Enhancement Or Dilution? Asymmetric Influence of Channel Fit on Beliefs and Evaluations of Functional and Symbolic Brands and Stores

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In light of increasing number of brands distributing through distinct stores, we investigate the influence of fit of functional vs. symbolic brands distributing through functional vs. symbolic stores and of the latter carrying functional vs. symbolic brands. Specifically, we examine the influence of store image on brand beliefs and brand evaluations and the influence of brand image on store evaluations. Using prior literature in context effects, brand fit, functional-symbolic product concepts, and assimilation-contrast models as conceptual underpinnings of our hypotheses, findings from an experiment employing real store names and brand names in four category replicates revealed consumers perceived poor fit in symbolic stores carrying functional brands and functional stores carrying symbolic brands. In both cases, poor fit resulted in consumers thinking less positively about stores carrying image inconsistent brands. Regarding the influence of store image on brand evaluations, poor fit of distributing through image inconsistent stores resulted in lower likelihood to buy but only for symbolic and not functional brands. Finally, there seems to be disconnect between the influence of store image on brand beliefs and brand evaluations. Despite the symbolic belief of symbolic brands being perceived stronger at functional store, the evaluations of symbolic brands was lower at functional vs. symbolic stores. Similarly, despite stronger functional beliefs at symbolic stores, the evaluation of functional brands at symbolic vs. functional stores did not differ.

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EXTENDED ABSTRACT

As branded products face increasing competition, marketers seek new channels to distribute their products in hopes of targeting distinct consumer segments e.g., Eddie Bauer luggage at Wal-Mart. Will selling at Wal-Mart hurt or help the evaluation of Eddie Bauer luggage? Will it strengthen or dilute its symbolic brand beliefs? From the perspective of Wal-Mart, will carrying a respected label such as Eddie Bauer have a beneficial or harmful effect on its store evaluation? In this study we investigate the influence of channel fit on the beliefs and evaluations of brands and on the evaluations of stores. Operationalizing brand and store images in terms of functional vs. symbolic, we define channel fit to be high when a functional brand is distributed through a functional vs. symbolic store and similarly for symbolic brand distributed through a symbolic vs. functional store. The same argument applies for functional stores carrying functional vs. symbolic brands and similarly for symbolic stores. Using prior literature in context effects, brand fit, functional-symbolic product concepts, and assimilation-contrast models as conceptual underpinnings, we extend the fit literature in branding (e.g., Loken and Roedder John 1993) by investigating the following four questions:

1) Is the influence of channel fit on evaluation moderated by the brand/store image such that are symbolic vs. functional brands/stores more vulnerable to the contextual influence of channel fit?

2) Is the influence of channel fit on evaluation moderated by whether the target product is a brand or store? Specifically, will brand image exert a more powerful fit influence on store evaluations than the other way around?

3) Is the link between poor channel fit-evaluation independent of the link between poor channel fit-brand beliefs. That is, will poor channel fit necessarily result in dilution of parent brand beliefs as suggested by prior research in brand extension?

4) Is the influence of symbolic image on functional brand and store evaluations are consistent and comparable to the influence of functional image on symbolic brand and store evaluations?

These questions have not been explored before and are important to investigate both for theoretical and managerial reasons. Theoretically, answers to above questions will extend our understanding of the link between fit-evaluations and fit-beliefs by exploring the moderating influences of the image of context stimulus (functional vs. symbolic) and the nature of the target product – store vs. individual brand (we posit individual brand image to exert stronger influence on store evaluation than store image’s influence on brand evaluations). They will also help us ascertain whether influence of symbolic image on functional brand and store evaluations are consistent and comparable to the influence of functional image on symbolic brand and store evaluations. Finally, they will also help us ascertain if (channel) fit influences evaluations and beliefs similarly or whether the two influences can be independent. Managerially, findings from this study will help brand managers ascertain if there are any underlying risks in distributing their brands through channels with poor fit and thus, which channels should they seek and which they should avoid. Similarly, store managers can decide if it is worth the risk of distributing brands which fit poorly with store image.

Our research, compared to the prior literature in multiple extrinsic cues (e.g., Chu and Chu 1994) and the contextual influence of one brand on the other (e.g., Buchanan, Simmons, and Bickart 1999) which have examined similar issues, is distinct in couple of ways. First, we examine the influence of store’s image on brand as well as the influence of brand’s image on the store. The latter has not been systematically investigated before. Findings from this research can help store managers decide which brands they should carry so as to positively leverage the images of those brands to its benefit. Second, compared to prior research which investigated similar effects by varying brand familiarity and attitude (Buchanan, Simmons, and Bickart 1999; Simonin and Ruth 1998), we controlled for brand familiarity and attitude and instead examined the influence of fit by varying the image of the brand (and store) – functional vs. symbolic. That is, even if both the store and the brand enjoy similar levels of familiarity and attitude, would the poor fit in terms of their respective images result in unfavorable evaluations as prior research would suggest (Loken and Roedder John 1993; Miyazaki, Grewal, and Goodstein 2005; Simonin and Ruth 1998) or would the influence of poor fit be more harsh on symbolic vs. functional brands and stores? Despite the ubiquity of brands assuming either a symbolic or functional image in the marketplace (Park, Jaworski, and MacInnis 1986), there is less empirical research about its influence (see Park, Milberg, and Lawson 1991for exception).

We investigated the above four research questions in an experiment with 99 undergraduates. We employed real store names (Functional = Wal-Mart vs. Symbolic = Lord & Taylor) and real brand names in four replicate categories (Symbolic = Calvin Klein vs. Functional = Wrangler jeans; Eddie Bauer vs. American Tourister luggage; Nike vs. New Balance athletic shoes; and Swatch vs. Timex hand watches) to make our findings externally valid and more generalizable.

Findings pertaining to stores revealed consumers perceived poor fit in symbolic stores carrying functional brands and functional stores carrying symbolic brands. In both cases, even though poor fit resulted in no difference in store attitude, consumers thought less positively about stores carrying image inconsistent brands. Thus, the influence of brand image on store evaluations was symmetric i.e., symbolic brands at functional stores carrying symbolic brands were just as much hurt as symbolic stores distributing functional brands. In contrast, the influence of store image on brand evaluation was asymmetric. Specifically, poor fit of distributing symbolic brands through functional stores resulted in lower likelihood to buy the brand but poor fit of distributing functional brands through symbolic stores did not lower the brands’ buying likelihood. Finally, there seems to be disconnect between the influence of store image on brand beliefs and brand evaluations. Despite the symbolic belief of symbolic brands being perceived stronger at functional store, the evaluations...
of symbolic brands was lower at functional vs. symbolic stores. Similarly, despite stronger functional beliefs at symbolic stores, the evaluation of functional brands at symbolic vs. functional stores did not differ.

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