, the followers would offer more variety in toppings, more sizes, and a ten-minute preparation time (vs 20 minutes for the pioneer). Each participant evaluated the pioneer and the follower sequentially and at their own pace.

Dependent variables

Dependent variables were adapted from those used by Oakley *et al.* (2008). Participants were asked to answer three seven-point Likert-scale questions to measure their attitudes toward the brand extensions under study. The questions concerned how good they believed the product would be (1 = terrible; 7 = fantastic), level of interest in the product (1 = not at all interested; 7 = very interested), and likelihood of purchase (1 = not at all likely; 7 = very likely). They were also asked two questions designed to measure the perceived fit between parent and the extension, and two more questions designed to measure parent brand quality perceptions. In addition, they were asked to answer two questions to check the manipulation of alignable differences. The questions concerned whether the product of the pioneer or the follower was better and more attractive (1 = strongly disagree; 7 = strongly agree).

Manipulation check

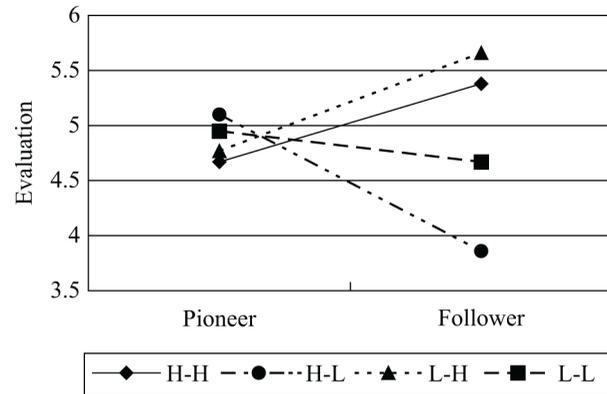
The means of the two measures of alignable differences (α was from 0.890 to 0.965) were subject to one-way ANOVAs with order of entry (pioneer vs follower) as a within-subject factor. In the H-H comparison, the follower was evaluated more favorably than the pioneer ($M_F = 4.88$, $M_P = 4.02$; $F(1, 27) = 31.243$, $p < 0.05$). For the H-L condition, the follower was evaluated less favorably than the pioneer ($M_F = 2.93$, $M_P = 5.30$; $F(1, 25) = 5.304$, $p < 0.05$). For the L-H condition, the follower was evaluated much more highly than the pioneer ($M_F = 5.66$, $M_P = 2.83$; $F(1, 28) = 46.660$, $p < 0.01$). In the L-L comparison, there was no significant difference between the pioneer and the follower ($M_F = 4.34$, $M_P = 3.84$; $F(1, 27) = 1.758$, $p > 0.1$). The results showed that consumer evaluations of alignable differences were moderated by the perceived fit. Generally, the low fit followers were not viewed as superior to the pioneers.

Results

A 2 (order of entry) \times 4 (condition) ANOVA with the mean of three evaluation items as a dependent variable ($\alpha_{\text{pioneer}} = 0.880$; $\alpha_{\text{follower}} = 0.906$) was conducted (see Table I for means and standard deviations). The interaction was significant ($F(3, 107) = 12.941$, $p < 0.001$; see Figure 1). In order to check our hypotheses, four follow-up contrasts were conducted. For the H-H condition, the high fit follower was evaluated more favorably than the high fit pioneer ($M_{\text{Hfit-P}} = 4.67$, $M_{\text{Hfit-F}} = 5.38$; $F(1, 25) = 5.675$, $p < 0.05$). This result supported the H1a that a high fit follower with superior alignable differences would overcome the high fit pioneer. In the L-H comparison, the high fit follower was evaluated more favorably than the low fit pioneer ($M_{\text{Lfit-P}} = 4.77$, $M_{\text{Hfit-F}} = 5.66$; $F(1, 28) = 21.476$, $p < 0.01$). This result supported H1b. For the H-L comparison, the low fit follower was evaluated less favorably than the high fit pioneer ($M_{\text{Hfit-P}} = 5.10$, $M_{\text{Lfit-F}} = 3.86$; $F(1, 27) = 12.945$, $p < 0.01$), also supporting H2b. However, in the L-L comparison, there was no significant difference between the low fit follower and the low fit pioneer ($M_{\text{Lfit-P}} = 4.95$, $M_{\text{Lfit-F}} = 4.67$; $F(1, 27) = 1.250$, $p > 0.1$). This result did not support H2a.

