Consumer attitudes and recall for advertisements for new brands and extensions

The aim of this study is to investigate possible interaction effects between branding strategy (new brands versus extensions), advertising execution strategies (informational, positive emotional, and negative emotional) and product category involvement (low and high) on consumer reactions to new products, including attitudes, purchase intention and recall. The results show that advertising strategy has little impact on consumer attitudes towards extensions and the parent brand. Extensions benefit from a brand recall advantage compared to completely new brands, but positive emotional appeals help bridge the gap for new brands. Negative emotional appeals lead to significantly lower product and brand attitudes, especially for new brands. Informational appeals on the other hand stimulate USP recall, especially for extensions, and regardless of the product category. In terms of attitudes and brand recall, informational appeals score especially well in high involvement situations.

Key Words: Consumer attitudes > Advertising > New Brands > Line Extension

1. Introduction

For most firms, growth is driven by the successful development and marketing of new products and/or services. New product introductions have been shown to increase long-term financial performance and firm value (Pauwels et al. 2004). At the same time, new products suffer from high failure rates, ranging from 35 percent up to 90 percent (Brand Strategy 2005). Companies often try to link an established brand name to a new product (i.e. extension), hoping the parent brand reputation will leverage the new introduction. Although benefiting from parent brand leverage seems tempting, the failure rate of extensions is still high, and might even be higher than for completely new brands (Wing 2004).

Advertising is considered an important determinant of new product success and extension acceptance (Nan 2006). Considerable research has shown that consumers often integrate their attitudes toward the ad for a product into their evaluations of the product (e.g., Nan 2006). Advertising has also been shown to directly link with attitude toward the brand (Ab) (Bergkvist/Rossiter 2008). However, it remains unclear exactly how this advertising must be made operational. Studies on whether different advertising strategies are recommended for the different types of branding strategies for new products are scarce. In addition, most studies on consumer acceptance of new products measure consumer responses solely in terms of affective reactions, such as attitudes, or in terms of purchase intentions or behavior. In this paper, next to attitudinal reactions and purchase intention, we also study a more cognitive reaction, namely recall of the advertised brand and the unique selling proposition (USP), for new products proposed as a new brand or as an extension. The classical hierarchy-of-effects models consider cognition (brand awareness and brand knowledge) as a prerequisite for affect (positive image) and conation (purchase) (Lavidge/Steiner 1961). Because of the elapsed time between exposure and behavior, advertising has to work through people’s memory (Ehrenberg et al. 2002). Although recall does not perfectly measure memory, it is an important measure to plumb how meaningful the message is and how well the brand name registers (Wells 2000).
Advertising execution strategies can be roughly divided into informational versus transformational/emotional appeals. Informational appeals inform consumers of one or more key benefits about the advertised product and/or brand, while emotional appeals are aimed at evoking feelings or emotions in consumers. Most research distinguishes between emotional appeals of positive and negative valence (Burke/Edell 1989). Appeals that evoke negative emotions, controversial appeals, or shock tactics are widely used (e.g., Bennetton) as a legitimate creative technique to grab the attention of the public and induce ad-based persuasion (Dens et al. 2008; Shehryar/Hunt 2005). Based on Mandler’s (1982) schema incongruity theory, it is believed that these ads will facilitate memory retrieval and recall. We study whether this is also the case in a new consumer product context, and how evaluations may be moderated by the type of product and brand advertised.

The contribution of this paper is that it examines the effectiveness of different advertising appeals (informational, positive emotional, negative emotional) between new brands and extensions on consumer reactions including attitudes, intention and recall for different involvement levels (low vs. high involvement). The frequent use of extension strategies is based on an underlying assumption that consumers prefer extensions over new brands (McCarthy et al. 2001). However, despite the high stakes of market entry, little experimental research has actually addressed the comparative potential of new brands versus extensions (McCarthy et al., 2001). Literature also suggests that communication effectiveness may depend on prior familiarity of the advertised brand (e.g., Campbell/Keller 2003; Stammerjohan et al. 2005). In order to make a contribution to the debate over extension superiority, we conduct an experiment to test the relative appeal of new brands and brand extensions and the differential impact of different advertising strategies for new brands and extensions under differing involvement levels.

2. Literature review and hypotheses

2.1 Consumer responses to new brands versus brand extensions

Extensions have been shown to benefit from a quality transfer from the well-known brand name (Aaker/Keller 1990; Dens/De Pelsmacker 2009). Smith and Park’s (1992) findings indicate that brand extensions capture greater market share and realize greater advertising efficiency than individual (new) brands. Extension strategies result in increased positive affect and decreased perceived risk in comparison to new brands (Lai 2006). McCarthy et al. (2001) found a brand extension enjoys more positive attitudes than a new brand name, on the condition that the brand extension fits relatively well with the parent brand. As the latter condition was satisfied in this research, we generally expected more positive responses toward extensions than toward new brands. We hypothesize:

H1. Brand extensions will engender a more positive attitude toward the newly introduced product (Apr), a higher purchase intention (Pi), and a more positive attitude toward the brand (Ab) than a new brand.

