

15. The role of brand naming in branding strategies: insights and opportunities

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INTRODUCTION: THE FOCUS OF TRADITIONAL BRANDING RESEARCH

The branding strategy for a firm reflects the number and nature of common or distinctive brand elements applied to the different products sold by the firm. The often asked important questions include which brand elements can be applied to which products and what is the nature of new and existing brand elements that are to be applied to new products.

One critical area that intersects several such brand elements is the research on brand extension. Past traditional research has revealed that successful brand extensions occur when the parent brand is seen as having favorable associations and there is a perception of fit between the parent brand and the extension product.

There are many bases of fit: product-related attributes and benefits, as well as non-product-related attributes and benefits related to common usage situations or user types. In general, the findings point to the generalization that brand extensions are evaluated more favorably when perceived 'fit' is higher than when perceived fit is lower. Category similarity defined in terms of feature overlap is often used as the basis for fit judgments. For example, near extension categories that are physically similar to the parent brand category are evaluated more positively than far extension categories that are physically dissimilar to the parent brand category.

A number of recent studies have explored situations in which the main effect of near extension being evaluated more favorably than far extensions can be significantly moderated. Park et al. (1991) showed that perceived fit can also be determined by brand concept consistency. In addition, Broniarczyk and Alba (1994) showed that perceived fit can be judged on the basis of a salient association that connects the parent brand to the extension.

THE EFFECTS OF NAMING STRATEGIES

In the traditional model, the extensions studied were named by simply adding the parent brand to a new product in the extension category, for example, Froot Loops lollipops. According to the categorization model used in the traditional approach (Boush and Loken, 1991), when consumers evaluate an extension with a parent branding strategy cues they base judgments on the similarity between the parent brand category and the extension category; evaluations are favorable (unfavorable) in similar (dissimilar) extension

categories. More recent brand extension research has begun to investigate the impact of naming strategies that go beyond parent branding strategies. This research extends the traditional model by pairing the parent brand name with other cues that can be used to evaluate the extension.

In this chapter we will review research on the effects of sub-branding, co-branding, ingredient branding, and endorsement branding strategies on extension evaluations. Sub-branding involves a pairing of the parent brand name with an individual name that is not another brand. For example, Courtyard by Marriott and Apple iPod are two forms of a sub-branding strategy that differ in the order of the parent brand name and individual name components. Sub-branding is perhaps the most popular form of naming strategy in practice.

In contrast, co-branding, ingredient branding and endorsement branding involve a pairing of the parent brand name with a second brand name that is well known to consumers. For example, a Visa credit card that earns American Airlines frequent flier miles is a co-branded product; a Dell personal computer with Intel Inside is an example of an ingredient branded product; and Levi's Dockers is an endorsement branded product. One important difference between these dual branded strategies is the perceived contribution of each brand to the success or failure of the new product. The two brands (for example Visa and American Airlines) are typically perceived to contribute more or less equally in a co-branded strategy; the ingredient brand (for example Intel) is less of a contributor to success; and the endorsing brand (for example Levi's) has the least direct connection to the extension.

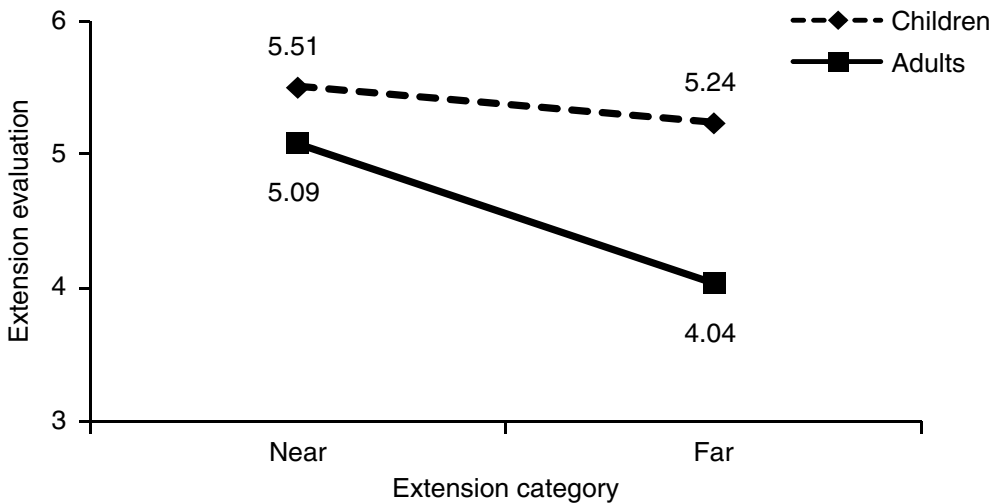
From a theoretical perspective, these brand naming variations can be conceptualized in terms of varying the salience of the parent brand name. In the traditional brand extension paradigm, only the parent brand name is used as a basis for judgment when evaluating the extension. Branding strategies such as sub-branding add another cue (either an individual brand name component or another brand name altogether) which determines how the parent brand name will be used in judging the extension. In this chapter we will review several findings and present some new research that suggests that there may be much more flexibility in terms of brand extension possibilities than previously considered in the traditional model.

