

**Influence of Brand Name in Variety Seeking Behavior of Consumers:
An Empirical Analysis**

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Rajagopal

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**Department of Marketing, Business Division,
Monterrey Institute of Technology and Higher Education, ITESM
Mexico City Campus, Mexico DF 14380**

Contact

Dr. Rajagopal, Ph.D.

Professor, Department of Marketing

Business Division, Institute of Technology and Higher Education, ITESM

222, Calle del Puente, Tlalpan

Mexico DF 14380

E-mail : rajagopal@itesm.mx

Personal Home page: http://www.geocities.com/prof_rajagopal/homepage.html

Institution's Home page: <http://www.ccm.itesm.mx/micampus/>

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Abstract

The variety-seeking behavior and the brand choice among the consumers have been discussed extensively in the previous research contributions from the stochastic point of view. This study argues that although consumers are seeking novelty and unexpectedness in a brand that they have not bought before, their purchase will be selective, in reference to the empirical investigation. The study has been conducted in Mexican retail business environment with a focus to explore the tendency of decision making of consumers towards buying unfamiliar brands in considering the importance of brand name. The discussions in the paper have been woven around the issues of perceived risk, perceived brand difference, association of brand name and customer values as major influencing factors in making buying decisions towards unfamiliar brands. The study reveals that the perceptions on brand name in reference to brand risk and brand differences have been the prime factors in making buying decision for new brands among the consumers. Consumers also ascertain the brand name associated with the unfamiliar brands as they feel high risk averse and entangle in decision making with perceived brand differences.

Traditional research regards variety seeking as non-purposeful and random behavior (Bass, 1974; Huber and Reibstein, 1978). This paper argues that although consumers are seeking novelty and unexpectedness in a brand that they have not bought before, their purchase will be selective. In other words, they will not simply pick up any encountered brand that they have not bought before and their brand choice will be constrained by certain factors. Among these factors, an important one is the company name. In this paper, the company name is defined as the name of the corporation, which usually appears on the product package. In many cases, the company name is a surrogate variable in the consumers' decision to purchase a brand that they have not bought before. In this paper, an attempt is made to explore the situations under which the brand name will be considered by the consumers in making buying decisions towards the products of unfamiliar brands.

Review of Literature

Cognitive Behavior and Brand Equity

Strong brand equity allows the companies to retain customers better, service their needs more effectively, and increase profits. Brand equity can be increased by successfully implementing and managing an ongoing relationship marketing effort by offering value to the customer, and listening to their needs. Disregarding the edge that the Brand-Customer Relationship offers in the market place and not utilizing the benefits and goodwill that the relationship creates will surely lead to failure in the long run. The central brand idea may be static among the entire customer and prospect bases, but the total sum of the brand idea or perception is rooted in the customer's experiences with the brand itself, and all its messages, interactions, and so on. In the market a strong brand will be considered to have high brand equity. The brand equity will be higher if the brand loyalty, awareness, perceived quality; strong channel relationships and association of trademarks and patents are higher. High brand equity provides many competitive advantages to the company. The brand equity may be understood as the highest value paid for the brand names during buy-outs and mergers. This concept may be defined as the incremental value of a business above the value of its physical assets due to the market positioning achieved by its brand and the

extension potential of the brand (Tauber, 1998). The chronological development of brand equity concepts during the 90's and onward is exhibited in Table 1.

Table 1: Time-line of Conceptualized Brand Equity (1990-2005)

Major issues	Aaker (1991)	Keller (1993)	Sharp (1995)	Berry (2000)	Yoo & Donthu (2001)	Nandan Shiva (2005)	Krake Franke (2005)
Awareness	Brand awareness	Brand awareness	Company/brand awareness	Brand awareness	Brand awareness/association	Brand Awareness	Brand awareness
Image	Brand associations	Brand image	Brand image (or company/brand reputation)	Brand meaning		Cognitive dimensions of brand perceptions	Brand reputation
Loyalty	Brand loyalty		Relationship with Customers/existing customer franchise		Brand loyalty	Brand identity, beliefs and trust related parameters	Role of brand trust in building brand equity
Quality	Perceived quality				Perceived quality		

A new approach for measuring, analyzing, and predicting a brand's equity in a product market defines the brand equity at the firm level as the incremental profit per year obtained by the brand in comparison to a brand with the same product and price but with minimal brand-building efforts. At the customer level, it determines the difference between an individual customer's overall choice probability for the brand and his or her choice probability for the underlying product with merely its push-based availability and awareness. The approach takes into account three sources of brand equity - brand awareness, attribute perception biases, and non-attribute preference - and reveals how much each of the three sources contributes to brand equity. In addition, the proposed method incorporates the impact of brand equity on enhancing the brand's availability. The method provides what-if analysis capabilities to predict the likely impacts of alternative approaches to enhance a brand's equity.