Highly familiar brands typically have an elaborate and strong network of associations (schema) in memory (Kent/Allen 1994), which makes it easy for activation to spread, and hence, consumers will easily recall the brand name when prompted. Existing brand schemas for familiar brands also resist interference (e.g., from elements in the advertisement or other distracters) (Kent/Allen 1994). Familiar and unfamiliar brands differ in terms of the knowledge regarding the brand that a consumer has stored in memory. As consumers by definition lack any type of experience with a new brand, they can not possess readily accessible nodes or associations with it in memory (Campbell/Keller 2003). Thus, activation of the network node and possible associations cannot spread. For a new brand name, learning requires intensive processing, and thus initial recall will be lower compared to an established brand. Campbell and Keller (2003) and Kumar and Krishnan (2004) both confirmed that recall of familiar brand names was higher than for unfamiliar brands. We hypothesize:

H2a. Brand recall is higher for brand extensions than for new brands.

The communication of a USP is considered critical for advertising success (e.g., Warner 2003). For extensions specifically, one of the hardest tasks is to make the consumer aware that the brand is on the market in a new product form (Nijssen 1999). For existing brands, a brand schema can be considered a generic knowledge structure that will guide the comprehender’s interpretations, inferences, expectations, and attention (Graesser/Nakamura 1982). In this case, attention will be directed toward the brand, which will spread activation toward the brand schema with existing associations, leaving relatively less opportunity to absorb the new feature(s) of the extension. Park and Lessig (1977) describe how, in the case of high brand familiarity, evaluators will use very little product information. Nijssen (1999) states
that the use of key symbols from famous advertising campaigns for the brand may diminish awareness of the new extension and the new product message altogether. Response competition theory (Kent/Allen 1994) also predicts that different associations formed with the same target stimulus (i.e., the familiar brand name) will compete at recall. The links between the familiar brand name and the new USP may not be strong enough to be activated on a recall task (Kumar/Krishnan 2004).

Because of knowledge differences, consumers are likely to have different processing goals when exposed to ads by new brands compared to extensions of existing brands (Campbell/Keller 2003). People tend to attempt to learn about and evaluate novel stimuli. In terms of the Elaboration Likelihood Model (ELM) (Petty et al. 2005), consumers will be motivated to learn about the features of a new brand to form an accurate impression. As such, new brands will engender more central and extensive processing, meaning consumers will evaluate the issue relevant arguments presented to them (Campbell/Keller 2003). Deeper processing, in turn, produces better memory. Consumers should therefore more easily recall the unique selling proposition (USP) better in advertisements for new brands than for extensions. We hypothesize:

H2b. Recall of the unique selling proposition (USP) conveyed in the ad is higher for new brands than for brand extensions.

2.2 Consumer responses to different advertising appeals for new brands versus extensions

We expected to find an interaction between the new product branding strategy and the advertising execution strategy (appeal type) on consumer evaluations of the advertised product and brand. We expect that when consumers are first introduced to new products, they will be motivated to learn about the product and its features to make an evaluation of it. Hence, an informational appeal providing this information should generally be positively regarded. Several studies also provide support for the persuasive impact of positive feelings in advertising. Positive emotional appeals generate interest in the advertisement, reduce irritation, and lead to positive judgments of the advertised message and higher purchase intentions of the advertised product (Morris et al. 2002). Positive advertising affect may also engender positive communication effects by influencing the direction of cognitive responses (Petty et al. 1991). Negative affect, on the other hand, has been shown to debilitate ad evaluations. Particularly in the case of consumer products, studies exploring negative feelings in advertising, such as provocation or disgust, have mostly found negative attitudinal effects (e.g., Dens et al. 2008).