We begin by detailing recent research that has identified several interesting findings related to the effectiveness of a sub-branding strategy. This research builds on the traditional brand extension model by examining person factors, category factors, and the effects of sub-branding on parent brand dilution. We conclude by reviewing research on strategies that involve two brand names jointly present on one new product.

A. PERSON FACTORS: CHILDREN VS. ADULTS

One particular approach is to examine individual differences in extension evaluations. In particular, the traditional model of brand extension evaluations did not consider the effects of age. Zhang and Sood (2002) showed that extension evaluations depend on the age of the respondent as well as the naming strategy.

In a series of experiments, Zhang and Sood showed that children usually do not use category similarity as a criterion when evaluating extensions, while adults do, as shown in



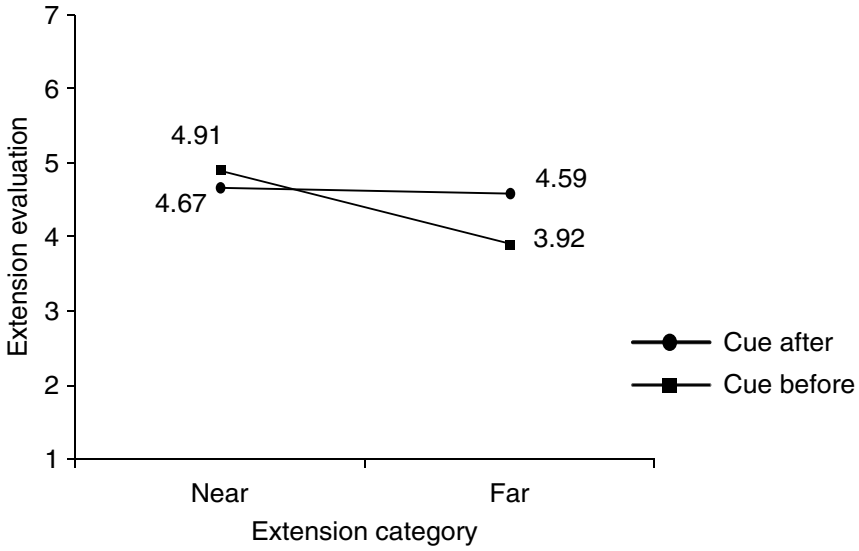
Source: Zhang and Sood (2002).

Figure 15.1 Perceived category fit and extension evaluation

Figure 15.1. They suggested that while children are capable of explicitly judging category similarity, they do not do so when evaluating extensions where the similarity judgment task is implicit. To test this idea, they conducted an experiment in which half of the children were cued to make similarity judgments prior to extension evaluations, and the other half were not cued. To rule out the possibility that differences between children's and adults' judgments stem from differences in involvement in the judgment process, they also included a measure of involvement. Similarly, to rule out the possibility that there were unique category effects effectively, they also used a range of product categories. They hypothesized that when children are cued, deep cues such as category similarity would be made salient at the time of evaluation, and children would use deep cues and rate near extensions more favorably than far extensions. In contrast, they predicted that, when children were not cued, they would not use deep cues and they would rate near and far extensions equivalently. Indeed, the findings supported the hypotheses, as shown in Figure 15.2. This pattern of results showed that children possess the ability to make use of deep cues, although they do not spontaneously use this ability if the judgment task only implicitly requires them to do so.

