Extending Culturally Symbolic Brands: A Blessing or a Curse?

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Results from four studies uncover a relatively automatic cultural congruency mechanism that can influence evaluations of culturally charged brand extensions, overriding the impact of perceived fit on extension evaluations. Culturally congruent extensions (i.e., when both the brand and the extension category cue the same cultural schema) were evaluated more favorably than culturally neutral extensions, which in turn were evaluated more favorably than culturally incongruent ones (i.e., cue two different cultural schemas). The effects emerged with both moderate and low fit brand extensions, as well as for narrow and broad brands. However, they only emerged when both the brand and the product were culturally symbolic, likely to automatically activate a cultural schema; but did not emerge for brands low in cultural symbolism. The effects were driven by the processing (dis)fluency generated by the simultaneous activation of the same (different) cultural schemas by the product and the brand.
Many well-known brands become symbols or icons of the cultures or countries with which they are associated. Examples of these brands include Budweiser (American), Sony (Japanese), Corona (Mexican), Burberry (British), or Armani (Italian). Branding professionals invest resources in building cultural icons with the expectation of being rewarded with stronger market-leadership positions and higher levels of brand equity (Holt 2003; Leibig 2005; Shaw and Sudhman 2005). An under-researched question of great interest for both practitioners and researchers is how a brand’s status as a cultural symbol influences its ability to leverage its brand equity through product extensions. Our insights relating to how well-known culturally symbolic brands differ from other brands, especially in the domain of brand extensions, are relatively limited (Torelli, Keh, and Chiu 2010). The scant academic research on this topic suggests that for well-known brands, country or culture associations play only a nominal role on attitudes and choices (Balabanis and Diamantopoulos 2008; Erickson, Johansson, and Chao 1984; Johansson, Douglas, and Nonaka 1985); however, marketplace expectancies run counter to it. This is an important issue, since brand extensions are an important avenue for growth in today’s highly competitive marketplace, especially for well-known brands with established leadership positions and iconic status; however, extension failure rates are known to be as high as 84% (Tait 2001). Therefore, insights into factors likely to enhance extension success are highly consequential.

Interestingly, the majority of the prior branding literature has focused primarily on the role of perceived fit in determining brand extension evaluation and success (Broniarczyk and Alba 1994; Keller 2002; Loken and John 1993; Park, Milberg, and Lawson 1991). Importantly, even contextual factors (e.g., consumer's mood, Barone, Miniard, and Romeo 2000), brand specific variables (e.g., breadth of the brand, Meyvis and Janiszewski 2004), as well as consumer characteristics (e.g., self-construal, Ahluwalia 2008), have been known to impact extension
evaluation through their influence on perceptions of fit. As such, our knowledge of other drivers of brand extension evaluations, such as a brand’s cultural symbolism, is relatively limited. In contrast to the deliberate reasoning involved in the perceived fit or country-of-origin assessments that might be relevant for culturally iconic brands, the theoretical framework proposed in this article focuses on a less conscious type of process based on cultural congruity (described in the next section) which operates independently of perceived fit as well as country-of-origin inferences, and can presumably override the influence of these factors.

The four studies presented in this research attempt to provide clear evidence for the phenomenon as well as the mechanism driving it, and rule out several alternative explanations. They delineate conditions under which moderate fit extensions for culturally symbolic brands might backfire, and those under which low fit extensions may have an increased chance of success. As such, the theoretical framework attempts to enrich our understanding of the extendibility of well-known culturally symbolic brands by expanding the extant conceptualization beyond the role of perceived fit and COO inferences. From a theoretical perspective, our findings open up lines of research focusing on subtler connections between brands and extensions (such as cultural congruity) and more effortless mechanisms that can significantly dampen the impact of perceived fit in driving extension evaluations.

THE THEORETICAL FRAMEWORK

Cultural Schemas

According to the dynamic constructivist theory of culture (Chiu and Hong 2007; Hong et
al. 2000), people with some direct or indirect experiences with a certain culture will develop a cognitive representation of it. A cultural schema is a loose network of shared knowledge about a human group, consisting of a central concept (e.g., American culture) and its associated beliefs, values and objects (including brands and products) that can operate below consciousness and that guide cognition only when it is accessible (Chiu and Hong 2006; Hong et al. 2000; Oyserman 2009). One way cultural schemas become accessible is by exposing people to, or by priming them with, cultural icons or symbols. A study by Hong, Chiu and Kung (1997) using Hong Kong Chinese, who have memory representations of both Chinese and American cultural schemas, illustrates this process. Participants were presented with six images of either American (e.g., Superman or the Statue of Liberty) or Chinese cultural symbols (e.g., Stone Monkey or Chinese opera singer), which led to elevated accessibility of the American or Chinese cultural schema respectively. Subsequent to viewing these symbols, and unaware of any cultural influence, participants exhibited judgments and behaviors aligned with implicit theories of American (e.g., lower attribution of behavior to external social pressure) or Chinese culture (e.g., higher attribution of behavior to external social pressure).