Although order of entry and perceived fit were found to affect consumer evaluations of followers with superior alignable differences, another factor may explain consumers' favorable attitudes towards followers. It may be the order of brand rather than the order of entry that drives consumers' positive (or negative) evaluations of the follower, because

Figure 1 Study 1 results: evaluations of followers over pioneers



consumers may prefer one brand over another (e.g. they may prefer Domino's over Pizza Hut or Nabisco over Frito Lay). So the mean of the three evaluation items were subjected to a 2 (order of brand: Pizza Hut (Frito-Lay) as the pioneer) \times 2 (order of entry: pioneer vs. follower) mixed ANOVA with order of brand as a between-subject factor and order of entry as a within-subject factor. ANOVA revealed no significant results for either the H-H or the L-L comparisons (all $ps > 0.1$). This leads to the conclusion that the evaluations were independent of order of entry of the brands.

Discussion

Literature suggests that followers with superior alignable differences can overcome pioneers. This study, however, shows that in the area of brand extension, the effect of superior alignable differences on consumer evaluations of followers may be reduced by the perceived fit between parent and extensions and order of entry. High fit followers can easily overcome pioneers regardless of whether the pioneer is a high fit or a low fit brand, if they have superior alignable differences. As can be expected, a high fit follower has an even greater advantage over the low fit pioneer than it has over the high fit pioneer; however, evaluations of low fit followers depend on the perceived fit of the pioneers. When compared to high fit pioneers, low fit followers still receive less favorable evaluations even when they have superior alignable differences. If the pioneer is a low fit brand, superior alignable differences can reduce negative evaluations toward a low fit follower although they do not help the low fit follower enough to overcome the pioneer. In this case, the low fit follower is not in an inferior position. This finding is a little

Table I Means and standard deviations of evaluations of brand extensions

Study	Condition	Pioneer		Follower		n
		Mean	Standard deviations	Mean	Standard deviations	
Study 1	High Fit-High Fit	4.67	1.52	5.38	0.82	26
	High Fit-Low Fit	5.10	1.20	3.86	1.20	28
	Low Fit-High Fit	4.77	1.36	5.66	1.03	29
	Low Fit-Low Fit	4.95	1.22	4.68	1.32	28
Study 2	High Fit-Low Fit	4.88	1.34	4.17	1.49	24
	Low Fit-Low Fit	5.06	1.19	5.56	1.04	24
Study 3	Quality only	4.65	1.04	4.75	1.03	24
	All differences	4.96	0.94	5.61	0.97	25

surprising, however. It is because the low fit status of the follower becomes a concern after a low fit pioneer defines category preferences and consumer attitudes toward a product in a new category. Consequently, favorable evaluations from superior alignable differences are lowered because of the negative evaluations from the low fit status of the follower.

This experiment has one limitation. The alignable differences of the low fit follower did not help it to overcome the pioneer. The low fit follower receives lower evaluations because participants strongly doubted its capability to make a quality product. If the low fit brand is able to demonstrate that its products are of higher quality, consumers may evaluate them favorably. This became the basis for *H3*:

H3. Low fit followers with better quality will be evaluated more favorably than pioneers.

Study 2

This study was designed to assess whether low fit followers with better quality can overcome pioneers. In order to define “better quality”, 18 undergraduate students at a public southeastern university were first asked to read information regarding high fit pioneers. Next they were told that a low fit follower would introduce the same product with the same packaging, pricing and locations, but that consumers doubt that it can make good quality pizza due to its low fit status. Finally, they were asked to answer the question “How can consumers be convinced that the products of the low fit follower are of better quality?” Fourteen students (78 percent) mentioned that the company should allow consumers to taste the pizza. Another 18 students were asked whether better taste means better quality pizza. Fifteen students (83 percent) answered “yes” and three (17 percent) answered “no.” Accordingly, better taste was used as an indicator of better quality and as an additional alignable difference for low fit followers.