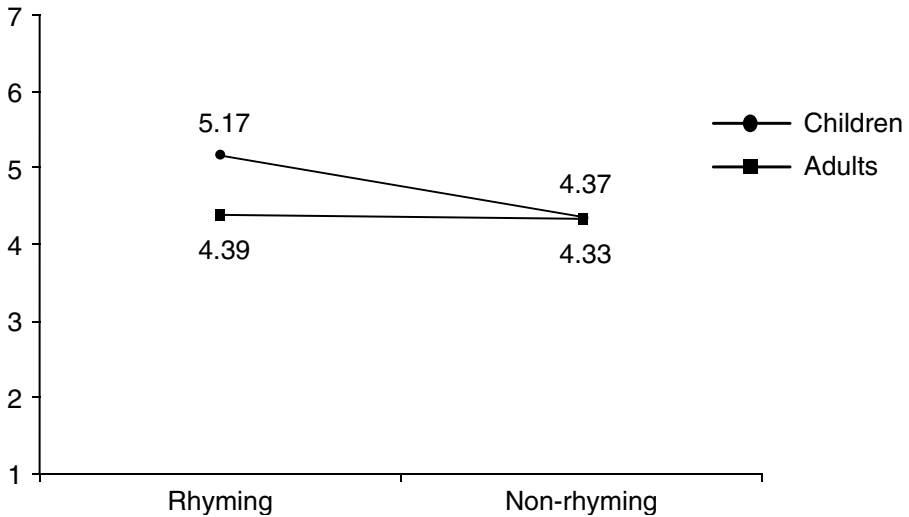
Next, the authors focused on the processes children use to arrive at extension evaluations in the absence of deep cues. The authors reasoned that if it is indeed true that children rely more on surface cues than on deep cues, then children should be more sensitive to surface manipulations than adults. They predicted that children would be more likely than adults to base their evaluations on surface cues such as visual characteristics (for example product color, shape, size), brand names (for example strong vs. weak names), and brand name characteristics (for example rhyming vs. non-rhyming names).

This prediction was tested using one of these surface cues (rhyming vs. non-rhyming names) largely because past research has accumulated strong evidence that linguistic perceptual similarities in stimuli are salient for children. They expected and found that



Source: Zhang and Sood (2002).

Figure 15.2 Extension evaluation by category fit and cue timing



Source: Zhang and Sood (2002).

Figure 15.3 Extension evaluation by brand name characteristic and age

children relied more on surface characteristics of extension names and preferred extensions with rhyming names to extensions with non-rhyming names, regardless of category similarity. In contrast, the adult participants relied more on deep characteristics of extension category similarity and prefer near extensions to far extensions, regardless of name characteristics (see Figure 15.3).

Zhang and Sood's studies have shown that children and adults evaluate brand extensions differently with respect to the use of deep and surface cues. Adults use deep features such as category similarity while children tend to use surface features such as brand names and name characteristics as a basis for extension evaluations. The research is one of the first demonstrations of age as an important moderator of brand extension evaluations. It identifies important aspects of the underlying processes that are different for children and adults in brand extension evaluations.

B. EXTENSION CATEGORY FACTORS: EXPERIENTIAL PRODUCTS

When can brand name characteristics also influence adult consumer judgment of brand extension evaluations? To answer this question, Sood and Dreze (2006) explored a new frontier of research on experiential products as extension categories. The authors reasoned that the usual brand extension evaluation process involves products that are tangible with a list of attributes. However, the extension categories can also be entities that are intangible or more experiential. For example, movie sequels are new extensions that in general require consumer experience in order to be able to best evaluate the new product, relative to a new brand of toothpaste. Because consumers lack a basis of judgment in experiential products, they would tend to rely on the name itself to deduce information about the content (for example the sequel). Thus, changing the extension product category to experiential products created an ideal and realistic situation in which naming can potentially affect adult consumer extension evaluations.

Sood and Dreze's research diverges from past brand extension research in that they predict that, when the products being extended are experiential and intangible in nature (such as movies), dissimilar extensions will be preferred to similar extensions. They base the predictions on the notion that experiential attributes have a different basis for evaluation compared to tangible attributes. According to the categorization model, assimilation with the parent brand improves evaluations when extensions are similar because the activated parent brand associations, typically search attributes such as cavity protection for Crest, are favorable in similar extension contexts such as mouthwash (Keller, 1993). For movie sequels, the parent brand associations that come to mind are likely to be experiential attributes such as the original movie's storyline, its genre, and memorable scenes. These attributes are typically featured in movie trailers and television ads; hence they should be relatively easy to recall.