Parent brand knowledge moderates the effects of advertising on attitude toward the brand. Several authors have examined the effects of brand familiarity on response to stimuli (e.g., Campbell/Keller 2003), finding that high familiarity actually limits advertising effectiveness (Stammerjohan et al. 2005). While studies have shown that direct affect transfer from advertising is likely to occur for unfamiliar brands, the effects were reduced for familiar brands (e.g., Smith et al. 1998). Highly familiar brands are characterized by well-established and relatively stable attitudes, which will not likely be affected by a single advertisement (Stammerjohan et al. 2005). This is because people will be more influenced by previous opinions than by new information (Weilbacher 2003). Even when these brands offer a new product, we expect consumers to transfer their pre-existing attitudes to the extension. Indeed, Gielens and Steenkamp (2007) state that when a high-reputation brand name is extended to a new product for which attributes are difficult to observe prior to consumption, consumers plausibly believe that the extension is also of high quality. Research into extent evaluation has often pointed out that parent brand associations are a major determining factor of extension evaluation, as consumers often believe that an extension possesses the typical attributes or benefits of the parent brand (Aaker/Keller 1990; Nan 2006). Hence, they will rely less on the advertisement to form an opinion of the extension, so advertising strategy will not strongly impact extension evaluation. On the other hand, research has shown that for a new brand classical conditioning and direct affect transfer explain the strong link between ad-evoked feelings and brand-related evaluations (Homer 2006). As consumers are by definition unfamiliar with a new brand, they do not possess readily accessible knowledge about it in memory. In this case, evaluation of the new product and brand will be primarily based on the advertisement. Therefore, we expect greater differences in product and brand evaluations for the different ads for new brands than for extensions. We hypothesize:

H3. Attitude toward the advertised product (Apr), purchase intention (Pi) and attitude toward the brand (Ab) will be more positive with an informational and positive emotional appeal than with a negative emotional appeal for both new brands and extensions, but the difference between the specific ad strategies on Apr, Ab and Pi will be greater for new brands than for brand extensions.
In addition, we expected to find an interaction between the advertising strategy and the brand strategy in terms of recall as well. For an extension of a familiar brand, we expect brand recall will generally be high irrespective of the advertising condition. The familiarity of the brand would be sufficient to spread activation across the existing schema and ensure high brand recall levels across all ad conditions. However, for new brands, the type of advertising may make a difference in brand recall. Emotional content is generally considered as facilitating improved levels of attention and information processing (Heath 2007). Literature suggests that recall scores for (positive) emotional stimuli are generally higher than for thinking ads (Stewart/Furse 2000). Positive feelings have been found to contribute to likeability of an advertisement, which in turn can serve as a gatekeeper and determinant of the remainder of the communication process (Smit et al. 2006). An advertisement that is liked may also be looked at more often or longer, resulting in better brand recall (Ehrenberg et al. 2002). In addition, favorable feelings can facilitate memory organization, enhance stimulus encoding and hence improve the learning and recall of brand names (Isen 2001). We expect that especially a new brand will benefit from higher recall with positive emotional appeals.

Insofar as negative emotional appeals can be considered as distinctive stimuli for consumer products, a positive effect on attention to the ad, memory, and retrieval can also be expected (Pope et al. 2004). However, we expect that, with negative emotional appeals, an avoidance reaction may take place (Pieters/de Klerk-Warmerdam 1996). If participants turn away from the ad because of the unpleasant feelings it elicits, they have even less opportunity to process the brand. Especially a new brand, which requires more processing of the brand name compared to familiar brands to ensure brand recall, will suffer. With an informational appeal, by default, there is more information in the ad to be processed than with emotional appeals. Based on the cognitive capacity theory (Lang 2000), consumers may not be able to absorb all the information provided. The greater the amount of information presented in a single advertisement, the lower the expected recall. For example, Stewart and Furse (2000) found that information on components/ingredients and total information were negatively related to recall. If consumers lack the resources to process all the information provided, brand recall of a new brand name will suffer. We hypothesize:

H4a. Brand recall will be higher with a positive emotional appeal than in case of a negative emotional or informational appeal, but the difference between the specific ad strategies on brand recall will be greater for new brands than for brand extensions.

In H2b, we expect that USP recall is in general lower for extensions than for new brands. As mentioned, we expect viewers’ motivation to elaborate on the USP to be high for new brands. The specific advertising strategy will have little effect on this. We expect the impact of advertising strategy on USP recall to be most outspoken for familiar brands. In this case, an informational appeal, by providing new information, is expected to be most successful in generating higher recall of the USP of the advertised product. For example, Stafford (1996) showed that tangible informational cues were related to higher recall of advertised attributes. Laskey et al. (1995) revealed an advantage for informational versus transformational/feeling ads in the context of key message comprehension (measured as recall of the key message points). Only with an informational appeal, when the new features of the product are very prominent and explained in detail will consumers register the newness of the extension of a familiar brand. The main purpose of an informational appeal is to convey the USP and other product attributes or benefits (Ehrenberg 2000). It is therefore to be expected that the USP is better remembered in such a type of appeal. In other words, informational appeals can close the USP recall gap between extensions and new brands. The purpose of emotional appeals is rather to create or solidify a brand image (Ehrenberg 2000). Especially for familiar brands, emotional appeals will evoke little processing of the product information, as consumers will rather relate to their existing brand schema. Therefore, we hypothesize:

H4b. USP recall will be higher with an informational appeal than in case of emotional appeals (positive or negative), but the difference between the specific ad strategies on brand recall will be greater for brand extensions than for new brands.