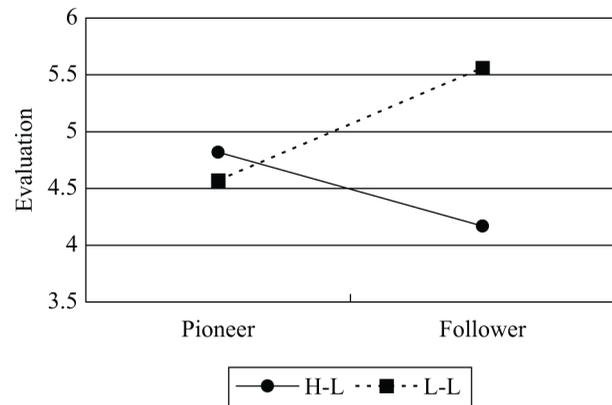
Method

The design, stimuli, and procedure were similar to those used in Study 1. Participants were informed that the followers would offer greater variety and more sizes, and that the product would require less time to prepare. They were also informed that the follower received better evaluations in blind taste tests than the pioneer. There were only two conditions used in this study: Pizza Hut followed by Frito Lay (H-L), and Frito-Lay followed by Nabisco (L-L). 48 undergraduate marketing students participated.

Results and discussion

The mean of three evaluation items ($\alpha_{\text{pioneer}} = 0.834$; $\alpha_{\text{follower}} = 0.942$) was subjected to a 2 (order of entry) \times 2 (condition: H-L vs. L-L) ANOVA with order of entry as a within-subject variable and the condition as a between-subject variable. The interaction was significant ($F(1, 46) = 10.066$, $p < 0.01$; see Figure 2). In order to check consumers' evaluations of followers over pioneers further, two follow-up contrasts were conducted. In the H-L comparison, the ANOVA with the mean of evaluation index as a dependent variable ($\alpha = 0.891$) showed that the follower was evaluated less favorably than the pioneer ($M_P = 4.88$, $M_F = 4.17$;

Figure 2 Study 2 results: evaluations of low fit followers over pioneers



$F(1, 23) = 5.208$, $p < 0.05$). In the L-L comparison, the ANOVA with the evaluation index as a dependent variable ($\alpha = 0.886$) showed that the follower was evaluated more favorably than the pioneer ($M_P = 5.06$, $M_F = 5.56$; $F(1, 23) = 5.132$, $p < 0.05$). It supported our hypothesis that a low fit follower with better quality can overcome the low fit pioneer, but did not support our hypothesis that it can overcome the high fit pioneer. Even though better taste was defined as better quality, the high fit status of high fit pioneers still causes consumers to lower their evaluations of low fit followers. These attitudes are strongly held and are not likely to be changed easily or quickly.

Following the previous arguments, the low fit pioneer gets positive evaluations for being a pioneer, but the low fit follower gets none, except for the feature-based evaluations. When these feature-based evaluations are accepted, the low fit pioneer overcomes the bonus the pioneer gets for being a pioneer. The high fit pioneer, though, still seems to have an edge, based on being a pioneer and fit. In general, the follower status needs the feature set to be superior enough to overcome the bonus the pioneer gets for being the pioneer; thus, the follower must claim this superior feature set to be credible. As such, the followers, especially low-fit ones, need to force the consumers' evaluation strategy to be one, not of pitting pioneer-versus-follower, but of comparing alignable differences and quality.

Study 3

Although the Study 2 found that low fit followers can overcome low fit pioneers, the methodology had limitations. Since the low fit follower in Study 2 had three superior alignable differences as well as better quality, it is not clear whether the better quality or the combination of quality and alignable differences were responsible for the resulting higher evaluation of the low fit follower over the low fit pioneer (Study 1 indicated that three alignable differences alone are not enough). Study 3 was designed to address this question.