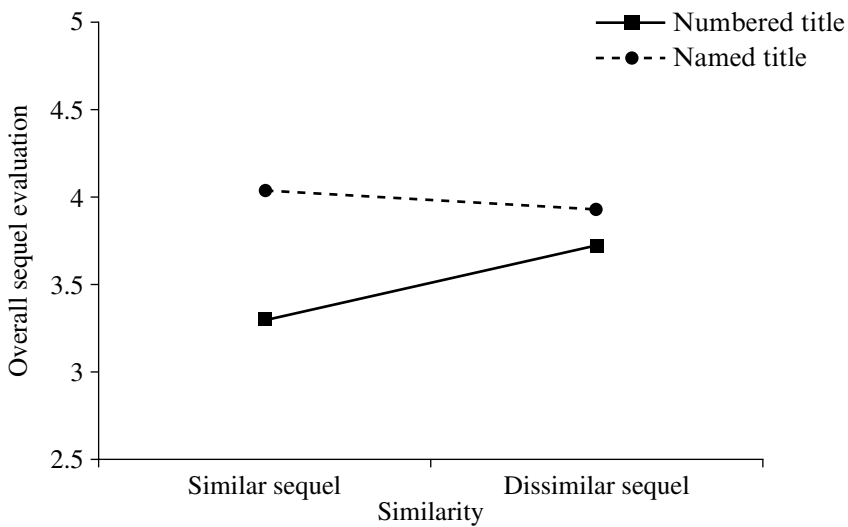
In contrast to physical goods, the authors suggest that experiential attributes are subject to satiation. In the context of movies, attributes such as the storyline and genre tend to satiate such that consumers prefer to experience something different in the sequel; hence dissimilarity is preferred to similarity. Although high similarity provides a closer connection to the original film, in experiential contexts this process of assimilation is more likely to result in satiation and may therefore lower sequel evaluations. For example, if the original movie is an action/adventure film, consumers may be more attracted to a sequel that also includes a new genre such as a romance relative to a sequel that simply continues the previous theme.

This contrast between tangible goods and intangible goods was used as the basis for the investigation of sub-branding hypotheses.

Table 15.1 Stimuli used

Original movie title	Numbered title	Phrased title	Sequel's similarity
Daredevil	Daredevil 2	Daredevil: Taking to the Streets	Near (similar) Action
Daredevil	Daredevil 2	Daredevil: Taking to the Streets	Far (dissimilar) Action plus romance

Source: Sood and Dreze (2006).



Source: Sood and Dreze (2006).

Figure 15.4 Sequel evaluation by similarity and title strategy

Given that the effects of satiation in experiential goods settings are well established in psychology and consumer behavior, the authors suggest that although not commonly considered in extension research, satiation can provide some insight to brand extensions in experiential categories. Using stimuli as shown in Table 15.1, the authors found what they predicted: dissimilar extension categories are rated more favorably than similar categories, as shown in Figure 15.4.

The authors suggest that the title strategy for sequels affects the degree of assimilation of the sequel and consequently influences the likelihood of satiation with the sequel's storyline. Similar to a 'parent-name-only' branding strategy, a numbered sequel title (for example, *Daredevil 2*) relies heavily on knowledge of the original movie (*Daredevil*) as a basis for evaluations of the sequel. In contrast, a named sequel title (*Daredevil: Taking it to the Streets*) relies less heavily on the original movie as a basis for evaluations because the added part of the name cues novelty in the plot. In addition, the extra phrase may help



Source: Sood and Dreze (2006).

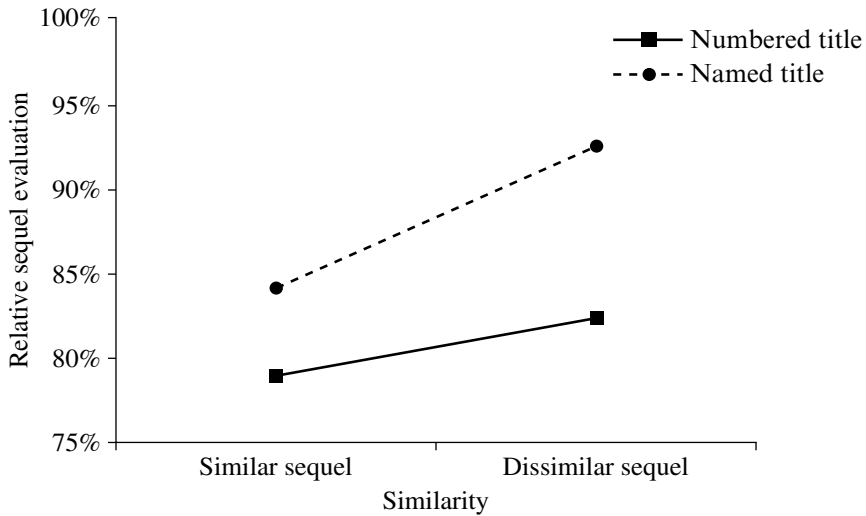
Figure 15.5 Sequel evaluation by presentation order and title strategy

to sub-type the sequel as potentially offering a different experience than the original. If numbered sequels are more likely to be assimilated with the original movie and subject to satiation than named sequels, then perceived similarity should significantly affect numbered sequels but not named sequels.