2.3 The moderating role of product category involvement

Involvement generally refers to a person’s perceived relevance of the focal object based on inherent needs, values, and interests (Zaichkowsky 1994). The Elaboration Likelihood Model (ELM) (Petty et al. 2005) prescribes that persuasion will occur via a central route when an individual’s motivation, ability and opportunity to process are higher. When either of these factors are absent, audiences will revert to peripheral processing of the message, for example based on heuristic cues (e.g., music, “how-do-I-feel-about-it?”). celebrity
endorsement, number of arguments). High product category involvement tends to engender central processing, meaning consumers will exert the cognitive effort required to evaluate the issue relevant arguments presented to them (Brown et al. 1998). Under such conditions, consumers tend to focus on highly diagnostic cues such as attribute and performance information to evaluate products. Although the ELM (Petty et al. 2005) is a general framework to explain persuasion, it is also useful in the context of cognitive responses. Petty et al. (1981) for example, have asserted that individuals in a high-involvement group exhibit significantly more issue-relevant cognitive activity. In addition, a greater number of cognitive responses should be directed toward central (peripheral) cues when subjects’ processing involvement is high (low) (Miniard et al. 1988). Recall of ad content can serve as an indicator of both attention intensity (Gardner et al. 1985) and cognitive elaboration in ad processing (Greenwald/Leavitt 1984; Park/Young 1986).

The cognitive resource matching (CRM) hypothesis predicts that a message will enhance persuasion if there is a “match” between a consumer’s processing level and the execution (Coulter/Punj 2004). Viewers who are highly involved become motivated and able to enter into a functional congruity process (Johar/Sirgy 1991). An informational advertising execution typically requires a high amount of cognitive resources to be processed in full. When elaboration is likely to be high, this may match the amount of resources consumers are willing to spend to process the message through the central route of persuasion. This should result in positive brand evaluations and increased brand and USP recall (Coulter 2005). Brown et al. (1998), for example, have argued that, in general, ad evoked feelings have relatively weak effects under high involvement and conditions that encourage cognitive elaboration, because highly involved viewers are likely to engage in greater message elaboration and critical evaluation of advertisements, and to experience less affective responses. If consumers in high involvement situations are more involved in processing information in an informational appeal, they will also better remember the brand and product USP in the advertisement than following an emotional appeal. This is in line with findings of previous research that a utilitarian/informational appeal is effective when consumer involvement is high (Erevelles 1998). If the emotional appeals fail to match the resources consumers would like to devote to processing the ad, recipients are likely to commit their excess resources to generating idiosyncratic or irrelevant thoughts (Keller/Block 1997). These other thoughts will interfere with relevant cognitions, resulting in more negative evaluations and lower brand and USP recall. Thus, based on these findings, we expect that for high involvement new products, informational appeals will perform better than (positive and negative) emotional appeals.

The opposite reasoning goes for a low involvement situation: in a low product category involvement situation, the newness of the product may fail to create enough motivation for processing. Low product category involvement generally induces the “peripheral route” to persuasion in which consumers evaluate products based on some superficial analysis of readily available and salient cues in the stimuli presented to them (Coulter 2005). If the informational appeal requires more cognitive resources to process than consumers are willing to spend, this will result in incomplete, inefficient, or superficial message processing and lower brand and USP recall (Brennan 2008; Meyers-Levy/Malaviya 1999). In addition, they may quickly become disinterested, resulting in lower brand and USP recall. As an informational appeal will typically require more resources to process than consumers may be will be willing to spend, this CRM predicts this may lead to frustration, disinterest and other negative reactions. Low audience involvement forces the audience to make an evaluation of the product based on self-congruity (Johar/Sirgy 1991). Following the peripheral route, attitude change is related to positive or negative associations with the stimulus (Petty et al. 2005). In this case, positive emotional advertising as a peripheral cue might work best, because the positive affect induced by the ad will easily transfer to the product and brand. Negative feelings, if transferred peripherally to the ad (how-do-I-feel-about-it) in a low involvement situation, will result in negative attitudes toward the ad, and this will also not benefit the brand. In addition, emotional appeals typically require fewer resources to process, and therefore, the brand and product USP will be better remembered. As a result, a lower audience level of involvement is related to a greater effectiveness of value-expressive appeals (Johar/Sirgy 1991). We expect this to hold across new brands and extensions alike. We hypothesize:
H5. Product category involvement moderates the relationship between advertising strategy and communication effects. In high product category involvement conditions, an informational advertising appeal will be more positively evaluated in terms of Apr, Pi and Ab than emotional executions (both positive and negative). In low product category involvement conditions, a positive emotional appeal will score better than an informational or negative emotional appeal.