Brand Loyalty and Consumer Decision Making

The brand management has developed to take advantage of new loyalty marketing vehicles. To build and maintain consumer loyalty, brand managers are supplementing their mass-media

advertising with more direct communications, through direct and interactive methods, internet communications, and other innovative channels of distribution (Pearson 1996; Baldinger & Robinson 1996). Simultaneously, however, brand managers have to face more threats to their brands, especially parity responses from competitors. Brand loyalty can yield significant marketing advantages including reduced marketing costs, greater trade leverage (Aaker, 1991), resistance among loyal consumers to competitors' propositions (Dick and Basu, 1994), and higher profits (Reichheld, 1996). Chaudhuri and Holbrook (2001) have shown that brand loyalty is a key link affecting market share and relative price. Thus, brand loyalty is justifiably included in the approaches advocated by other researchers (e.g. Aaker and Joachimsthaler, 2000; Ambler, 2000; Rust *et al.*, 2000; Blackston, 1992). When operationalizing brand loyalty Jacoby and Kyner (1973), Jacoby and Chestnut (1978) and Oliver (1999) argue it is unwise to infer loyalty solely from repetitive purchase patterns (behavioral loyalty).

Preference for convenience, novelty, chance encounters and repertoire buying behavior are but some reasons for this. Jacoby and Kyner (1973) brought together the two "opposing" approaches to brand loyalty namely, behavioral and attitudinal loyalty, integrating them into their definition, as the brand loyalty is "the biased (non-random) behavioral response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes." Oliver (1999) argues consumers become loyal by progressing from a cognitive to an affective and finally to a conative phase. In line with previous research showing that in service markets attitudinal loyalty measures are more sensitive than behavioral loyalty measures, another study explored to operationalize loyalty by questioning consumers about affective and conative loyalty (Rundle-Thiele and Bennett, 2001). Following other researchers such as Dall'Olmo Riley *et al.*, (1997) the consumers were asked as how much they liked the corporate brand (affective loyalty), as well as whether they would consider using other products from the corporation and whether they would recommend the corporate brand to others (conative loyalty). Readers interested in a more detailed review on operational and conceptual aspects of brand loyalty should consult Odin *et al.* (2001).

Personality Traits and Buying Behavior of Customers

Consumers often anthropomorphize brands by endowing them with personality traits, and marketers often create or reinforce these perceptions by their brand positioning. Brand personality traits provide symbolic meaning or emotional value that can contribute to consumers' brand preferences and can be more enduring than functional attributes. Successfully positioning a brand's personality within a product category requires measurement models that are able to disentangle a brand's unique personality traits from those traits that are common to all brands in the product category. Consumers perceive the brand on dimensions that typically capture a person's personality, and extend that to the domain of brands. The dimensions of brand personality are defined by extending the dimensions of human personality to the domain of brands. One way to conceptualize and measure human personality is the trait approach, which states that personality is a set of traits (Anderson & Rubin, 1986). A trait is defined as "any distinguishable, relatively enduring way in which one individual differs from others" (Guilford, 1973).

Human personality traits are determined by multi-dimensional factors like the individual's behavior, appearance, attitude and beliefs, and demographic characteristics. Based on the trait theory, researchers have concluded that there are five stable personality dimensions, also called the 'Big Five' human personality dimensions (Batra, Lehmann & Singh, 1993). The relationship between the brand and customer is largely governed by the psychographic variables that can be measured broadly by the closeness and farness of the personalities of brand and customer. The type of relationship that customers possess with the brands based on the loyalty levels is an extremely significant parameter for the marketers. Duncan and Moriarty (1998) point out that each of the new generation marketing approaches include customer focused, market-driven, outside-in, one-to-one marketing, data-driven marketing, relationship marketing, integrated marketing, and integrated marketing communications that emphasize two-way communication through better listening to customers and the idea that communication before, during and after transactions can build or destroy important brand relationships.