Well-known products and brands associated with or typical of a culture can also become part of the cultural schema (e.g., automobiles linked to Japanese culture, Hong and Kang 2006; or hedonic products linked to French culture, Leclerc, Schmitt, and Dubé 1994). Brands acquire cultural meanings through a collective effort influenced by advertising, the fashion system, and reference groups (McCracken 1986), and their cultural significance is a product of social consensus building (Krauss and Fussell 1996; Torelli et al. 2010). Exposure to such brands and products, therefore, should be more likely to activate the cultural schema than should exposure to brands and products low in cultural symbolism. Indeed, research shows that viewing images of
well-known, culturally symbolic brands (e.g., McDonald’s or Starbucks for Americans) and products (e.g., mooncake for Chinese) spreads activation within its associated cultural schema and makes other concepts associated to it readily accessible (Chiu et al. 2009). Once activated, these cultural schemas can operate below consciousness (Hong et al. 1997; Hong et al. 2000).

Activated Cultural Schemas and Conceptual (Dis)Fluency in Brand Extensions

Previous research suggests that cueing of a schema, via the process of spreading activation, can create expectancies by activating other concepts strongly related to it (Whittlesea 1993). The increased activation of these associated concepts facilitates in their identification (Biederman 1995), making their processing easier or more fluent (i.e., rendering them conceptually fluent, Shapiro 1999; Shapiro, Macinnis, and Heckler 1997). Conceptual fluency, or ease with which a target stimuli is processed when primed by an associated concept, is known to enhance stimuli evaluations (e.g., Lee and Labroo 2004; Reber, Schwarz, and Winkielman 2004; Whittlesea 1993). Fluency effects are typically driven by the perceiver attributing the higher “ease of processing” experience in the prime (vs. baseline) condition to higher quality of the target (Avnet and Higgins 2003; Camacho, Higgins, and Luger 2003).

A culturally symbolic brand is likely to automatically activate the cultural schema it is associated with. When the extension product category is also associated with this activated cultural schema (i.e., the brand and extension product category are culturally congruent) the extension is likely to be processed fluently, generating a feeling of ease, resulting in a pleasing processing experience. This ease of processing experience is likely to result in a more favorable evaluation of the extension. Importantly, if the context involves lower involvement or
motivation conditions, such as those typically prevalent in the marketplace, people are even more likely to rely on this fluency experience for their evaluations (Fang, Singh, and Ahluwalia 2007).

For instance, consider an extension such as Sony electric cars. The iconic Sony brand is likely to automatically activate the Japanese schema; since the highly symbolic electric cars product category is also strongly associated with this schema, the extension is likely to be conceptually fluent, processed with a feeling of ease. Fluency processes are automatic in nature and do not require conscious inferences about the meaning of fluency for evaluating the target (see Schwarz 1990; also Winkielman et al. 2003, for discussions). Indeed, consumers’ deliberations are likely to focus on the extension’s perceived fit, a highly diagnostic input for evaluating the new product (e.g., Aaker and Keller 1990; Ahluwalia and Gurhan-Canli 2000). In other words, the cultural congruency of the brand and extension product category and the accompanying experience of fluency are likely to influence extension evaluation over and above analytical assessments of fit.

What if the brand and the product category activated incongruent or different cultural schemas? Interestingly, to the best of our knowledge, research in conceptual fluency has failed to consider the effects of activating an inconsistent schema on stimuli evaluations. It is well established that people develop less favorable attitudes toward objects that are perceptually disfluent compared to those that are fluent (Reber et al. 2004). However, because the empirical evidence bearing on this finding comes from direct comparison between disfluent and fluent conditions, it is difficult to determine whether disfluency is truly a disadvantage. More direct evidence for the effects of disfluency on evaluations come from related research in goal fluency (e.g., Labroo and Lee 2006). For instance, when a brand is primed through prior exposure to a related product (e.g., Not Nice to Lice shampoo precedes processing of Raid insect killer),
consumers experience inhibited processing of the brand if the regulatory goal addressed by it conflicts with that addressed by the related product, and the experience of inhibited processing results in the brand being less preferred.

Goals are cognitive structures with properties that are similar in many respects to those of cultural schemas. Goals are mental networks that include desirable end states, associated means, and contexts that, once activated, can guide behavior in goal-congruent directions (Shah, Kruglanski, and Friedman 2003). Similarly, cultural schemas are loose networks of beliefs, values and objects that, once activated, can guide cognition in a culturally-consistent fashion (Hong et al. 2000; Oyserman 2009; Shavitt, Torelli, and Wong 2009). Extending the goal disfluency effects to the brand extension context, it stands to reason that conceptual disfluency (vs. a baseline) invoked by the simultaneous activation of incongruent cultural schemas by a brand extension should result in lower extension evaluations. For example, consider the concept of Sony cappuccino machines—the Sony brand is iconic of Japan whereas Cappuccino machines are likely to trigger the Italian schema. When two contrasting cultural schemas are activated, their incongruency is likely to result in a decreased fluency or ease in processing the new product. This sense of unease or disfluency generated by the incongruency is likely to make consumers less receptive to the extension, overriding the effects of conscious elaboration on the fit between Sony and cappuccino machines.

