Theoretical Underpinnings of Brand Architecture Strategies: Using Models of Stereotype Change to Understand Sub-Brands

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ABSTRACT
Grounded on categorization and schema theory, this paper uses models of stereotype change (conversion, subtyping, subgrouping, and bookkeeping models) to understand how consumers evaluate different types of sub-brands including brand alliances, endorsed brands, dual brands and support brands. It is argued that a generally held stereotype is analogous to a generally held brand image, and that the development of a sub-brand’s image, and the changes in the parent brand’s image resulting from the creation of such sub-brands, would depend on the specific type of sub-branding strategy undertaken.

EXTENDED ABSTRACT
Combining multiple levels of branding from top level corporate brands to bottom level product sub-brands, and creating linkages amongst them – generally known as brand architecture – is a powerful strategic tool for building strong brands (Aaker and Joachimsthaler, 2000; Lederer and Hill, 2001; Uncles et al., 1996). Researchers have identified several types of such architecture strategies using different terms to describe them, including endorsed brands, dual brands, support brands and brand alliances (Aaker, 1996; Keller, 1999; Rao and Ruekert, 1994). Grounded on categorization and schema theory, this paper uses models of stereotype change to understand how consumers evaluate sub-brands. Stereotypes are beliefs about the characteristics of a specific social group and are notoriously difficult to change (Kunda and Oleson, 1995). The models of stereotypic change developed to date are the conversion model (Rothbart, 1981), bookkeeping model (Weber and Crocker, 1983), subtyping model (Weber and Crocker, 1983) and subgrouping model (Maurer et al., 1995). This paper argues that a generally held stereotype is analogous to a generally held brand image, and that the development of a sub-brand’s image, and the changes in parent brand’s image resulting from the creation of such sub-brands, would depend on the specific type of sub-branding strategy undertaken.

Although researchers in branding have identified several types of sub-brands, the author conceptualizes them into four different categories: brand alliances where two different brands owned by two companies are merged, endorsed brands where an established brand creates a new brand while providing some form of endorsement, dual brands where an established brand creates several sub-level brands with the parent brand dominating purchase decisions, and support brands where an established brand creates a large number of sub-level offerings in the form of modifiers, features and benefits.

CONVERSION MODEL AS BRAND ALLIANCE
According to the conversion model (Gurwitz and Dodge 1977; Rothbart, 1981), people are swayed by salient instances which deviate strongly from expectancies. Stereotypes change drastically in response to dramatic instances but remain unchanged by minor changes. As Weber and Crocker (1983) suggested, a person’s stereotype that Germans are efficient may be revised drastically if she/he encounters a German whose behavior demonstrates substantial inefficiency.

We posit that mergers and acquisitions (brand alliances) eventuating in an endorsed type brand – whereby brand elements (name, logo, color, etc.) from both companies are retained in some way as part of the overall brand elements (as in CitiStreet) – may be viewed as representing the conversion model, hence called converted brands. Brand elements as a whole are considered one of the most salient attributes of a brand (Keller, 1993). Sudden changes to such an attribute may change the brand image substantially. When a consumer finds his/her favorite brand (CitiGroup) being merged with another strong brand (StateStreet), the overall resultant image of the converted brand will change. Consistent and synergetic mergers and acquisitions may result in favorable image changes, while inconsistent and mistaken conversions may result in unfavorable changes.
SUBTYPING MODEL AS ENDORSED BRANDS

Subtyping is defined as a “process by which group members who disconfirm, or are at odds with, the group stereotype are mentally clustered together and essentially set aside as exceptions to the rule” (Maurer et al., 1995, p. 812). The process insulates the stereotype from change by isolating those instances that do not fit the stereotype. The disconfirming instances become their own ‘group’ and thereby pose no challenge to the preexisting belief structure (Hewstone et. al., 1994).

We argue that the process of subtyping represents the logic of endorsed brands such as Courtyard by Marriott. The endorsed brand ‘Courtyard Hotel’, serving as a disconfirming instance, is clustered together and set aside as a brand of its own, posing no challenges to the preexisting brand image of ‘Marriott Hotel’. Developing endorsed brands may in fact strengthen the overall stereotype of the parent brand since, as the number of meaningful target segments increases, a specific endorsed brand could be developed for that particular market (Taylor, 1981).

