



Consumer and Brand Factors that Influence Perceptions of Green Brand Extensions

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Research Background and Hypotheses. Companies commonly demonstrate their commitment to the environment and compete in the green marketplace by leveraging their brand equity and introducing green brand extensions. Brand extensions allow well-known brands with a loyal customer base to engage in new sustainability efforts with less assumed risk. The success of a brand extension largely depends on the receptivity of the consumer influenced by the personal attributes of the consumer and persuasive ability of the brand. This study examines how consumer factors (environmental value and product involvement) and brand personality traits (expertise and innovation) influence response to green brand extensions. The schema theory is used in the brand management literature to explain how consumers use their knowledge about brand attributes, associations, and experiences to maintain or develop new brand impressions. Brand extensions prompt new changes in schema and can also initiate changes in established schemas of parent brands. The schema theory offers understanding of how consumers accept and organize information leading to formation of green brand impressions.

A consumer's sustainability value and product involvement influence the motivations behind acceptance of brand information. Past studies found a direct relationship between environmental commitment and brand attitude (e.g., Hartmann & Apaolaza-Ibanez, 2012). Also, product involvement, as a central motivating factor that influences consumer response to stimuli, is associated with knowledge of product attributes, perceptions of product importance, and ability to elaborate on product and advertising claims (e.g., Zaichkowsky, 1985). Consumers with environmental values are more likely to respond favorably to green line extensions. Also, consumers with higher apparel involvement are more likely to be receptive to the design and production process that make green brands. Consumer response is examined in two ways: brand fit and brand attitude. Brand fit is the degree of compatibility between the parent brand and green brand extension and brand attitude is whether consumers response favorably toward the brand.

H1: Consumers' environmental value (H1a) and product involvement (H1b) will positively influence perceptions of brand extension fit.

H2: Consumers' environmental value (H2a) and product involvement (H2b) will positively influence attitude toward the brand extension.

A brand's expertise and innovativeness are fundamental to brand evaluation and image (Heath, DelVecchio and McCarthy, 2011) and related to consumer's receptivity to brand extensions. Brand expertise refers to the ability and competence of brand as it signals a company's ability to offer product. Innovativeness signals a brand's ability to be creative and generate new ideas.

H3: Consumer perceptions of parent brand expertise (H3a) and innovation (H3b) will positively influence perceptions of brand extension fit.

H4: Consumer perceptions of parent brand expertise (H4a) and innovation (H4b) will positively influence attitude toward the brand extension.

Finally, fit between the parent brand and extension indicates whether the parent brand's attributes and quality transferred to the brand extension influencing brand attitude.

H5: Perceptions of brand fit will positively influence attitude toward the brand extension.

Data Collection. Data was collected via electronic experiment/survey using articles concerning two fictitious brand line extensions. A fictitious brand line extension, "Water Wasteless" jeans was created for two American jean brands, American Eagle and Lucky Brand. The two brands were identified as top jean brands from a pre-survey. A fictitious Wall Street Journal article about "Water Wasteless" jeans was created as an eco-friendly denim line extension from each of the two brands. Participants were assigned to one treatment. First questions measured participants' environmental attitude, product involvement, perceptions of the parent brand personality (American Eagle or Lucky Brand). After presenting one brand's fictitious Wall Street Journal article about the "Water Wasteless" brand extension, questions measured perceptions of the green brand extension's fit with the parent brand and attitude toward the brand extension. Data were collected from female undergraduate students attending a U.S. University. A total of 277 participants completed the survey (Lucky Brand=135; American Eagle=142). Ninety percent of the participants were in the age ranges of 19 and 21.

Data Analysis, Results, and Implications. Data analyses were conducted using SPSS 21 and AMOS 21. Cronbach's alphas for items ranged from .796 to .977. Composite mean scores for environmental concern and perceived consumer effectiveness were used as indicators for the latent construct environmental attitude because of the need to preserve the original multi-item measures and also simultaneously analyze latent variables. Confirmatory factor analysis (CFA) validated the measurement of the six constructs in the hypotheses; fit indices, factor loadings, construct reliabilities, and AVEs were all acceptable. Composite scores representing each construct variable were derived for general linear modeling procedures. Multivariate analyses with two dependent variables, brand extension fit and brand extension attitude, tested H1 thru H4. Univariate analysis positively tested H5. No brand effects were detected for all models. Results show consumer's environmental value to be a critical determinant of their response to green brand extensions (H1a and H2a). H1b and H2b were not accepted. Different parent brand personality traits influenced consumer response to the green brand extension: parent brand innovativeness positively corresponded to brand extension fit whereas a parent brand's expertise was related to brand extension attitude. Findings suggest green brand extensions should not necessarily target consumers with apparel interest but instead focus on consumers with environmental values. Also, parent brands with images that project innovativeness and competence hold an advantage for green brand extensions.

References

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