Importantly, we argue that the above-described cultural congruity effects are likely to emerge only when both the brand and the extension are culturally symbolic: conceptual fluency resulting when the extension is associated with the cultural schema activated by the parent brand, and disfluency arising when the extension activates a different, incongruent cultural schema. These effects are unlikely to emerge when the brand or product have weaker cultural
associations, not strong enough to automatically activate a cultural schema (Fiske and Pavelchak 1986), and hence result in the (dis)fluency effects. In these contexts, extension judgments are likely to be driven primarily by the analytical assessment of perceived fit documented in past research (e.g., Aaker and Keller 1990; Broniarczyk and Alba 1994). For instance, an extension such as Sony toaster ovens, where the extension category of toaster ovens is not culturally symbolic, is unlikely to exhibit cultural congruity effects, not affording Sony any advantage or disadvantage over less iconic brands.

At this point, it is important to note that although the cultural congruity (CC) process outlined above appears to have some similarity to the country-of-origin (COO) effect examined in past literature (e.g., Gurhan-Canli and Maheswaran 2000; Hong and Kang 2006), and the brand’s COO is likely to be a part of the cultural schema, these are two distinct effects. Specifically, the typical COO effect implies that the perception of a brand’s COO (e.g., its manufacturing expertise) is likely to influence its (extension) evaluation. However, this effect does not consider either (i) the strength of association between the COO and the brand, or (ii) the cultural symbolism of the extension product category, both of which are pre-requisites for the CC effect. In other words, the CC is a more automatic effect that is likely to emerge only when both the brand and its extension product category are culturally symbolic; however, COO effects, which are more deliberate in nature (e.g., Gurhan-Canli and Maheswaran 2000), do not require either the brand or its extension to be a cultural symbol. Consider, for instance, two American beer brands: Coors and Budweiser. Budweiser is symbolic of the American culture, and hence likely to automatically trigger the American schema; however, although consumers are aware of Coors’ American origins, it is not a cultural icon, and hence unlikely to trigger this cultural schema. If both brands attempt an extension into the tequila category (symbolic of Mexican
Studying (in)congruity effects, for which their perceived COO manufacturing expertise is similarly low (since both are American), a COO based explanation would predict similarly low evaluations for both extensions. However, in contrast, the proposed CC framework would predict lower evaluation of the Budweiser (vs. Coors) extension because of the disfluency it is likely to evoke–given that both the brand and the extension category are culturally symbolic only for this extension (see conceptual framework in figure 1).

Four studies were conducted to test the predictions in this research. Study 1 examines the basic cultural (in)congruity effect using a research paradigm from the conceptual fluency literature. Study 2 directly investigates the cultural congruity effects in the context of moderate and low fit extensions for a well known brand (Sony, a Japanese icon). Study 3 examines the implications of the conceptual framework with multiple brands and tests the mediating role of processing fluency. Study 4 extends the findings to low fit extensions by narrow brands and attempts to rule out alternative explanations, based on COO effects, for the observed findings.

**STUDY 1**

This study was designed to test the basic notion proposed by us: relative to a baseline condition, activation of a cultural schema by a culturally-symbolic brand or product can increase (decrease) the conceptual fluency, and hence evaluation, of target concepts strongly associated with the same (a different) cultural schema. The design was based on an established paradigm
used in the literature to assess the effects of conceptual fluency on evaluations (e.g., Lee and Labroo 2004; Whittlesea 1993; Winkielman et al. 2003). In this paradigm, participants are asked to evaluate the pleasantness of familiar words (e.g., read), which are presented right after they view another word or a sentence that either primes a related concept (e.g., book) or is neutral (e.g., napkin). Increased conceptual fluency is inferred if more favorable evaluations of the target word (e.g., read) emerge in the prime (book) as compared to the neutral (napkin) condition (see Lee and Labroo 2004, for a discussion on the use of this paradigm; also Winkielman et al. 2003). In the current experiment, we adapted this procedure (Lee and Labroo 2004, experiment 1) by using brands and products to prime the target concept (i.e., the cultural schema). The target words (that followed the prime word and were evaluated on pleasantness), were everyday words. The experiment used brands, products and everyday words strongly associated with three distinct cultural schemas (Japanese, Italian, and British).