SUBGROUPING MODEL AS DUAL BRANDS

Subgrouping as a process that promotes stereotype change, is defined as “organizing information into multiple clusters of individuals who are similar to one another in some way and different from other group members” (Maurer et al., 1995, p. 813). In contrast to the subtyping process, the subgrouping process involves not only a group member’s tendency to disconfirm the group stereotype but also the manner in which the individual confirms the stereotype. Subgrouping entails an increase in ‘perceived variability’ as perceivers think about the superordinate stereotype in terms of clusters of individuals (Maurer et al., 1995).

In this research it is argued that the subgrouping model represents dual brands where the parent brand dominates the sub-brand, as in Nivea Visage and HP DeskJet. For example, as a range of dual brands is developed by HP, the perceived variability of the HP image increases, reflecting some change in that image while allowing the sub- brands to be created under its shadow.

BOOKKEEPING MODEL AS SUPPORT BRANDS

In the bookkeeping model (Rothbart, 1981), gradual modification of stereotypes occurs by the additive influence of each piece of disconfirming information. Evidence that is relevant to the stereotype is noted and used to fine-tune it. Any single piece of disconfirming information elicits only a minor change in the stereotype; substantial change occurs gradually with the accumulation of disconfirming instances deviating systematically (Weber and Crocker, 1983).

The authors contend that the bookkeeping model represents support brands including features, benefits, and modifier brands. As these types of sub-brand are introduced, consumers note any ‘disconfirming’ brands while fine-tuning the overall image of the parent brand. Over time, introduction of a significant number of such support brands would lead the consumer to change the overall brand image of the company to a more heterogeneous image. The bookkeeping model does not necessarily suggest that the purpose of creating support brands is to tap into new product/segment contexts.

The implication of the preliminary phase of this study is that designers of brand architecture strategies should pay serious attention to the type of sub-brand offered, as different types of sub-brand have different effects. For example, a parent brand intending to create a broader base by generating a diversity of associations should create a number of dual brands rather than endorsed brands, while a parent brand which intends to preserve its set of associations should develop a range of endorsed brands, to tap into different product markets. Subsequent phases of this research project involve developing refined hypotheses based on the stereotype models and testing them using an appropriate sample with some representative sub-brands.

REFERENCES


I Designed the Avatar Myself: The Role of Implicit Egotism in Virtual Co-Creation

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EXTENDED ABSTRACT

As e-commerce experience tremendous growth, the use of interactive tools like “Avatars” (Appiah and Elias 2009; Holzwarth et al. 2006) are adopted by retailers to engage consumers with distinctive virtual shopping experience. An Avatar refers to a humanized 2D or 3D virtual image that companies use as company representatives, personal shopping assistants or as website guide (Holzwarth et al. 2006). Due to its unique nature, the most intriguing issues pertaining Avatars are, how does Avatar exert influence on website perceptions and advertising contents? (Nowak and Rauh 2006; Wang et al. 2007).

Past study focus on “retailers-made” Avatar, while studies regarding “self-designed” Avatars are limited. Since the importance of consumer empowerment has escalated, consumers are now regarded as value co-creators (Bonsu et al. 2008). Therefore, untapping the role consumer plays in self-designed Avatars can be of enormous value to marketers and researchers. This research is aimed to fill this research gap.

In the past many studies have contended that egotism works at diverse levels to influence attitude. Most people possess highly unconscious favorable associations about themselves that result in a preference to self-relevant objects (people, places, and things), known as “Implicit egotism” (Pelham et al. 2002). This unconscious bias facilitates assimilation effect toward contexts that are activated by self-relevant objects. This study therefore investigates whether a self-designed Avatar generates a more favorable self-association to a website or purchase intention in comparison with retailer-made avatars. On the other hand, the “feeling of presence” which indicates a sense of being present in the virtual world plays a fundamental role for designing human–computer interactions (Biocca 1997). Therefore by building on the conceptual foundation of “Implicit egotism”, present study attempts to reveal the underlying mechanism of self-designed Avatars and its effect on the feeling of presence in building favorable attitudes.