H6. In high involvement conditions, an informational advertising appeal will lead to higher brand and USP recall than both positive emotional and negative emotional executions. In low involvement conditions, emotional appeals (positive and negative) will lead to higher brand and USP recall than an informational execution.

3. Methodology

To test our hypotheses, we set up a 3 (advertisement: informational, positive emotional, negative emotional) x 2 (brand: new brand, brand extension) x 2 (product category involvement: low, high) full factorial between-subjects designs. Stimulus examples are provided in Appendix 1.

3.1 Design and pretests

We conceptualized product category involvement by the product category of the advertised new product. This allowed us to manipulate involvement, ensuring substantial differences between the conditions. While some researchers have argued that for any particular product class, levels of involvement will differ across consumers and depending on the situation, this type of aggregate analysis has been conducted in previous product and advertising research. Involvement results from the interaction of individuals with products (Nkwocha et al. 2005). Therefore, both products and individuals are important aspects of involvement and both are equally worthy of study. Moreover, it is reasonable to expect managers to have easier implementation of the product category involvement concept at product level than the individual involvement concept. Based on consumers’ reported levels of product category involvement in a pretest (n = 25), we selected candy bars and laptop computers as product categories for the tested new products. Prior to the main experiment, the advertising images and slogans were also pretested (n = 52) to represent the right manipulation of evoked feelings.

In order to be as realistic as possible, we used real brand names, with which consumers were highly familiar. As such, we ensured that consumers had most likely formed some sort of schema about the brands. The test brands were also selected based on a series of pretests (n = 25-30), following guidelines provided by Aaker and Keller (1990): favorable overall quality image, elicit relatively specific associations, and not have already been broadly extended. In addition, we made sure the extension brands were highly familiar to consumers. The brand extension brands chosen on the basis of the pretests were Canon (computer accessories) laptops and Cécémel (chocolate drink) candy bars. For the new brands, we pretested three fictitious brand names per product, and selected the one with the best perceived fit (perceived familiarity was very low for all the new brand names). We selected the names Vision computers and Mamba candy bars. The final test advertisements (12 in total) were created by VVL.BBDO, a professional advertising agency.

3.2 Survey and participants

Through an online survey, 749 respondents were randomly divided across treatments. Participants were selected from an opt-in consumer panel to be representative of the Belgian population in terms of gender (50.1 percent women), age (35.5 percent 18-34 years, 25.6 percent 35-44 years, 38.9 percent 45-64 years), education (50.4 percent higher educated), and social class (approx. 25 percent in each of four classes).

The questionnaire started with a few introductory questions on brand quality (high quality, likely to try, superior product; α = .950) and familiarity (familiar, informed, know a lot, experienced buyer; α = .971) for three different brands to mask the brand under study. Product category involvement was assessed next (6 items, e.g., means a lot, important purchase decision, decision requires a lot of thought; α = .954). Participants then saw one of the test advertisements, after which they rated the manipulation check of ad-evoked positive feelings (5 items, e.g., excitement, energetic, positive feeling; α = .968) and negative feelings (6 items, e.g., sad, frustrated, negative feeling; α = .961) on separate scales. Respondents were then asked their attitude toward the advertised new product/extension (good, positive, like; α = .961), purchase intention (possible, likely, probable; α = .950) and attitude toward the brand (good, positive, like; α = .966). All items were measured on seven-point semantic differential scales. Scores on different items were averaged to compute the construct scores. Respondents then filled out some personality measures as a mind-clearing task. Brand and USP (“what was the most important feature of the advertised product?”) recall were finally measured as unaided recall, using open-ended questions, and coded as “correct” or “false.”
3.3 Manipulation checks

**Ad-evoked feelings.** Results of a one-way ANOVA across the test ads indicated that, for either of the two products, the positive emotional ad was indeed most successful in evoking positive feelings ($M_{PC} = 4.77$, $M_{CB} = 4.89$), significantly more so than respectively the informational ($M_{PC} = 3.81$, $M_{CB} = 3.37$) and the negative emotional ad ($M_{PC} = 2.21$, $M_{CB} = 2.23$) (Tukey post hoc tests, $p < .001$). Therefore, we concluded our ad manipulations were successful.

**Product category involvement.** The measure of product category involvement showed that, as in the pretest, candy bars ($M = 3.39$) elicited significantly lower product category involvement than laptop computers ($M = 5.76$) ($t_{631} = 27.569$, $p < .001$).