Pretests, Design, and Procedure

A first pretest (N = 26) was run to select familiar everyday words that were distinctively associated with the three selected cultural schemas (Japanese, Italian, or British). Six familiar words (M = 6.33, 7-point scale), symbolic of one of the three cultures (M = 6.36, 1 = the word does not make me think at all of [target] culture, 7 = the word makes me think a lot of [target] culture), but weakly associated with any of the other cultures (M = 1.68) were identified as target words for the main study (e.g., queen associated with British schema). Similarly, 20 familiar words (M = 6.95) that had no distinctive association with any of the three cultures (M = 2.87) were identified as neutral everyday words (e.g., wind) to be used as fillers.
A second pretest (N = 18) was run to identify a brand and a product category strongly associated with each of these three cultural schemas (4-items, 7-point scale: (i) extent of association between [target brand/product] and [target culture], 1 = not at all, 7 = strongly associated; extent of agreement with the statement that the [target brand/product] is: (ii) an icon of [target culture], (iii) embodies [target culture] values, and (iv) is a good example of what it means being a [member of the target culture], 1 = strongly disagree, 7 = strongly agree, $\alpha = .97$, $M = 5.74$), as well as neutral brands and products with no distinctive cultural association ($M = 3.52$). The brands, products, and target words selected as stimuli are listed in table 1–panel A.

Insert table 1 about here

The basic design of the study comprised of a 3 (Cultural Congruity in the Pair: congruent, incongruent, or baseline) X 2 (Type of Prime: brand or product) X (Target Culture: British, Italian, or Japanese) mixed design with Cultural Congruity as a between-subjects factor and Type of prime and culture as within-subjects factors. Eighty-three undergraduate students in the University of Minnesota (53% male, average age of 22.1 years) participated in the experiment, which was run on computers, in exchange for course credit. Participants were divided in three groups and given the cover story of a linguistics study in which they would rate words in terms of their pleasantness. They were further told that, to simulate realistic environments where people are often distracted when providing such ratings, some words might randomly flash on the screen. Whenever such a word flashing occurred, they would be asked to write the word down and answer a question about it (Familiar with it? Yes, No) before moving on with the main task of rating target words. The flashing words were used to prime one of the three target
cultures (e.g., Sony for Japanese or cappuccino maker for Italian). In the baseline condition they were not strongly associated with any culture (e.g., Jansport or toaster oven). As a seamless continuation of the word rating task that the respondents were already engaged in, each word flashing was immediately followed by the presentation on the screen of a culturally charged target word (e.g., queen) for which participants provided a pleasantness rating (7-point scale, -3 = very unpleasant, +3 = very pleasant). Note that the target word was always an everyday word and the flashed words in all experimental trials were either brands or product categories. Importantly, each culturally-charged target word (e.g., queen) was preceded by a culturally-congruent brand or product (e.g., Burberry or tea brewer) in group 1, a culturally-incongruent brand or product (e.g., Sony or cappuccino maker) in group 2, or a culturally-neutral brand or product (e.g., Panasonic or food serving set) in group 3 (see table 1–Panel B for a list of the stimuli shown to participants).

Each prime-target pair was separated from the next pair by some filler word rating tasks (neutral words). The number of filler word rating tasks separating any two pairs varied randomly, ranging from 1 to 4. A filler pair containing only neutral priming and target every day words (i.e., no brands or products) was also included to further separate the experimental pairs. Each participant was presented, in a random order, with a total of 7 prime-target pairs: the 6 experimental pairs and the filler pair. Recall that in this paradigm, (dis)fluency is inferred from the increase (attenuation) of the pleasantness ratings of familiar everyday words (see Whittlesea 1993). Higher ratings for the target words in the culturally congruent (vs. baseline) pairs would suggest conceptual fluency due to activation of a congruent cultural schema. In contrast, lower pleasantness ratings for target words in the culturally incongruent (vs. baseline) pairs would suggest conceptual disfluency due to activation of incongruent cultural schemas.
Results and Discussion

We conducted a repeated measures ANOVA on the pleasantness ratings. Results yielded only a significant main effect of Cultural Congruency, $F(2,80) = 14.59, p < .001$. All other effects were non-significant (all $p > .2$). Simple contrasts revealed that participants rated target words in the culturally congruent condition as being more pleasant ($M = .29$) than those in the baseline condition ($M = -.00, p < .025$), which in turn were rated as being more pleasant than words in the culturally incongruent condition ($M = -.29, p < .025$).

Results show that, relative to a baseline condition in which no culture is primed, the activation of a given cultural schema by a culturally-symbolic brand or product leads to more (less) favorable evaluation of a target word strongly associated with the same (a different) cultural schema. Our effects can be interpreted as evidence for increased (decreased) conceptual fluency of a familiar culturally-charged target word when presented in the context of a brand or product that activates the same (a different) cultural schema (see Lee and Labroo 2004; Whittlesea 1993; Winkielman et al. 2003, for a similar interpretation). Because the evaluation of target words occurred immediately after priming a given culture in an unrelated task, the (un)favorable evaluation emerged in the absence of any deliberation about the target word itself and/or its conflict with the primed culture.