LITERATURE REVIEW

Self-designed Avatar indicates “consumers can input information regarding measurements, body shape, hair style, face, eyes and so forth to create a virtual model similar to consumer themselves” (Crete et al. 2009, p.93). Shopping with self-designed Avatars in virtual worlds differs distinctively from traditional retailer-made avatars, because self-designed Avatars provide consumers opportunities to develop the sense of virtual self (Nowak and Rauh 2005). Consumers can create virtual characters that not only display their own personalities but also incorporate other elements that they truly desire. As a result, self-designed Avatars become a digital representation of one’s persona for self representation.

As proposed by Pelham et al. (2002), implicit egotism is an unconscious bias which assimilates favorable self-association to the self-related objects (people, place, careers, and teas). Implicit egotism eventually yields positive results in attitude and behaviors, and thus generates the spillover effect to the background or context that self-relevant objects are embedded (Pelham et al. 2002). Drawing on the aforementioned theoretical positions to Avatars, present study proposes that a self-designed Avatar which enables consumers to create whoever they want to be to represent their selves will eventually evoke individuals to generate a more positive response to the digital self-representation. It is reasonable to expect that implicit egotism will impose a significantly greater effect on a self-designed Avatar than that of a retailer-made Avatar. The reason is because a self-designed Avatar is psychological more self relevant than a retailer-made Avatar. Hence it is hypothesized that the assimilation effect will occur when the object is a self-designed Avatar. Furthermore spillover effect will occur when the positive evaluation is transferred to the website and their purchase intentions. Therefore,  

**H1:** Consumer’s evaluation of the Avatar, website and purchase intention should be more positive for self-designed Avatar than for the retailer-made Avatar.

Numerous studies indicate that the “feeling of presence” is crucial for interaction among computers and human (Biocca 1997; Klein 2003). It is inferred that the transformation of a consumer into a virtual Avatar intensifies the feeling of self-presence
in a virtual realm. In other words, a virtual Avatar serves as a trigger to create a sense of feeling that an individual is actually transported into a virtual world. It is hypothesized that this effect should be manifested for consumers who engage in self-designed Avatars, since self-designed Avatars better represent virtual selves than retailer-made Avatars. Therefore,

**H2:** The feeling of self presence is stronger for the self-designed Avatar than the retailer-made avatar.

**H3:** The effect of avatar on the website, Avatar and purchase intention is mediated by self-presence.

### METHOD

**Stimuli, Participants and Procedure**

An experimental study using a 2 x 2 between-subjects design will be conducted. Participants are asked to take part in a shopping task on the website where a hyperlink to FreestyleShooping.com is provided as the hypothetical shopping website. For the self-designed Avatar condition, participants create their own virtual model for men or women where they can input measurements, hair style, skin color, five sense organs, and figures to create their own looks. For the retailer-made Avatar condition, participants are told the FreestyleShooping.com provides Avatars as personal shopping assistants. After twenty minutes, a pop-up window on the screen leads participants to answer the study questionnaire which includes the feeling of presence modified from Klein (2003), attitude toward the avatar adopted from Appiah and Elias (2009), website perceptions adapted from Sundar and Kalyanaraman (2004), and purchase intention modified from Dodds et al. (1991).

### DISCUSSION

This study contributes by revealing the underlying mechanism of self-designed Avatars. The results provide support to hypothesis which verifies that self-designed Avatars should be used in design of novel interactive communication tools. The result confirms that consumer’s evaluation of the Avatar, website and purchase intention will be more positive for self-designed Avatar than for the retailer-made avatar. Furthermore, in line with the findings of Klein (2003), the anticipated result should confirm that the “feeling of presence”, plays a crucial role in effecting self-designed Avatars. Present research provides significant managerial implications for marketers to illustrate that the integration of self-designed elements into Avatars promotes considerable value in virtual co-creation.

### REFERENCE