Advertising is heavily used in this process of personality creation. This follows logically from the fact that personalities are particularly useful for the creation of brand associations. Brand associations influence the 'evaluation of alternatives' stage in basic consumer buying behavior models. In this stage, and for these goals, advertising is considered to be the most effective communication tools (Brassington & Pettitt, 2002). Perhaps the most visible and best known way of personality creations is by means of celebrity endorsers. Public heroes, sports people, pop stars and movie stars are hired to lend their personality to a brand but this practice goes back to at least for a century (Erdogan & Baker, 2000). The practice is still growing in popularity today. Yet, basically all advertising influences the brand personality, not only when an endorser is used. In the process of personality creation, in reference to advertising and marketing communication approaches are largely used to create brand personality (Redenbach 2000). It may be observed that a general model of advertising has been integrated with a model of brand personality creation as discussed in some of the studies. Based on that model a number of propositions are derived and presented through analysis of the role of brand personality in the creation of brand equity, thereby linking the core issue to one of general and increasing importance. Agarwal and Rao (1996) along with Mackay (2001) contend that a variety of components must characterize brand equity, and as Table 1 shows, multi-item measures are common.

Brand Association and Variety Seeking Behavior

There is limited research available in the domain of risk aversion, self-confidence, variety seeking, convenience orientation, flexibility, demographics, etc. and all differ measurably and significantly between shopping modes. Though the practical and theoretical implications are largely pursued but there exists the paucity of conceptual models that attempt to identify channel characteristics or to link them to behavioral outcomes (Michaelidou *et. al*, 2005). Variety seeking has been observed in many consumer products and it has been identified as a key determinant factor in brand switching. This type of behavior is thought to be explained by experiential or hedonic motives rather than by utilitarian aspects of consumption. In another study it has been discussed that among the range of strategies available to a company, line extensions are an important way to keep a brand alive and to realize incremental financial growth. Of all line extensions, those involving new flavors and new packaging/sizes were most successful.

Extensions that improved product quality were found to be unsuccessful. The market-variable such as level of competition, retailer power and variety seeking behavior all showed a negative influence on line extension success (Nijssen, 1999). The behavior of variety seeking among the consumers has been divided into *derived* or *direct* variations (McAlister and Pessemier, 1982). The consumer behavior emerging out of external or internal forces that have no concern with a preference for change in and of itself may be referred as derived varied behavior while direct varied behavior has been defined in reference to 'novelty', 'unexpectedness', 'change' and 'complexity' as they are pursued to gain inherent satisfaction. In a study the influence of product-category level attributes were examined and six influential factors, which are involvement, purchase frequency, perceived brand difference, hedonic feature, strength of preference and purchase history have been identified (Van Trijp *et.al*, 1996).

Over the past two decades, marketing scientists in academia and industry have employed consumer choice models calibrated using supermarket scanner data to assess the impact of price and promotion on consumer choice, and they continue to do so today. Despite the extensive usage of scanner panel data for choice modeling, very little is known about the impact of data preparation strategies on the results of modeling efforts. In most cases, scanner panel data is pruned prior to model estimation to eliminate less significant brands, sizes, product forms, etc., as well as households with purchase histories not long enough to provide information on consumer behavior concepts such as loyalty, variety seeking and brand consideration. A study conducts an extensive simulation experiment to investigate the effects of data pruning and entity aggregation strategies on estimated price and promotion sensitivities (Andrews and Currim, 2002). The results show that data preparation strategies can result in significant bias in estimated parameters. Intrinsic variety seeking has been analyzed as an individual consumer's trait affecting consumers' varied behavior. However, very little research has been done on the consumer service sector. In this paper, the authors explore the negative role of variety seeking on customer retention for services. This basic hypothesis is tested through structural equation modeling applied to an empirical study of food-service at three Universities. The results support the hypothesis: variety seeking negatively affects customer retention and lessens the impact of the management efforts to improve service quality and customer satisfaction (Berené *et.al*, 2001).