If assimilation is the mechanism underlying movie sequel evaluations, the authors further suggested that evaluations would be influenced by the presentation order of information. Specifically, the sequel title is the key piece of information that leads to assimilation. If the sequel title is provided before the plot description, then the parent movie category should be activated to a greater extent when the sequel is numbered (vs. named), leading to a greater degree of assimilation. If the sequel title is provided after the plot description, however, then the parent movie activation is equalized across naming strategies, and evaluations of numbered sequels should more closely resemble named sequels. In summary, assimilation is more likely when a numbered title is provided before the description relative to when a numbered title is provided after the description. In contrast, named sequels should not be as subject to assimilation and therefore order of presentation. Indeed, experimental results support their hypotheses, as shown in Figure 15.5.

Finally, the authors provided empirical support for their findings using real data from the Internet Movie Database (www.imdb.com). Visitors to this website are invited to provide their own ratings to movies that they have seen. These visitors typically rate the sequel and provide comments on why a particular film was good or bad.

The database included over 400 sequels, including every sequel that had been launched up to the year 2000. In total, the database contained over four million ratings of sequels. As shown in Figure 15.6, the proposed hypotheses were shown to emerge in the ratings data such that dissimilar sequels were rated higher than similar sequels and numbered sequels were rated lower than named sequels.



Source: Sood and Keller (2008).

Figure 15.6 IMDB movie rating by similarity and title strategy

An interesting and critical brand element that these studies focused on is sub-typed brand name. In a branding context, sub-typing has been associated with sub-branded extensions. Sub-branding is a form of brand extension that combines a parent brand name with an individual name to form the name of a brand extension (for example, *Courtyard by Marriott*). Research suggests that extensions which include the parent brand name only (*Marriott*) are more likely to be assimilated with parent brand knowledge structure while sub-branded extensions (*Courtyard by Marriott*) are more likely to be sub-typed as distinct from the parent brand (Milberg et al., 1997). Movie sequel names belong to this type of sub-branding extensions evaluations, in which the naming itself and how it is constructed can significantly affect consumer evaluations of the extension categories.

A third area of sub-branding research examines the effects of branding strategies on feedback effects to the parent brand, commonly referred to as dilution effects. That is, we are often as concerned with how evaluations of the parent brand may change as with the success or failure of an extension.

C. DILUTION EFFECTS

Sood and Keller (2008) examined how sub-branding may influence the effects of product experience on extension evaluations and parent brand dilution. The authors reasoned that sub-branding may have an impact on evaluations because the semantic meaning of the individual name component can help to position the extension in its new category.

This positioning effect is most pronounced in dissimilar categories because parent brand knowledge is not considered to be relevant for the extension when the categories do not have physical similarity. For example, consider if Tropicana were to introduce a new type