To rule out the possibility that the results were driven by transfer of affective reactions or any other extraneous effects associated with the activation of cultural schemas, we conducted an additional study with a separate group of 40 participants following the same procedures (culturally-charged or neutral primes), but using this time culturally-neutral words as targets. An
ANOVA on the pleasantness ratings for the culturally-neutral target words (e.g., water) yielded no significant effects (all \( p > .1 \)). These null effects reinforce the notion that priming a culture results in conceptual (dis)fluency only when the target is also strongly associated with a cultural schema. The next study was designed to examine the implications of the proposed cultural congruity framework for brand extensions across different levels of fit.

**STUDY 2**

Pretests and Design

Based on study 1’s pretest, we selected Sony as the target brand: it was rated high in familiarity (\( M = 5.9 \)), favorability (\( M = 5.9 \)) and cultural symbolism (\( M = 5.5 \); Japanese culture). A set of three pretests (all items using 7-point scales) were run to identify potential extensions for the study, based on their level of fit with the Sony brand (dissimilar/similar, inconsistent/consistent, \( \alpha = .95, N = 19 \) ), cultural congruity with the Sony brand (congruent, incongruent or neutral; complete cultural mismatch/perfect cultural match, culturally incongruent/culturally congruent, \( \alpha = .89, N = 20 \) ), as well as perceived liking of and familiarity with the extension product categories (unfavorable/favorable, feel cold/feel warm, unappealing/appealing, \( \alpha = .95 \); familiar/unfamiliar; \( N = 65 \) ). On the basis of these pretests, three moderate and three low fit extensions for the Sony brand were identified, such that the three extensions within each fit condition (i.e., low or moderate) did not differ significantly from each other on perceived fit, product category familiarity, or product category favorability (all \( p \text{'s} > .2 \)), but were statistically different in cultural symbolism and cultural congruity with the Sony brand (\( p \text{'s} < .015 \)).
representing one culturally congruent, one culturally incongruent and one culturally neutral product. The three moderate fit extensions were: Sony Cappuccino-Macchiato maker (culturally incongruent: Fit or F = 3.95, Cultural symbolism of Japan or CS = 2.19, Cultural congruency or CC = 2.95, product favorability or “PF” = 4.94), Sony electric car (culturally congruent: F = 4.21, CS = 5.86, CC = 5.60, PF = 5.23), and Sony toaster oven (culturally neutral: F = 3.84, CS = 3.52, CC = 3.90, PF = 5.40). The three low fit extensions were: Sony Cappuccino Serving Set (culturally incongruent: F = 2.27, CS = 2.38, CC = 2.75, PF = 4.35), Sony Sushi Serving Set (culturally congruent: F = 2.03, CS = 6.05, CC = 5.20, PF = 4.51), and Sony Food Serving Set (culturally neutral: F = 1.94, CS = 3.52, CC = 3.90, PF = 4.24). Note that the products used in the incongruent extension conditions not only had a low level of CS with Japan (Sony’s COO), but also a high level of association with another country (i.e., Italy): CS (Italy) Capuccino-Macchiato maker = 6.26; Cappuccino Serving set = 6.35.

Seventy-three members of a consumer panel in the Twin Cities area (average age of 25.4 years, 49% male) participated in exchange for $10 in a 2 (Extension’s Fit: Moderate vs. Low) X 3 (Extension’s Cultural Congruity: congruent, incongruent, or neutral) between-subjects design. In a study about product concepts, participants were exposed to one of the six brand extensions and asked to write down any thoughts that came to mind. Next, they evaluated the presented extension on a 7-point scale with 3-items (unfavorable/ favorable, feel cold/feel warm, unappealing/appealing, α = .96) and rated the perceived fit of the extension (3-items, bad fit/good fit, inconsistent/ consistent, dissimilar/ similar, α = .96). Participants’ prior evaluation of the Sony brand was assessed in an unrelated task administered before the main study (separated by filler tasks) and used as a covariate in all the analyses.
Results and Discussion

Perceived Fit. Confirming the success of the fit manipulation, the two-way ANOVA on the average fit ratings revealed only a significant main effect of Extension Fit, $F(1, 66) = 45.25$, $p < .001$, with higher perceptions of fit in the Moderate compared to the Low fit condition ($M = 4.10$ and $2.08$ respectively). Notably, within each fit level (moderate and low), perceived fit did not vary across the three cultural congruity conditions (all $p’s > .2$, see table 2).

Extension Evaluations. Consistent with our framework, the main effect of Cultural Congruity was significant, $F(2, 66) = 14.39$, $p < .001$, revealing that compared to culturally neutral extensions ($M = 3.34$), culturally congruent ones were evaluated more favorably ($M = 4.69$, $p < .001$), whereas their culturally incongruent counterparts were rated significantly lower ($M = 2.62$, $p < .05$). Notably these effects emerged despite the equivalent level of perceived fit across the three cultural congruity conditions. Analyzing the data further within each fit condition, revealed significant contrasts for both the Moderate, $F(2, 66) = 9.20$, $p < .001$, and Low Fit conditions, $F(2, 66) = 5.74$, $p < .005$. Participants in both the moderate and low fit conditions evaluated the culturally congruent extensions more favorably and the culturally incongruent extensions less favorably than their corresponding culturally neutral counterparts (see table 2).