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**Tab. 1: Attitudes and purchase intention – Mean scores per treatment**

<table>
<thead>
<tr>
<th>Analysis 2</th>
<th>Laptop computer</th>
<th>Candy bar</th>
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<tbody>
<tr>
<td>Appeal</td>
<td>Positive emotional</td>
<td>Negative emotional</td>
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<tr>
<td>Brand NB</td>
<td>BE</td>
<td>NB</td>
</tr>
<tr>
<td>n</td>
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<td>63</td>
</tr>
<tr>
<td>Apr</td>
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</tr>
<tr>
<td>Ab</td>
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<td>4.82</td>
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NB = new brand, BE = brand extension

**Tab. 2: Brand recall and USP recall per condition**

<table>
<thead>
<tr>
<th>Ad strategy</th>
<th>New brand</th>
<th>Brand extension</th>
<th>Low involvement (Candy bar)</th>
<th>High involvement (Computer)</th>
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<tr>
<td>Brand recall</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>81.1%</td>
<td>85.8%</td>
<td>82.2%</td>
<td>84.7%</td>
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<tr>
<td>Informational</td>
<td>80.0%</td>
<td>85.9%</td>
<td>79.9%</td>
<td>86.4%</td>
</tr>
<tr>
<td>Positive emo</td>
<td>83.2%</td>
<td>83.9%</td>
<td>83.3%</td>
<td>83.7%</td>
</tr>
<tr>
<td>Negative emo</td>
<td>80.0%</td>
<td>87.7%</td>
<td>83.7%</td>
<td>83.9%</td>
</tr>
<tr>
<td>Sig. (p)*</td>
<td>.757</td>
<td>.689</td>
<td>.650</td>
<td>.806</td>
</tr>
</tbody>
</table>

USP recall

| Total       | 29.1%     | 20.1%           | 31.6%                       | 17.5%                       |
| Informational | 34.4%     | 31.3%           | 43.0%                       | 22.4%                       |
| Positive emo | 25.6%     | 16.1%           | 21.4%                       | 20.3%                       |
| Negative emo | 27.2%     | 12.3%           | 30.1%                       | 9.7%                        |
| Sig. (p)* | .264       | <.001           | .001                        | .018                        |

* Reported significance levels are based on $\chi^2$ tests between appeals with 2 d.f.
Brand familiarity. As in the pretest, respondents reported to be significantly more familiar with the two brand extension brands (MCécémel = 4.74, MCanon = 4.38), than with the new brands (MMamba = 1.21, MVision = 1.68) (CB: t(269) = 30.359, p < .001; PC: t (349) = 20.389, p < .001).

4. Results

Three 3x2x2 ANOVAs were run with attitude toward the advertised product (Apr), new product purchase intention (Pi) and attitude toward the (parent) brand (Ab) as dependent variables. For the latter variable, we controlled for pre-existing brand attitudes by using the quality pre-measure as a covariate (the covariate was positive and significant, F(1, 736) = 170.696, p < .001). Cell sizes per condition and mean scores on each of the dependents are listed in Table 1. Brand and USP recall in the different conditions were analyzed by means of Chi² tests.

Supporting H1, we consistently found that the brand extension was more favorably evaluated than the new brand in terms of Apr (F(1, 737) = 25.407, p < .001), Pi (F(1, 737) = 21.489, p < .001) and Ab (F(1, 737) = 16.796 p < .001). On average, across conditions, 83.4 percent of participants recalled the correct brand name. Only 24.6 percent of respondents managed to recall the correct USP. The brand extension (85.8 percent) was marginally significantly better recalled than the new brand (81.1 percent) (χ²(1) = 3.074, p = .080). The USP was significantly better recalled in the ads for the new brand (29.1 percent) than for the brand extension (20.1 percent) (χ²(1) = 8.209, p = .004). These findings support H2a and H2b.

For Ab, the main effect was qualified by a significant ad x brand interaction (F(2, 736), p = .013, Figure 1). Only for the new brands, the negative emotional ad (M = 3.92) was significantly worse than the informational (M = 4.61, p < .001) and positive emotional appeals (M = 4.41, p < .001) based on simple effects tests. For the brand extensions, the ads did not differ significantly (Minfo = 4.88, Mpos emo = 4.65, Mneg emo = 4.67; F(2, 736) = 1.85, p = .157). This is consistent with H3. Although the interaction effect for Apr was not significant (F(2, 737) = 1.399, p = .248), in line with H3, simple effects tests showed the differences between the three ad types were greater for the new brands (Minfo = 4.19, Mpos emo = 4.07, Mneg emo = 3.33; F(2, 737) = 16.83, p < .001) than for the brand extensions (Minfo = 4.65, Mpos emo = 4.36, Mneg emo = 4.00; F(2, 737) = 8.10, p < .001). Similarly for Pi, the interaction effect was not significant (F(2, 737) = .480, p = .619), but the differences were again greater for the new brands (Minfo = 3.80, Mpos emo = 3.75, Mneg emo = 3.04; F(2, 737) = 9.72, p < .001) than for the brand extensions (Mpos emo = 4.24, Minfo = 4.19, Mneg emo = 3.71; F(2, 737) = 4.50, p = .011). In terms of brand recall, the differences between appeals were nonsignificant for both brands. However, we do see that where in general, new brand suffer from a recall disadvantage compared to brand extensions, positive emotional appeals are the only advertising format for which this difference is nonsignificant (χ²(1) = .020, p = .886). This does signal a positive effect of positive emotional advertising on new brand recall, as it helps bridge the “gap” with extensions. H4a, however, is not supported. The ad x brand interaction for USP recall was significant. For brand extensions, the informational appeal managed to significantly increase USP recall compared to the emotional appeals (χ²(2) = 15.781, p < .001). For new brands, this difference was not significant (χ²(2) = 2.664, p = .264). This supports H4b.