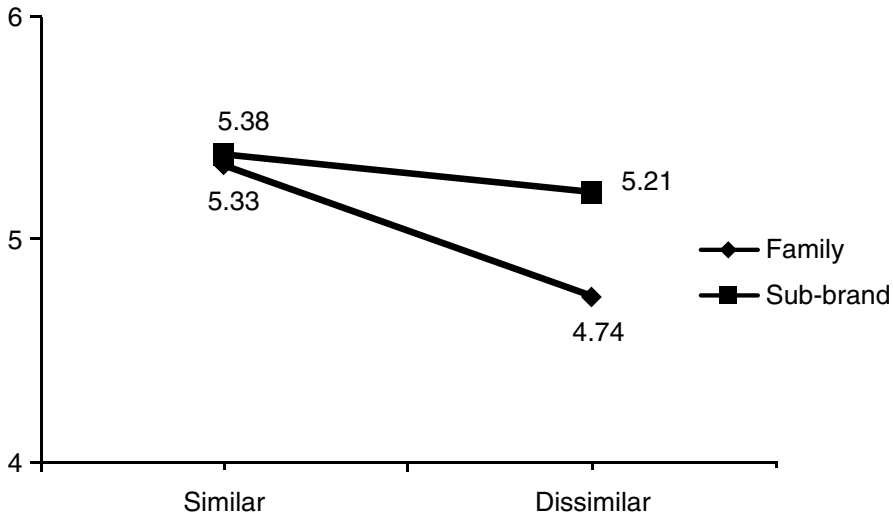


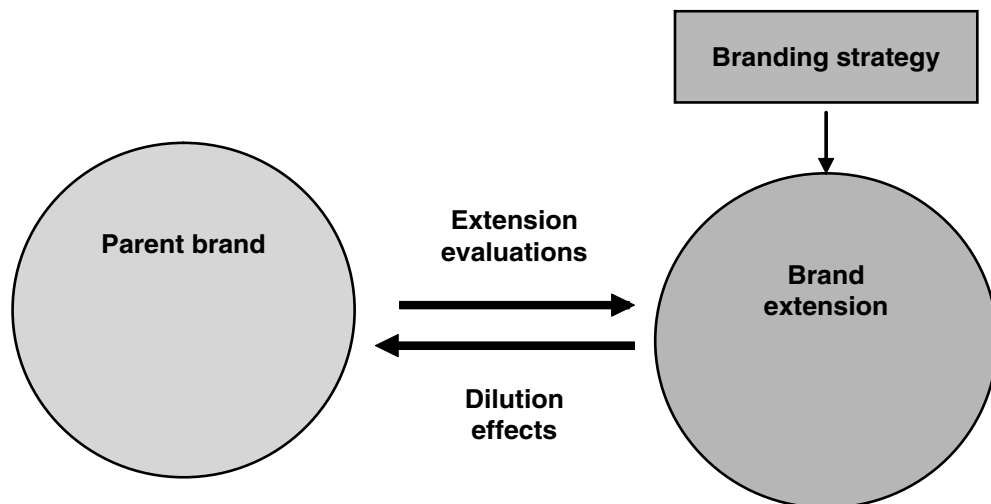
Figure 15.7 Extension evaluation by category similarity and branding strategy

of cola. This brand extension may receive low ratings because the knowledge that comes to mind for Tropicana is not favorable in the context of a cola. However, if the extension used a sub-branding strategy such as Quencher by Tropicana, the individual name could help divert attention away from the parent brand and help to position the extension more favorably. The authors examined this positioning prediction in the context of a taste test. Respondents were provided with direct experience regarding the success or failure of the extension via product trial. An extreme prediction would therefore be that branding strategy would not have any effect at all on evaluations because, in contrast to the vast majority of previous branding research, in this case consumers could try the product.

In contrast, the authors predicted that the typical branding effect would emerge and that sub-branding would provide a positioning benefit in dissimilar categories. This positioning effect of sub-branding was tested using an experimental design that included two parent brand replicates, Tropicana and Pepsi, extended to two categories, juice and cola. The individual components of the sub-brand names were selected to be meaningful in the extension categories; Quencher in cola and Sunburst in juice. Finally, in order to examine dilution effects, respondents either tasted a beverage that tasted good (for example, real Pepsi or Tropicana) or bad (for example, diluted Pepsi or Tropicana).

The authors found support for the positioning hypothesis, as shown in Figure 15.7. Note that these results are particularly striking because branding effects persisted even when consumers were allowed to experience the product. Specifically, Tropicana juice was rated higher than Pepsi juice and Pepsi cola was rated higher than Tropicana cola, even though respondents drank exactly the same drink!

The finding that a sub-branding strategy influences evaluations even when consumers have experience with the product suggests that branding strategy may also moderate dilution effects. Dilution effects occur when consumers use extension evaluations to update their evaluations of the parent brand. We have outlined the process of how dilution effects may be moderated by branding strategy in Figure 15.8.



Source: Sood and Keller (2008).

Figure 15.8 Model of the impact of branding strategy on dilution effects

The authors reasoned that if the individual component in the sub-brand name reduces the reliance on the parent brand name as a cue on which to base extension evaluations, then the parent brand should also be somewhat shielded from the effects of parent brand dilution. In other words, the sub-brand name may signal to consumers that the extension is intentionally different from the parent brand.

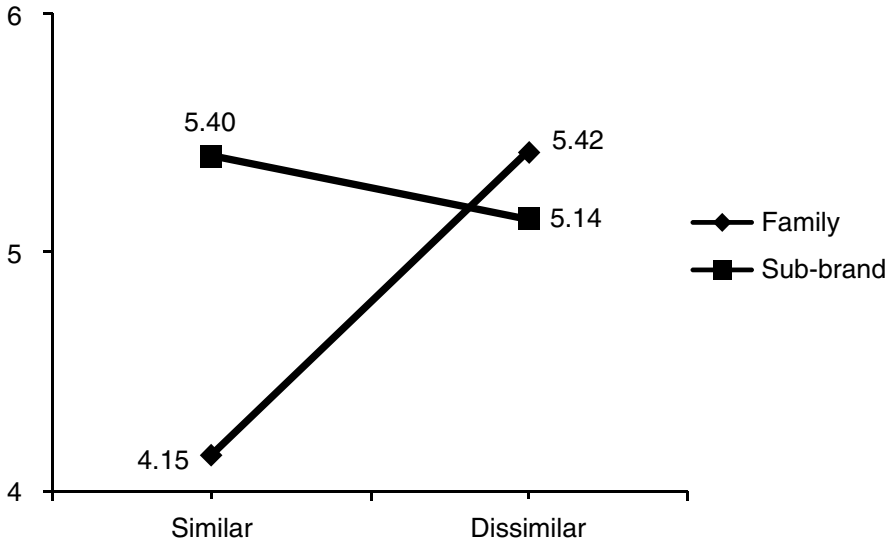
The authors examined this prediction by giving respondents direct experience with the product again, but this time the drinks were pretested to be unfavorable. As shown in Figure 15.9, sub-branding shielded the parent brand from dilution effects.