Method

The design, stimuli, and procedures used were similar to those used in Study 2. However, there were only two conditions used in this study: a low fit pioneer followed by a low fit follower with better taste and three alignable differences as used in Study 1 (all differences), and a low fit pioneer followed by a low fit follower with better taste only.

A total of 49 undergraduate business students at a southeastern university participated in the study.

Results and discussion

The mean of evaluation index ($\alpha_{\text{pioneer}} = 0.763$; $\alpha_{\text{follower}} = 0.860$) was subjected to a 2 (order of entry) \times 2 (condition: taste only vs all alignable differences) mixed ANOVA with order of entry as a within-subject factor and condition as a between-subject factor (please see Table I for means and standard deviations). The interaction between order and condition was significant ($F(1, 47) = 7.779$, $p < 0.01$; see Figure 3). The follow-up contrast showed that the low fit follower with better taste only ($M_F = 4.75$) could not overcome the low fit pioneer ($M_P = 4.65$; $F(1, 23) = 0.580$, $p > 0.1$), but the follower with all alignable differences ($M_F = 5.61$) could overcome the pioneer ($M_P = 4.96$; $F(1, 24) = 18.446$, $p < 0.01$).

Following the previous arguments, the low-fit follower that forces the evaluation into the mode of comparing features or alignable-differences can overcome a low-fit pioneer. This is because the positive bonus the pioneer receives for pioneering is overcome by the feature superiority, but not by claims of better quality, within this study.

General discussion

This paper examined whether the extensions of followers with alignable differences can overcome the extensions of pioneers. The findings suggest that the effect of superior alignable differences on consumer evaluations of followers should be affected by the perceived fit between parent and extensions, and the order of entry. High fit followers with alignable differences (e.g. more varieties, sizes, and faster preparation time) can overcome pioneers regardless of whether the pioneer is a high fit or low fit brand, but that such alignable differences cannot help low fit followers overcome high fit pioneers because consumer strongly doubt whether low fit followers can make high quality products. Although low fit followers with better quality and alignable differences can overcome low fit pioneers, they cannot overcome high fit pioneers.

Moreover, better quality alone cannot cause low fit followers to prevail over pioneers. Shankar *et al.* (1998) argued that improved quality can help followers overcome pioneers, but such a strategy may not work well for low fit

followers who intend to compete with high fit pioneers. First of all, the high fit status of pioneers makes the low fit status of followers quite salient, leading consumers to give lower evaluations to low fit followers. Second, it is very difficult to change consumer attitudes, at least in the short term.

This paper sheds some light on brand extension by first extending the effect of alignable differences into the brand extension area, and shows that the effect of superior alignable differences on consumer evaluations of followers should be moderated by the perceived fit between parent and extensions and the order of entry. Moreover, this paper also contributes to the body of knowledge in this area by examining whether followers, especially the low fit followers, can overcome pioneers by offering superior alignable differences and better quality.

Managerial implications

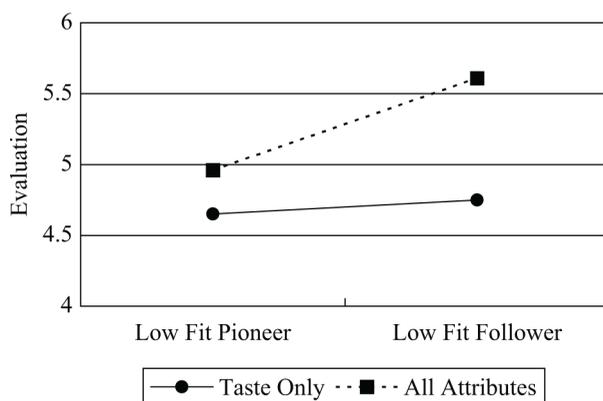
The findings presented by this paper have three important managerial implications. First, although superior alignable differences cannot help low fit followers overcome pioneers, they can offset the lowered evaluations of low fit followers relative to low fit pioneers. Consequently, low fit followers are not in an inferior position when following low fit pioneers into a market. Moreover, as followers, low fit brands can try to overcome the advantages of low fit pioneers by offering better attributes and using samples to demonstrate better quality. This strategy, however, may not work well if the pioneer is a high fit brand, because it may take a lot of effort to change consumer attitudes. Meanwhile, pioneers may fight to maintain their competitive advantage. As pioneers, low fit brands can obtain favorable evaluations and certain advantages over followers, but their position is weak when compared to high fit pioneers (see Figure 1). They can easily be overcome by high fit followers or by low fit followers with better quality and alignable differences. To maintain the advantages of its pioneer status, low fit brands should continue to improve the quality and offer products with better attributes while using advertising to change consumer attitudes.