Theoretical Motivation

A number of theories have been proposed to explain variety-seeking behavior. Theories explaining intra-individual differences mainly focus on the nature of the product. It has been argued that consumers are more likely to seek variety in the product with attributes that interact with the senses in reference to the theory of sensory-specific satiety (Inman, 2001). Besides, the traditional theories regard variety seeking as non-purposeful and random behavior of the consumers (Bass, 1974; Huber and Reibstein, 1978). Optimal Stimulation Level (OSL) and Dynamic Attribute Satiation (DAS) are most distinguished among them (Berlyne, 1960; Leuba, 1955; Venkatesan, 1973; Zuckerman 1979; McAlister, 1982). Although the two models deal with the issue through different perspectives, their underlying rationale is the same, that consumers' boredom or satiation with certain attributes in an item will lead to their search for variety in another item. Both models assume that consumers can clearly appreciate the product attributes and therefore can identify the variety that they need. This assumption may be true if consumers have a good knowledge of the items in which the variety is to be sought, particularly when consumers have experience of using these items. In another model, which deals with switching behavior among familiar items discusses that a consumer's set of items from which to choose is not static, however, and it will gradually expand to include new items and remove old items (McAlister, 1982). Therefore, the question is how consumers will process information on a new item which they have never used before. So far, little research effort has been directed to examine the determinants of consumers' purchase of a new item. According to the theory of OSL, every person prefers an ideal level of stimulation.

The level of stimulation is determined by novelty, surprise, change, ambiguity, complexity, incongruity and uncertainty that are associated with a stimulus or situation. Further to OSL model, the concept of DAS has been developed, which makes an important contribution in explaining variety-seeking behavior. The underlying notion is that consumers satiate on the attributes provided by a chosen alternative, and are therefore less likely to immediately repurchase it. The variety seeking behavior occurs where exists the incongruity towards harmony, being incompatible, inconsistent or absurdly combined as one consumes the same product attribute (McAlister, 1982). The variety seeking behavior is also influenced by the novelty of the

products and services. In spite of conceptual analyses emphasizing the need for novelty and unexpectedness to make consumers try unfamiliar brands, few studies have examined consumers' information processing in the decision to purchase a brand that they have not bought before (Maddi, 1968; Berlyne, 1960; Venkatesan, 1973). The variety seeking behavior among the customers is also stimulated by the availability of the in-store availability of the products. Bliss (1988) after surveying existing models of retailing discusses on the idea that the retailer saves its consumers costs by assembling goods in one place. This introduces an essential non-convexity and importantly affects the conditions under which shops compete with each other and the constraints on their value attributes. The value of a consumer may be defined in reference to a firm as the expected performance measures are based on key assumptions concerning retention rate and profit margin and the consumer value also tracks market value of these firms over time. The value of all consumers is determined by the acquisition rate and cost of acquiring new consumers as discussed by Gupta, Lehmann and Stuart (2003).

The analytical framework in the following text is discussed also in reference to the prospect theory developed by Tversky and Kahnman (1981) towards framing decisions and understanding the dynamics of choices that consumers may exercise in order to optimize their satisfaction and ultimate value. The value measurements have been used as one of the principal tools to assess the trend of consumer behavior for the non-conventional products. The value syndrome influences the individual and group decisions in retail and bulk deals, and conditionalizes the decision process of consumers. The conditional consumption behavior suggests that the consumption depends heavily on the utility function and on the source of uncertainty (Carroll and Kimball, 1996 and Deaton 1992). The dynamics of retail consumption behavior may be expressed as:

$$c_t = \alpha_0 + \alpha_1 y_t + \alpha_2 w_t + u_t \quad (i)$$

Where c_t is a log of real per capita total consumption, y_t is the log of real per capita disposal income, w_t is the per capita expenditure on buying and u denotes the random error term. Under this assumption c_t , y_t , and w_t are co-integrated, u_t is ≤ 0 . in the process of measuring the consumer behavior in reference to preference variables leading to price and non-price determinants, the dependent factor is the rate of change in the consumption (Δc_t). In view of the above discussion

the dynamic consumption function that reflects the retail consumer behavior for particular products may be estimated as [deriving from equation (i)]:

$$\Delta_{ct} = \beta_0 + \beta_1(L)u_{t-1} + \beta_2(L)\Delta_{yt} + \beta_3(L)\Delta_{wt} + \beta_4(L)\Delta_{rt} + \varepsilon_t \quad (ii)$$

Where Δ is the change factor, r is the concentration ratio of retail stores in a given location and ε_t is a random error term. The test of this model requires time series data to be analyzed for trend values, taking (L) as polynomial log operator. It has been observed in previous studies that value to expenditure ratios increase consumer sensitivity in volume of buying and driving repeat buying decisions for the regular and high-tech products (Carroll and Dunn 1997). Belessiotis (1996) had explained in one of his studies that consumer confidence index derived of value factors, forecasts more than changing expectations. Consumer decision making with respect to 'which store to buy from' and 'how much to buy from that store' is assumed to depend only on the distance between the consumer's ideal store practices and the actual practices of stores. The