In summary, sub-branding research has revealed several important and interesting effects. First, the meaningfulness of the individual component of the sub-brand name has a large effect on evaluations. For children, rhyming names had a greater impact than category similarity. In movies, a numbering strategy did not provide any new information about the sequel, hence evaluations were lower. In terms of parent brand dilution, a meaningful sub-brand name shielded the parent brand name from unwanted feedback effects.

We now turn our attention to the effects of naming strategies with two well-known brands. In contrast to sub-branding, the effect of two brand names depends upon the perceived connection between each brand and the new product.

D. NAMING STRATEGIES WITH TWO BRANDS: CO-BRANDING INGREDIENT BRANDING, AND ENDORSEMENT BRANDING

Recent research has also investigated the effects of branding strategies when two brand names are present. In this case, consumers must judge the consistency between the brand names themselves and between the brand names and the extension category. In addition,



Source: Sood and Zhang (2008).

Figure 15.9 Impact of brand extension category similarity and branding strategy upon parent brand dilution

there is an issue of how consumers may perceive each brand's relative contribution to the success or failure of the product.

Co-branding involves a pairing of the parent brand name with another well-known parent brand name such that both brands share roughly equal responsibility for creating the extension. Park et al. (1996) showed that the order of the co-brands determines extension evaluations. For example, a co-branded extension named Godiva cake mix by Slimfast was perceived to be relatively rich in flavor whereas a co-branded extension named Slimfast cake mix by Godiva was perceived to be relatively low in calories.

Ingredient branding involves a pairing of two parent brand names such that one brand bears primary responsibility for creating the product while the other brand offers an expertise or specialization on a specific attribute. Desai and Keller (2002) found that co-branded ingredients (for example, Tide with Irish Spring scented bath soap) led to higher evaluations of dissimilar line extensions, whereas self-branded ingredients (for example, Tide with its own EverFresh scented bath soap) led to higher evaluations of similar line extensions.

Endorsement branding may be considered a weaker form of pairing two brands because the endorsing brand often plays a much more secondary role relative to the endorsed brand. As a result, attention is directed towards the endorsed brand to a much greater extent than in co-branding or ingredient branding strategies. In general, there are explicit and implicit endorsement strategies. For example, Levi Strauss launched the Dockers brand with an explicit endorsement strategy. In the introductory period, the Levi's brand was present alongside the Dockers brand in the television advertising campaign. Over time, however, the Levi's name was dropped from the primary marketing activities and the brand became Dockers. The endorsing brand may therefore serve as a

risk reduction mechanism until the endorsed brand becomes more familiar to consumers. Endorsement branding may also be conceptualized as an implicit strategy in the form of brand partnerships and sponsorships. For example, Mountain Dew's sponsorship of the X-Games represents an implicit endorsement of Mountain Dew for the X-Games. In this case, both brands benefit from this type of complementary relationship because there is synergy in regards to the target market for both the X-Games and Mountain Dew.

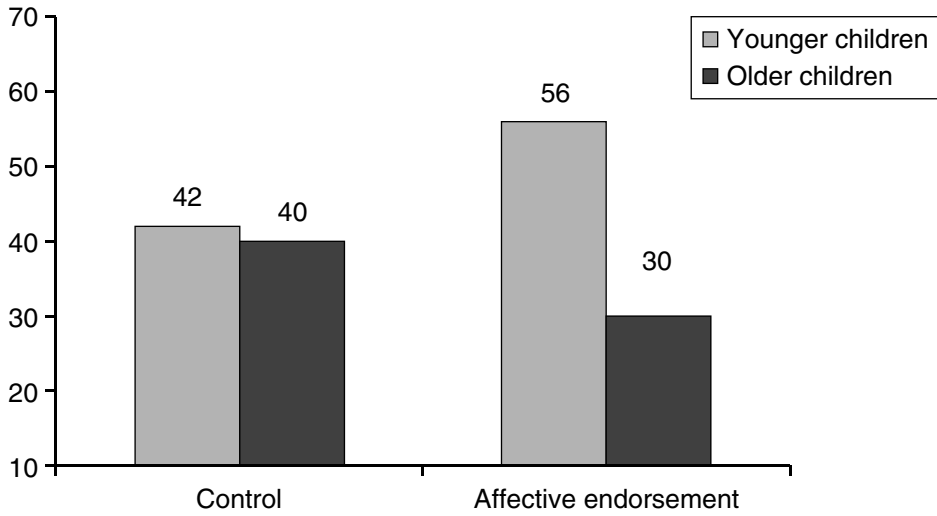
Sood and Zhang (2008) examined this latter type of implicit endorsement relationship in the context of children. The authors reasoned that for adults an endorsement strategy works on a rational basis where the endorsing brand either plays a risk reduction role or a complementary role as described above. As children develop into adults, they become exposed to a myriad of endorsement strategies and begin to develop a set of rules for evaluating these relationships between multiple brands. The evaluation process is likely to become more sophisticated as children transition from early stages of childhood to the later stages of childhood. In particular, the authors were interested in an affective-oriented endorsement strategy that pairs two well-liked brands together without defining a more rational basis for the relationship.