Second, a company may be considered trustworthy if it has successfully extended its brand. The greater the number of extensions successfully introduced, the more trustworthy the company is perceived to be (Keller and Aaker, 1992). In this case, the issue of fit will be less salient as the company can extend to several categories without losing credibility. Therefore, if a company has a history of many successful extensions, consumers may not doubt whether it can make products with good quality when it enters a new market. Nevertheless, extending too far is risky.

Third, Golder and Tellis (1993) found that pioneers have a high failure rate and lower market share but early followers have a very low failure rate, higher market share, and much greater long term success. Since our findings show that high fit followers with alignable differences can overcome the pioneers, it seems that a high fit brand should enter the market as an early follower rather than as a pioneer.

The general idea is not that followers cannot prevail, but that overcoming the pioneering bonus requires both having a superior feature set, making these claims credible, and forcing consumers into a piecemeal feature set evaluation, rather than a global pioneer-versus-follower evaluation. Overall, evaluations of superior quality do not seem to have as much

Figure 3 Study 3 results: evaluations of low fit followers over low fit pioneers



traction as piecemeal evaluations. Thus, followers should evaluate whether these extra hurdles are worth the extra effort, and whether they are strategic in entry when brand fit with the category is low.

Limitations and future studies

These studies all contained limitations that should be addressed in future studies. For example, this research used only pizza as its target product, and therefore its findings may not be applicable to other products. Future research should examine the effect of superior alignable differences on other products. Second, this study was based on student samples. Therefore, its findings may not be generalizable to the whole population even though students are also main consumers of pizza. Third, although this study found that low fit followers were in an inferior position compared to high fit pioneers even with better quality and superior alignable differences, it did not explore how low fit followers can overcome high fit pioneers. Future research should explore this issue. For example, future research should examine whether lower price, repeated advertising, or a niche position can help low fit followers to overcome pioneers.

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Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

For several decades, many organizations have successfully utilized brand extensions as part of their growth strategy. Through brand extensions, companies are able to exploit consumer familiarity with the parent brand to lower the risks inherent with launching new products. Prior knowledge of the brand makes acceptance from distributors and consumers more likely to further the prospect of success. Other potential benefits of this approach include lower introductory advertising costs and more efficient use of marketing expenditures.

Significant factors

Research has indicated that favorable evaluation depends on consumers perceiving that similarities exist between an extension and its parent brand. When this occurs, positivity towards the parent brand is automatically mapped on to the extension too. Higher purchase intention and sales of the brand extension are plausible outcomes. On the contrary, positive evaluations do not transfer in poor fit conditions because the extension is judged to be incongruent with the brand.

Some studies have differentiated between "pioneer" extensions and "follower" extensions that emerge sequentially. A key observation here is the absence of any "pre-existing reference points" to evaluate pioneers against.

Consumers therefore have to use singular judgments for the purpose. One suggestion is pioneers in a new product category attract greater customer attention because of their novelty value. Preferences and attitudes are formed as a result and subsequently used as a benchmark for evaluating followers.