Euclidean distance which takes the form $\sqrt{\sum_{k=1}^N (z_k - w_k)^2}$ for a consumer of type $\underline{w} \equiv (w_1, \dots, w_N)$ and a store with practices $\underline{z} \equiv (z_1, \dots, z_N)$. has been used to measure the impact of retail store practices on variety seeking and repeat buying behavior of consumers (Rajagopal, 2005). A consumer ranks stores according to this metric. Furthermore, it is assumed that the number of

units demanded by a consumer equals $\left[A - \sqrt{\sum_{k=1}^N (z_k - w_k)^2} \right]^\sigma$ and such decisions are largely

governed by the convenience factor associated with buying the products and services; where $\sigma >$

1 and $A \geq \sqrt{N(R-1)^2} + 1$ so that $\left[A - \sqrt{\sum_{k=1}^N (z_k - w_k)^2} \right] > 1$ for all $(\underline{w}, \underline{z})$.

Framework of Hypotheses

The brand-person associations can also have a more personal nature. Brands can be associated with persons who use or used that particular brand, for example a close friend or a family member. Also, brands received as gifts can also be associated with the person from whom the gift was received. These person associations serve to animate the brand as a vital entity in the minds

of the consumers. Consumers often feel vulnerable if they are not fully informed about the product attributes and given overwhelming commercial information. The type of relationship that customers possess with the brands based on the loyalty levels is an extremely significant parameter for the marketers. Duncan and Moriarty (1998) point out that each of the new generation marketing approaches include customer focused, market-driven, outside-in, one-to-one marketing, data-driven marketing, relationship marketing, integrated marketing, and integrated marketing communications that emphasize two-way communication through better listening to customers and the idea that communication before, during and after transactions can build or destroy important brand relationships.

Although variety seeking leads to the novelty, abruptness and forgoing the monotony of repetitive use of the same brand and product, such behavior may involve risk of buying unfamiliar brand products. This may also lead to the post-purchase dissatisfaction and customer may undergo a financial loss and emotional disquiet. This situation leads to perceived risk and affects the comprehensiveness of purchase-decision process and information processing ability of consumers. Hence it may be hypothesized as:

H1: The perceived risk and the preference of the brand name are positively associated with the decision process of the customer to purchase an untried brand.

The dimensions of brand differences are defined by extending the dimensions of brand communication and human personality to the domain of brands. One way to conceptualize and measure human personality is the trait approach, which states that personality is a set of traits (Anderson & Rubin, 1986). A trait is defined as “any distinguishable, relatively enduring way in which one individual differs from others” (Guilford, 1973). It has been argued in the above studies that brand difference as perceived by the consumers influence their motivation for variety seeking. In absence of an appropriate communication on different values of competing brands, consumers may not distinguish strategies in seeking alternatives to their regular consumption pattern, and they will stick to brands that they have been using. Under such situations a large proportion of consumer brand perception is obtained under low-involvement conditions and is

therefore not consciously processed by the consumer's brain. Such associations tend to be stored in terms of metaphors and importantly, they tend to aggregate in clusters. The consumers feel that some brands are believed to offer better quality and value than some others if the perceived brand difference is high. Hence, the variety seeker may find potential to acquire higher value in trying an unfamiliar brand and lessen the randomness of variety-seeking behavior. The following hypothesis is therefore framed:

H2: The intention of the consumers to depend on the brand name is associated to the perceived differences in the brands by the consumer towards making decision to purchase an unfamiliar or new brand.

Both corporate and product dominant structures have been evolving towards hybrid structures. Firms with corporate dominant structures have been adding brands at other levels, for example, the house or product level, to differentiate between different product divisions. Product-dominant structures may be described in reference to the multiple local brands that are moving towards greater integration or co-ordination across the markets through corporate endorsement of local products. These companies also vary in the extent to which they had clearly articulated international brand architecture to guide this evolution. Some, for example, lay out the different levels at which brands were to be used, the interrelation between brands at different levels, the geographic scope of each brand and the product lines on which a brand was to be used, while others had few or no guidelines concerning international branding (Rajagopal and Sanchez, 2004). The factors such as corporate skills in handling the complexities in the process of product development also influence the brand decisions of consumers and a standardized product development process and user friendly technology tend to give a sense of understanding to the consumers about difference in the process among the competing products. Consequently, consumers give less weight to the brand name in the process of making purchase decision. Under such situation the following hypothesis may be stated:

H3: Consumers give more weight to the brand name in making decision to purchase an unfamiliar branded product when there is greater difference in the production process followed by the companies.