An examination of the correlation between perceived fit and extension evaluations within each of the cultural congruity conditions revealed that perceived fit was best at predicting
evaluations of the culturally neutral extensions \((r = .92)\); however, its ability to explain extension evaluations in the two culturally charged conditions (where the relatively unconscious cultural congruity effects emerged) was significantly lowered \((r_{\text{congruent}} = .44, r_{\text{incongruent}} = .22)\).

**Thoughts Analyses.** The number of thoughts listed by participants was similar across conditions (all \(F < 1.6, M = 2.1 - 2.4\)). Next, the thoughts were coded into four categories: (i) thoughts related to cultural schemas (any thoughts that related to country based schemas, brand’s or product’s COO, or Japanese or Italian cultures), (ii) favorable thoughts related to perceived fit of the extension based on brand attributes, product features or other similarities, (iii) unfavorable thoughts related to fit, and (iv) other thoughts (e.g., attitude toward the brand). Separate ANOVAs conducted on the number of favorable and unfavorable fit thoughts revealed only a main effect of level of fit (Favorable fit thoughts: \(F(1, 66) = 25.80, p < .001; M_{\text{Moderate Fit}} = .45\) and \(M_{\text{Low Fit}} = .00\); Unfavorable fit thoughts: \(F(1, 66) = 5.76, p < .025; M_{\text{Moderate Fit}} = .29\) and \(M_{\text{Low Fit}} = .57\)). No effects emerged from the ANOVAs on the number of thoughts related to cultural schemas or other thoughts (all \(F’s < 1.5, p’s > .20\)). Since the average number of thoughts related to cultural schemas was very low \((M = .05)\), we also compared the proportion of individuals reporting the different types of thoughts across conditions using a simple pearson chi-square contingency table analyses. Results suggested that there were no differences in the proportion of individuals listing the different types of thoughts between conditions, Likelihood Ratio Chi-Square < 4.2, all \(p > .1\) (see table 2). Overall, a mere 10% of participants in the culturally charged conditions indicated any thoughts related to cultural schemas. The majority of participants listed fit-related thoughts.

Findings from study 2 provide a demonstration of the cultural (in)congruency effects uncovered in study 1, in a brand extension context. Results support the notion that perceptions
of cultural congruity can influence extension evaluations over and above perceptions of fit. Importantly, the cultural congruity effect emerged for both moderate and low fit extensions, indicating that this effect is likely to be a robust finding across levels of brand stretch. Analyses of thoughts listed by the participants revealed a lack of deliberation on culture or COO. These data are consistent with prior research suggesting that people often fail to articulate culture- or country-related reasons for explaining their judgments (e.g., Liefeld 2004), and suggest that accessible cultural schemas likely influenced evaluations via the conceptual priming process uncovered in study 1.

The next study was designed to replicate the findings in the context of different brands and product categories, as well as to directly measure the processing fluency underlying the conceptual fluency mechanism. In addition, it attempted to provide a more stringent test by using a design that balances cultural congruity across brand extensions.

STUDY 3

Pretests and Development of Materials

Based on study 1’s pretest, we chose two brands with distinct cultural associations with the Italian (Giorgio Armani, CS = 5.62) and British (Burberry, CS = 5.23) cultures. These two brands belonged to the same product category (fashion apparel) and were similar in terms of favorability ($M = 5.19$ and 5.22 respectively, $p > .1$), familiarity ($M = 4.52$ and 4.68 respectively, $p > .1$) and breadth of product offering ($M = 3.99$ and 3.80 respectively, $p > .2$) for the pool of participants. Three products were chosen on the basis of the same pretest as follows: (1) a
product with a high level of cultural symbolism of the British culture and low in its symbolism of
the Italian culture (tea brewer: CS = 5.64 and 3.25 respectively, \( p < .001 \)); (2) a product with a
high level of cultural symbolism of the Italian culture and low in its symbolism of the British
culture (cappuccino-macchiato maker: CS = 6.26 and 2.45 respectively, \( p < .001 \)); and (3) a
product that was relatively neutral in terms of its symbolism of either culture (toaster oven: CS =
3.26 and 3.32 respectively, \( n.s. \)). A separate pretest (\( N = 62 \)) confirmed that participants in the
subject pool evaluated the three products similarly (\( M = 4.55 \) – 4.84, all \( p \)'s > .2).