In essence, followers are compared against existing brands. Analysts believe that the comparison process involves three elements: commonalities, alignable differences and non-alignable differences. Followers will have attributes that are also present in the pioneer. According to some scholars, this makes these shared features "redundant" to the extent that the influence of commonalities during comparison is minimal. As followers need to establish their own identity, having attributes that match the pioneer too closely will negatively impact on how they are received. Non alignable differences are likewise overlooked because they relate to features of one brand that are not evident in the other. A tendency therefore prevails for consumers to be less favorable towards followers with differences that are non alignable in nature.

Alignable differences, on the other hand, relate to aspects of one brand that correspond with those of another. Scholars cite the example of comparing flavors even if one brand's are spicy and the other's bland. This illustrates that alignable differences can consist both of "corresponding aspects" and those that correspond but have "different attributes". Previous studies have concluded that consumers will evaluate followers more highly than pioneers when the alignable differences of the follower are perceived as superior.

Perceived fit between the extension and parent brand may have a moderating effect on evaluation. Some evidence suggests that the importance of fit means that consumers will be more favorable towards a high fit follower than to a low fit pioneer. When both pioneer and follower closely match the parent brand, alignable differences become more important.

It is habitual for consumers to question the quality of low fit followers. When other aspects are equal, quality is often deemed more significant than alignable differences as it is regarded as "the core of the product". Given these perceptions, low fit followers would typically be evaluated more negatively when compared to high fit pioneers. However, the low fit status is less an issue when the follower is being measured against a low fit pioneer. In such situations, superiority in alignable differences has proved significant.

Studies and findings

Liang *et al.* explore these issues further within three separate yet related studies involving undergraduate marketing students. Pizza was chosen as the stimulus object and a preliminary survey identified Pizza Hut and Dominos as high fit brands, with the low fit category being represented by Frito Lay and Nabisco. Different permutations of pioneer or follower and fit were developed and participants were randomly assigned to evaluate one of the conditions. After research conducted with a smaller group, greater variety of toppings, different sizes and shorter cooking times were established as superior alignable differences. Respondents were asked to read information about the pioneer and follower and answer questions measuring the fit between parent brand and extension and their perception of parent brand quality.

In the second study, questions were designed to ascertain the impact of quality on consumer perceptions. The

respondents decided that better taste could be used to indicate higher quality in this context. High fit pioneer – low fit follower and low fit pioneer – low fit follower were the two conditions evaluated during this phase. The final study aimed to clarify whether the findings in the previous stage were down to quality alone or in combination with superior alignable differences. Both conditions evaluated included low fit pioneer and better tasting low fit follower. The three alignable differences were included in one but absent in the other.

The findings indicated that:

- High fit followers with superior alignable differences can overcome both high and low fit pioneers. However, perceived fit between parent brand and extensions and the order of entry may moderate the influence of alignable differences.
- Consumers may evaluate low fit followers more highly than low fit pioneers when the follower offers both better quality and superiority in alignable differences but not through better quality only.
- High fit pioneers are viewed more favorably than low fit followers regardless of alignable differences and/or quality.

Fit was a significant factor in the latter condition. One assumption from the authors is that the negative influence of the follower's low fit status is considerably more powerful than the positive effect of its superior alignable differences.

Based on these results, Liang *et al.* suggest that developing better features and providing samples to indicate their

superior quality can help low fit followers overcome low fit pioneers. They also believe that low fit brands can capitalize on the advantage of having pioneer status by improving both attributes and quality, and through effective advertising.

It is noted that certain organizations can boast a lengthy track record for successful brand extensions. That consumers typically regard such firms as “trustworthy” may negate the importance of fit and enable extensions into various new categories. The risk involved in extending too far is nevertheless pointed out.

Ideas for marketing and future research

Scholars have discovered that early followers have a vastly better success rate than pioneers. Rather than entering the market as a pioneer, high fit brands are therefore recommended to become early followers. Success is significantly more likely when the follower can persuade consumers that it boasts a superior set of attributes.

Additional research using other products and samples is required before any generalizations can be made. Identifying ways in which low fit followers can outperform high fit pioneers is another area to explore. The authors suggest price, positioning and advertising as potentially significant in this respect.

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