There was a significant ad x product category involvement interaction for Apr (F(2, 737) = 6.694, p = .001, Figure 2), sup-
Supporting H5. For the laptop computers, the informational appeal (M = 4.75) engendered the most positive attitudes, significantly better than the positive emotional ad (M = 4.13, p < .001), followed by the negative emotional appeal (M = 3.71, p < .001). For the candy bars, the positive emotional ad (M = 4.30) scored significantly higher than the negative emotional appeal (M = 3.61, p < .001) and non-significantly than the informational appeal (M = 4.10, p = .215). For Pi (F(2, 737) = 1.956, p = .142) and Ab (F(2, 736) = 1.198, p = .302), the interactions failed to reach significance in the ANOVA, but the patterns of post hoc tests were similar to Apr. Contrary to expectations (H6), the difference in brand recall between the three different advertising strategies was not significant for either of the two products. In terms of USP recall, for laptop computers, the informational appeal lead to the significantly highest USP recall (22.4 percent, especially compared to the negative emotional appeal (9.7 percent) ($\chi^2_{(2)} = 8.024, p = .018$). Contrary to expectations, however, for the candy bars, the highest USP recall scores were also noted with the informational appeal (43.0 percent vs. 30.1 percent negative emotional, 21.4 percent positive emotional; $\chi^2_{(2)} = 13.824, p = .001$). H6 with respect to USP recall is confirmed for the high involvement condition only.

Effective advertising appeals are also dependent upon consumers’ involvement with the advertised product category. There is evidence that for the high involvement product category, laptop computers, informational appeal induce the most positive attitudes and purchase intention, whereas in case of lower product category involvement (candy bars), the positive emotional appeal was most effective. The results in terms of brand recall were consistent, but nonsignificant. The USP in the advertisement was best recalled with an informational appeal, for both products. Across brands, a focus on direct delivery of specific information in an execution increases the chance that information will be recalled. This was anticipated for high involvement conditions, but occurred in the low involvement condition as well. We had expected participants to experience cognitive overload and disinterest when a lot of information was presented in an advertisement in a low involvement context. On the other hand, an informational appeal provides participants with more information about the products. As such, they have more opportunity to seize the USP. In our experimental ads, the USP was repeated in the information, which in this case resulted in higher USP recall, regardless of the product. This is consistent with Stafford’s (1996) findings that tangibility of the advertising copy increased recall regardless of the product category.

It should be noted that the product categories used in these analyses were subject to a potential confound between product category involvement and purchasing motivation. We have established that the two product categories differ significantly in product category involvement, and we have attributed differences between the products to the difference in processing motivation due to involvement. However, both products also differ in purchasing motivation: whereas candy bars are gen-

Figure 2: Ad x product category involvement interaction effect for Aprod

From the results of this research, it is apparent that brand extensions are more positively evaluated than new brands and benefit from a brand recall advantage over a new brand name. As such, launching new products as extensions of established brands seems a viable strategy over new brands. Brand managers seem to have understood this, as the vast majority of new product introductions today are indeed some form of extension. We did also find, however, that new brands generated a higher recall of the USP of the advertised product than extensions. Consumers seem to pay attention to the familiar brand symbols, rather than registering it is offering a new product. Especially for extensions, providing product-related information in an informational advertising appeal manages to increase USP recall. Positive emotional appeals, on the other hand, seem to benefit brand recall for new brand names, although the results were inconclusive.