Design, Procedure, and Variables

Eighty-one members of a consumer panel in the Twin Cities area (average age of 21.6
years, 45% male) participated in exchange for $10 in a 2 (Brand: Burberry vs. Giorgio Armani)
X 3 (Product Extension: tea brewer, cappuccino maker, or toaster oven) between-subjects design.
In a study about product concepts, participants were exposed to one of the six brand extensions.
After being exposed to the product idea they were encouraged to give their “gut” or first reaction
by rating the ease with which they could process the product idea (2-items, 9-point scale: -4 =
very difficult to understand/imagine, +4 = very easy to understand/imagine), adapted from Fang,
Singh and Ahluwalia (2007). These items were combined to form a “processing fluency”
measure. They evaluated the presented extension on a 7-point scale with 3-items (unfavorable/
favorable, feel cold/feel warm, unappealing/appealing) and rated the perceived fit of the
extension (3-items, bad fit/good fit, inconsistent/consistent, dissimilar/similar). We also included
a rating of the level of congruity between the culture/country associated with the brand and that
of the new product (culturally incongruent/culturally congruent) as a manipulation check. In
addition, participants’ prior evaluation of the target brand was assessed in an unrelated task administered before the main study (separated by filler tasks). Prior brand attitude was used as a covariate in all the analyses.

Results and Discussion

**Manipulation Checks.** Supporting the validity of the cultural congruity manipulation, a two-way ANOVA on participants’ self-reported cultural congruity ratings yielded only a significant Brand X Product Extension interaction, $F(2, 74) = 14.71, p < .001$; as expected, participants perceived the Burberry tea brewer and the Giorgio Armani cappuccino maker similarly in terms of cultural congruity (CC = 4.27 and 4.09 respectively, $p > .1$), but higher than the Burberry and Giorgio Armani toaster ovens, which in turn were rated higher in cultural congruity than the Burberry cappuccino maker and the Giorgio Armani tea brewer (see table 3). In addition, the ANOVA on the fit ratings ($\alpha = .93$) yielded no significant effects (all $p$’s > .16), suggesting that all the product extensions were judged similarly low in terms of fit with the parent brand.

_____________________
Insert table 3 about here
_____________________

**Extension Evaluations.** The ANOVA on the mean extension evaluation ($\alpha = .90$) yielded the expected significant Brand X Product Extension interaction, $F(2, 74) = 14.07, p < .001$, and also a significant effect for the attitude toward the parent brand, $F(1, 74) = 4.64, p < .05$. No other effect reached significance (all $p$’s > .1). A significant contrast for the Giorgio
Armani brand, $F(2, 74) = 7.27, p < .001$, demonstrated that the culturally congruent cappuccino maker extension was evaluated more favorably than the neutral toaster oven extension, which was in turn evaluated more favorably than the culturally incongruent tea brewer extension (see table 3). Similarly, a significant contrast for the Burberry brand, $F(2, 74) = 6.80, p < .005$, demonstrated that the culturally congruent tea brewer extension was evaluated more favorably than the neutral toaster oven extension, which was in turn evaluated more favorably than the culturally incongruent cappuccino maker extension.

*Processing Fluency.* Consistent with the above measures, the ANOVA on the 2-item measure of processing fluency ($\alpha = .81$) revealed only a significant Brand X Product Extension interaction, $F(2, 74) = 17.40, p < .001$, with participants experiencing more fluency when exposed to culturally congruent extensions from Burberry and Giorgio Armani as compared to the culturally neutral ones. Processing fluency in the neutral conditions was significantly higher than in the culturally incongruent ones.

*Mediating Role of Processing Fluency.* Following Zhao, Lynch and Chen (2010), to test for mediation, we used Preacher and Hayes’s (2008) method of calculating standard errors and 95% confidence intervals of the effect of cultural congruity (incongruity) (dummy coded, with the neutral condition as reference) on extension evaluation through processing fluency. For convenience, we also report the traditional mediation significance test (i.e., Sobel test). Results of these analyses suggest that increased (decreased) level of fluency generated by the schema activation process partially (fully) mediated the effect of cultural congruity (incongruity) on extension evaluations (Cultural Congruity: Mediated Effect = .47, SE = .17, 95% CI = .19 – .87, Sobel z = 2.13, $p < .05$; Cultural Incongruity: Mediated Effect = -.50, SE = .17, 95% CI = -.88 – -.22, Sobel z = -1.97, $p < .05$; see figure 2). Because the confidence intervals did not contain
zero, we can conclude that there is a significant mediation effect of cultural congruity (incongruity) on extension evaluation through processing fluency.

The above findings further support the notion that cultural congruity can influence extension evaluations over and above perceptions of fit. These effects were driven by increased (decreased) fluency when processing a culturally (in)congruent brand extension. The effects here emerged for two different brands that were very similar in terms of their positioning, prestige and level of cultural symbolism, but that differed in terms of the culture they were associated with.

Together, results from studies 2 and 3 attest to the effect of cultural (in)congruity on extension evaluation through processing (dis)fluency. The effects emerged for prestige (Giorgio Armani and Burberry) as well as for mainstream brands (Sony). They also emerged for moderate (study 2) as well as for low fit extensions (studies 2 and 3). This suggests that the effects are robust and generalizable across different types of brand extensions.