A perspective from resource-advantage theory (Hunt and Morgan, 1995) is used to formulate expectations on the degree to which the use of information on customer value, competition, and costs contribute to the success of a price decision. It is argued that the success of these practices is contingent on the relative customer value the firm has created and the degree to which this position of relative value is sustainable in the competitive market place. The value of corporate brand endorsement across different products and product lines, and at lower levels of the brand hierarchy also needs to be assessed as a customer value driver. Use of corporate brand endorsement either as a name identifier or logo identifies the product with the company, and provides reassurance for the customer (Rajagopal and Sanchez, 2004). The company association can enhance customers' anticipated value towards taking a decision to buy an unfamiliar brand by eliciting more emotional and social values and generate 'me too' feeling. Accordingly the consumers seeking variety may get associated with the brand in order to achieve higher satisfaction. Hence the hypothesis may be set as:

H4: The brand name plays a significant role in the purchase decisions on unfamiliar brands if the brand name and company association enhances the customers' satisfaction and augments their value.

In the high customer value framework, the firm ensures diminished costs to serve (Knox, 1998) and exhibits reduced customer price sensitivities. A database-driven approach, customer tenure in reference to the length of a customer's relationship and values retention with a company has often been used to approximate the loyalty construct (Ganesh *et.al.*, 2000; Reinartz and Kumar, 2000; 2002). Hence the relationship marketing with a customer value orientation thrives on the concept that raises the length of the customer-company relationship which contributes in optimizing the profit for the firm (Reichheld and Sasser, 1990). However, the contributions of long-life customers were generally declining and in a non-contractual setting short-life but high-revenue customers accounted for a sizeable amount of profits (Reinartz and Kumar, 2000).

Study Design

In order to measure the influence of brand name on variety seeking behavior of customers for making buying decision towards an unfamiliar brand a preliminary investigation has been conducted in 11 retail auto-service stores in the Mexico City consisting of 5 super stores, 4 convenience stores and 2 departmental stores. The data was collected on 64 questions closely related towards influencing the customer values. The major variables identified for the data collection include cognitive perspectives of customer satisfaction and corporate strategies applied in positioning the new products for gaining optimal market share and aggregate returns on consumptions. The information pertaining to the broad frame of these variables were subjected to decision filters at various levels of customers' decision making process and major variables were chosen for data analysis. Data has been collected from 400 respondents purposively selected, who were involved in buying different categories of products at chosen retail auto-service stores in Mexico City administering a semi-structured questionnaire. The respondents involved in buying products in 6 different categories including dental care (2), processed food (3), cosmetics (2), detergents (2), toiletries (3) and dairy products (2). In all, the customer buying across 14 products in the retail outlets have been covered under this study. The data of 31 respondents were omitted from the data analysis due to paucity of information. The respondents were involved in buying the new products introduced in five consumer products categories which include food and beverages, apparel, cosmetics, toys and household electronics. In all, the data of 369 observations were analyzed in the study. The respondents of the study were categorized in reference to the magnitude and direction to the broad answers to the questions like influence of brand or company name associated in buying the unfamiliar brand as *positive, negative, indifferent*. This process led to three principal clusters of respondents as stated below:

- Cluster-C₁:** Consumers, who recognize positive influence of the brand name or company name association in buying of unfamiliar brands,
- Cluster-C₂:** Consumers, who recognize negative influence of the brand name or company name association in buying of unfamiliar brands, and

Cluster-C₃: Consumers, who are not sure of the significance of the brand name or company name association in buying of unfamiliar brands, have been clustered as indifferent.

There are four independent variables used in the study brand extension, extension information, perceived risk and parent brand name. The dependent variable is measured as consumer perspectives on decision making towards brand extension products. The entire variable was measured by multiple items. A large number of statements have been structured to acquire the agreement or disagreement of the respondents towards their cognitive behavior associated with the brand and company name. The statements had a 7-point scale ranging from ‘fully disagree (1)’ to ‘completely agree (7)’.

Results and Discussion

The data collected from respondents were tested for its reliability applying the Cronbach Alfa test. Variables derived from test instruments are declared to be reliable only when they provide stable and reliable responses over a repeated administration of the test. It has been observed from the test results that the variables associated with the perceived risk (4), perceived brand difference (5) and brand and company name (5) showed the highest reliability. The significance tests and clustered mean values of the selected variables has been exhibited in Table 2.