In the experiment the authors presented a set of younger children (for example, aged 7 to 9) and older children (for example, aged 10 to 12) with a choice between various candies, cookies and cereals. In the control condition, the children were presented with a choice between one item alone (for example, a package of M&Ms) or two items together (for example, a Hershey bar and a package of bubble gum). In the affective endorsement condition, the lone item was paired with another brand on the package (for example, M&Ms with Barbie). The hypothesis was that in the control condition, both younger and older children would prefer to have two candies rather than one. In the affective endorsement condition, younger children would be more likely than older children to prefer the affective endorsement because they have not developed decision strategies that evaluate what benefit the second brand has to offer. As shown in Figure 15.10, this prediction was supported.

Although older children were not influenced by the affective endorsement, the authors examined other factors that did influence older children. The authors speculated that older children may be susceptible to social endorsements, specifically what brands their friends may prefer. The second study was designed to test this social endorsement prediction. The control condition was as before, providing younger and older children with a choice between either one item alone or two items together. The social endorsement condition presented the same choice options, however the lone item was identified as the option that most of their classmates preferred. The prediction was that the older children would be influenced by the social endorsement, as they are in the stage of development where social relationships are quite salient. Younger children, however, have not yet matured and would continue to prefer two items over the lone item. As shown in Figure 15.11, this prediction was supported.

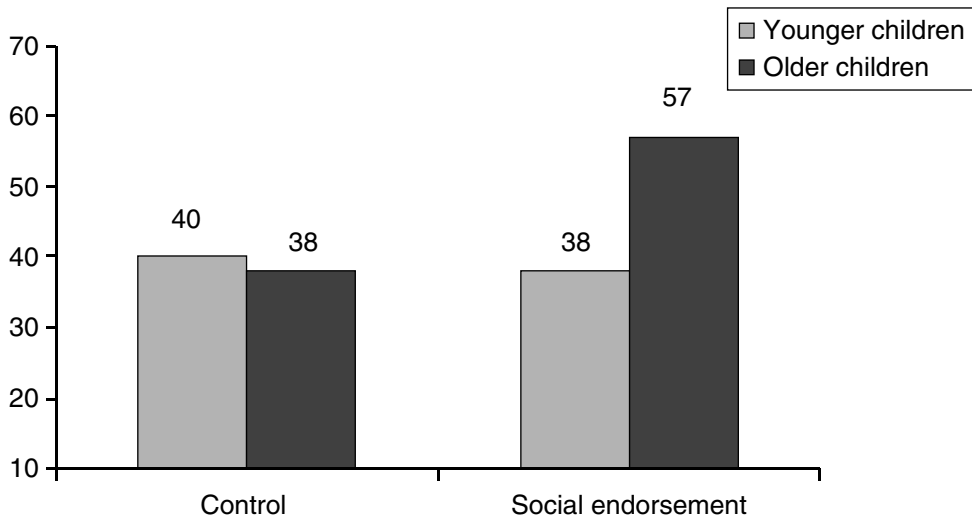
DISCUSSION

In this chapter we have reviewed recent research on brand naming that builds on the traditional brand extension model. In contrast to the traditional model where the parent



Source: Sood and Zhang (2008).

Figure 15.10 Item evaluation by affective endorsement and age



Source: Sood and Zhang (2008).

Figure 15.11 Item evaluation by social endorsement and age

brand name is the primary basis of judgment, brand naming strategies introduce another cue to be used in evaluations. How this added cue is interpreted will depend upon person factors, category factors and the meaningfulness of that cue in the context of the evaluation.

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