5. Discussion, conclusion, and suggestions for further research
eraly a highly hedonic product, most people will consider laptop computers to be a more utilitarian product. These products represent two of the four quadrants defined in the Rossiter-Percy Grid (Bergkvist/Rossiter 2008; Rossiter/Percy 1997). For most consumers, (new) products in these categories should be low-involvement transformational (candy bars) and high-involvement informational (laptop computers). Our findings correspond to the creative strategies recommended by Rossiter and Percy (1997) of “emotional authenticity” for the low-involvement transformational case and “information” for the high-involvement informational case. However, our results also show that the effects of advertising appeal interact with branding strategy. This interaction suggests that the recommendations from the Rossiter-Percy Grid may hold for new brands, but not necessarily for extensions. For new brands, we consistently find support for the Rossiter-Percy Grid, whereas the effects are smaller or even non-existent for brand extensions. For a new brand, the advertisement is very likely to causally affect brand variables (Ab and Pi), because there are no prior brand variables that could be alternative causes (Bergkvist/Rossiter 2008). For extensions of well-known, high quality brands, the negative evaluations of negative emotional appeals in terms of Aad are not reflected in product and brand evaluations. Extensions could still benefit from previous associations cancelling out the effect of the ad (Stammerjohan et al. 2005). This is consistent with previous findings (e.g., Brown/Stayman 1992) that the relationship between Aad and Ab is stronger for unfamiliar brands.

On the basis of this research, there seems no compelling reason to use negative emotional appeals for consumer products in terms of attitudes. Especially for new brands, negative emotional appeals damaged the product and general brand perceptions. For extensions, the specific type of appeal has less of a repercussion on product and brand evaluations, although further research into advertising for extensions is necessary. Negative emotional appeals, of course, are frequently used to attract attention to the ad and break through the clutter (Pope et al. 2004; Shehryar/Hunt 2005). It is possible that attention may benefit from negative emotional appeals, but if this is coupled with negative attitudinal reactions, they should be avoided in the context of consumer products. In addition, negative emotional appeals also did not significantly increase recall, suggesting that, if indeed they increase attention, this is directed toward the stimulus itself, rather than the advertised product or brand name. When advertising for extensions, brand managers need to make sure they stress the distinctiveness of the new product well enough. Nijssen (1999) already pleaded that specific advertising budgets for extensions should be created. We argue that the advertisements itself should also be distinctive enough. It does not suffice to piggyback on the brand’s family name if awareness for the (USP of the) extension is to be raised. In this case, informational appeals are recommended, because the focus on the newness of the product benefits USP recall, especially for extensions, and regardless of consumers’ product category involvement levels. New brands, on the other hand, seem to generate interest in the advertised product, but suffer from lower brand recall. Positive emotional appeals generate interest in the advertisements and manage to improve brand recall scores best. As suggested by Janssens and De Pelsmacker (2005), advertisers may try to achieve the best of both worlds by creating advertisements that generate both positive feelings, as well as provide adequate information about the advertised product. Based on the findings of our study, this may benefit brand recall as well as recall of the USP of the advertised product for both new brands and extensions.

There are a number of limitations of our two experiments that represent opportunities for further research. In general, brand recall scores were very high, which is to be expected in experimental research using forced exposure and almost immediate recall (e.g., Brennan 2008; Campbell/Keller 2003). The artificial setting of our experiments may have over inflated recall scores. Potential ceiling effects may account for the lack of statistical significance with some of our results, although precautions were taken in the form of a mind-clearing task. The conclusions of this study might benefit from a replication in a more naturalistic setting, with more varied attention measures. Further research could then also include delayed recall and/or recognition measures. It would be interesting to test how advertising responses for different products and brands evolve after a number of exposures. The results of this study could also be replicated for different products and varying ad strategies.

In our current design, we used only highly familiar, high-quality brands, and brand extensions were selected to fit moderately well with the newly launched product. It should also be noted that we used only fictitious new products, with which respondents had no direct experience. In this case, the only information consumers had on the extension was represented in the ad. We deliberately chose fictitious extensions so as to replicate the situation for a new product launch and not to confound the data with previous ads for an existing brand, or personal experience with the advertised product. Personal experience with a new brand may reduce the major influence of advertising on Apr and Ab (Smith 1993). Keller
and Sood (2003) also state that a strong experience with an extension is required for a consumer to update his or her feelings and opinions about the parent brand. This may be why Ab seemed relatively robust for the extension brands. The impact of different levels of parent brand quality, familiarity, and fit for extensions may be explored in terms of brand and USP recall as well. As a limitation to our study design, as mentioned, there was a confound between the two chosen product categories, in that they did not only differ in product category involvement, but also in purchasing motivation (utilitarian versus hedonic). Further research should try to disentangle the effect of pure level of product category involvement from type of buying motivation.

Literature


Wing, H. (2004): Brand extension is not a low risk option that firms think it is. Media Asia, p. 11.

Appendix 1: Stimulus

- Candy bar brand extension, positive emotional
- Candy bar brand extension, negative emotional
- Candy bar new brand, informational
- PC new brand, positive emotional
- PC new brand, negative emotional
- PC brand extension, informational