Table 2: Significance tests and Clustered mean Values of the variables under study

Variable segments ^a	Cronbach (α)	Wilk's (λ) ^b	Clusters' Means			Hypothesis Tested
			C1	C2	C3	
Risk perceived by the customers (4)	0.835	0.736 (0.201) ⁺	4.97	6.12	5.82	H1
Perceived brand difference (5)	0.795	0.927 (0.163) ⁺	5.71	7.52	6.24	H2, H3
Brand and company name association (5)	0.847	0.984 (0.233) ⁺	4.43	5.84	5.69	H3
Customer value enhancement through brand name and company association (2)	0.645	0.938 (0.128) ⁺⁺	4.05	4.68	5.14	H4

^a Figures in parentheses indicate the number variables in the segment

^b Figures in parentheses represent *p*-values

⁺ *p* = > 0.01 and ⁺⁺ *p* = >0.05

The Wilk's Lambda, a multivariate analogue of the coefficient of alienation was also tested for the major variables which derived significant values and upon individual consideration of the predictors, all showed a statistically significant influence on the dependent variable except the variable denoting the expertise associated with the company which enhances the customers' satisfaction and augments their value ($p=0.128 > 0.05$). The mean values on the variable segments of the clusters of respondents reveal that there is largest gap between C_1 and C_2 on perceived risk and a considerable separation may also be seen on perceived brand difference between the same clusters. However, the difference among all the three clusters C_1 , C_2 and C_3 are marginal in reference to the other two variable segments- brand and company name association and customer value enhancement. The results exhibited in the Table 2 show that the statistical measurements of variable segments supports all hypotheses framed in the study except H4.

Table 3: Cluster Means on the Variable Brand Name Association by Product Categories

Product Categories	Respondent Clusters		
	C_1	C_2	C_3
Dental Care (P_1)	3.77	3.92	4.15
Processed Food (P_2)	3.65	3.42	3.79
Cosmetics (P_3)	4.17	4.82	3.76
Detergents (P_4)	3.98	4.17	3.69
Toiletries (P_5)	4.19	3.87	4.06
Dairy Products (P_6)	3.46	3.68	3.83

The analysis of consumer perceptions in relation to the 14 products covered under the study as exhibited in Table 3 show that there exist a smaller gap between respondent clusters C_1 and C_2 in product categories P_1 , P_2 , P_3 and P_6 . However the gap has been found larger in the product categories P_4 and P_5 as compared to the other categories of products. This suggests that customer pays higher significance to the band name and company association in purchase of unfamiliar brand in these categories. However, the brand name and a company association was not regarded as important in case of buying detergents and toiletries in the product of categories P_4 and P_5 as the respondent felt that the brand name and company association may not contribute significantly to augment the customer satisfaction and add psychometric values in using the products. The pooled inter-group matrices have been exhibited in Table 4 with reference to the four variable segments discussed in Table 1.

Table 4: Inter-group correlation matrices

Variable Segments	Risk perceived by the customers	Perceived brand difference	Brand and company name association	Customer value enhancement through brand name and company association
Risk perceived by the customers	1.000	0.380	0.371	0.227
Perceived brand difference	0.380	1.000	0.394	0.210
Brand and company name association	0.371	0.394	1.000	0.215
Customer value enhancement through brand name and company association	0.227	0.210	0.215	1.000

The results of the correlation matrices indicate that there exists a lower degree correlation between the perceived risk and perceived brand difference (V_1, V_2), brand name and perceived brand difference (V_3, V_2) and perceived risk and company name (V_1, V_3). It may be observed from the above matrix that the coefficient has a maximum value of 0.394 which do not pose a serious concern of multi-collinearity. The Eigen values have been computed to estimate the shared variance between the respective optimally weighted canonical variates of dependent and independent variables. The canonical correlations analysis has been derived considering the set of dependent and independent variables representing the canonical functions. The analysis of the data indicates that the first function (F_1) has the highest eigenvalue (0.539) which accounts for 89.36 percent while the second function (F_2) has shown relatively smaller eigenvalue (0.152) with 11.64 percent of the explained variance. The analysis reveals that the canonical correlations for F_1 and F_2 are 0.637 and 0.174 respectively. Accordingly, it may be stated that the F_1 is superior to F_2 . The Table 5 exhibits the standardized canonical coefficients of discriminant functions and functions at group centroids.

Table 5: Canonical Values and Fit of the Model

Canonical Functions	Variable Segments				Respondent Clusters		
	V_1	V_2	V_3	V_4	C_1	C_2	C_3
F_1	0.837	0.577	0.061	0.316	0.874	-0.152	-.0249
F_2	-0.173	0.264	0.326	0.632	0.114	0.227	-0.106

The results show that the value of coefficients among the variable segments V_1 and V_2 are of higher degree for canonical function F_1 which describes that these two variables perceived risk and perceived brand difference are basically associated with the function. Similarly, the company name and customer value variables are associated with the function F_2 as the coefficients show

relative by higher values. In reference to the clusters of respondents, the segment C_1 which represents positive influence of brand name in consumers' behavior of respondents show highest value on function F_1 while C_2 represents the lowest value as the function F_1 is associated with perceived risk and perceived brand difference variables.

Figure 1: Consumer Perception Matrix on Influence of Brand Name and Buying Decisions towards Unfamiliar Brands

Perceived Risk & Brand Difference [V_1, V_2]	Low	Discrete Adaptation $C_1 = 0.2431$ $C_2 = 0.3169$ $C_3 = 0.2284$	Abandon Feelings on Brands $C_1 = 0.1912$ $C_2 = 0.1434$ $C_3 = 0.1679$
	High	Quick Adoption $C_1 = 0.9163$ $C_2 = 0.7348$ $C_3 = 0.5933$	Delayed Adaptation $C_1 = 0.2431$ $C_2 = 0.3169$ $C_3 = 0.1647$
		Familiar	Unfamiliar
		Brand Name & Value [V_3, V_4]	

Values represent pooled coefficient of correlation in reference to the clusters of respondents (C_1, C_2 and C_3) for all products category in the sales outlets covered under study.

Such results indicate that higher perceived brand risk and brand difference may provide more confidence on the company name while making decisions towards buying the products of an unfamiliar brand. The Figure 1 exhibits the consumer perceptions matrix for the perceived risk, brand difference and brand name and customer values associated with the brand in reference to the clusters of respondents. The data was analyzed using a 2 (perceived risk and brand difference: high vs. low) \times 2 (brand name influence: familiar vs. unfamiliar). The results show that the coefficient of correlations for the high perceived risk and brand difference has led to quick adaptation of familiar brands in all the respondents' categories while delayed adaptation for the unfamiliar brands in the C_1 and C_2 categories as compared to other relationships. These results support the Hypotheses H1, H2 and H4 in reference to the influence of brand name towards making buying decisions on unfamiliar brands (H3).

Conclusions

It has been observed in the study that the perceptions on brand name in reference to brand risk and brand differences has been the prime factors in making buying decision for new brands among the consumers. More attention is being paid by the consumers to ascertain the brand name associated with the unfamiliar brands as the consumer feel high risk averse and entangle in decision making with perceived brand differences. The perceptions of the consumers on the corporate reputation and values associated therewith also influence the level of confidence on the brand name. The influence of brand name would be higher if the consumers perceive that the companies vary in delivering the product with a competitive advantage and augment their level of satisfaction. The study revealed that high perceived risk and brand difference induce the consumers to review the brand name in the process of making buying decisions.

Managerial Implications

Consumer perceptions play a key role in the life cycle of a brand. The role varies according to the stage in the life cycle, market situation and competitive scenario. Consumer perceptions on brand name and values associated therewith may lead to a significant impact on penetration build for new brands and for stimulating growth in existing brands provided they are anchored on a well defined activation platform that builds brand equity. However, a marketer can manipulate the company name within certain limits. The companies may need to consider the impact of increased reliance of consumers on the brand name towards the promotion of new brands as this may discourage to go for higher promotional budgets for the new brands of the company. Hence, managers may aim at achieving the economies of scale if the company's new brands are architected around the influence of the name of mother brand. It may be required for a company to invest on appealing communication strategies for creating awareness on the unfamiliar brands to influence the decision of consumers towards buying those brands that they have not tested before. The company may also need to consider emphasizing an integrated promotion strategy for new brands in reference to attributes, awareness, trial, availability and trial (AATAR) principle. Besides, the company should also observe the parameters that consumers use in determining the corporate image and brand performance. However, it is necessary for the managers to consider

that consumer perceptions are one of the core dimensions of brand equity, which refers to the emotional side of a brand image and is created by all experiences of consumers with a brand. The brand image is largely constituted by the corporate reputation and company name which becomes motivation for the consumers towards making decision on the new brands.

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