Although the thoughts data in study 2 and the mediation analyses in study 3 highlight the fluency-based (and hence more automatic) nature of the effects, one wonders whether the same effects would also emerge for brands that are not highly symbolic of a culture, but consumers are fully aware of their COO. Emergence of effects for such brands would suggest an alternative mechanism: deliberation about the perceived expertise of the brand on the basis of its COO (Roth and Romeo 1992). In contrast, the mechanism proposed by us would predict null effects in this context because a brand with lower levels of cultural symbolism would be unlikely to automatically activate the corresponding cultural schema (Fiske and Pavelchak 1986), a
prerequisite for the emergence of the CC effects hypothesized in our research. Study 4 attempts to address this issue. In addition, it also includes an unbranded control condition in the design to allow contrasts with a “true” control, thereby strengthening our confidence in the framework. It also examined whether the persuasion effects obtained so far are likely to extend to consumers’ buying intentions.

STUDY 4

Pretests and Development of Materials

In a pretest (N = 47), we assessed (i) COO evaluations for several countries, (ii) the cultural symbolism of as well as COO ratings for a variety of specific product categories, and (iii) cultural symbolism of several brands from each of these product categories. Based on this pretest, the Mexican and American cultures and the alcoholic beverages category were selected due to the presence of symbolic brands and products from this category in the two target cultures.

Two brands from the alcoholic beverages category with distinct cultural associations were chosen for the main study: Corona (Mexican, CS = 5.40) and Budweiser (American, CS = 5.98). A second American brand, Coors, was identified as a comparison brand. Although similar to Budweiser and Corona in familiarity ($M_{\text{Corona}} = 5.2$, $M_{\text{Budweiser}} = 5.7$ and $M_{\text{Coors}} = 5.3$, $p > .2$), evaluations ($M_{\text{Corona}} = 4.3$, $M_{\text{Budweiser}} = 4.2$ and $M_{\text{Coors}} = 4.1$, $p > .3$), and breadth ($M_{\text{Corona}} = 2.26$, $M_{\text{Budweiser}} = 2.60$ and $M_{\text{Coors}} = 2.41$, all $p > .1$, same scales used in past pretests), Coors was rated as relatively neutral in American culture symbolism and very low in Mexican symbolism (CS =
4.32 and 1.67 respectively; significantly lower than both Budweiser and Corona, \( p < .001 \), hence unlikely to activate the American cultural schema. Importantly, Coors’ COO was well known (90% of the participants in the subject pool recognized it as an American brand). An alcoholic beverage product, tequila, with a high level of cultural symbolism for the Mexican culture (CS = 5.87), but not the American culture (CS = 2.78), was chosen as the target extension category. An additional product, brandy, that was low in cultural symbolism (less than 17% of participants spontaneously associated it with any single culture, including Mexican and American ones, \( M = 2.56 \) and 2.78 respectively, n.s.), but comparable in favorability to tequila (\( M_{\text{brandy}} = 3.71 \) and \( M_{\text{tequila}} = 4.05, p > .1 \)), was used as a comparison extension category (neutral product condition).

In addition, an unbranded control condition was included in the design. In this condition, participants evaluated a tequila extension from an unbranded beer manufacturer (no brand name provided). Therefore, the study design included 4 levels of the tequila (target) extension product (congruent = Corona; incongruent = Budweiser; neutral = Coors; control = unbranded). A neutral (control) extension category (brandy) was also included for comparison purposes.

Design, Procedure, and Variables

Two-hundred and five students at the University of Minnesota (average age of 21.9 years, 42% male) participated in exchange for course credit in a 2 (Product Extension: tequila [culturally charged], brandy [culturally neutral]) X 4 (Brand: Corona [culturally congruent], Budweiser [culturally incongruent], Coors [culturally neutral], unbranded extension by a ‘beer manufacturer’ [control]) between-subjects design. It is important to note that although the stimuli were selected in a manner to ensure that the two products represented equivalent levels of fit for
each brand (F = 2.34 – 2.98, all p > .1, from the pretest), one product extension (tequila) was 
culturally congruent with Corona but incongruent with Budweiser, whereas the other product 
extension (brandy) was culturally neutral for all brands. In addition, both tequila and brandy 
extensions were culturally neutral for Coors.

Participants were exposed to one of the eight extension concepts. After writing down 
their thoughts about the extension concept, they evaluated and rated the ease with which they 
could process the extension concept on the same processing fluency scales used in study 3. In 
addition, participants in this study also completed, on 7-point scales, the following measures: (1) 
buying intentions (1 = would never buy it, 7 = for sure would buy it); (2) brand’s perceived 
manufacturing expertise and competency for making the product extension (1 = no expertise, 7 = 
great expertise) (Roth and Romeo 1992); (3) favorability towards products in general as well as 
towards alcoholic beverages manufactured in the U.S. and Mexico (Gurhan-Canli and 
Maheswaran 2000); and (4) prior attitudes towards the product category (in a prior task separated 
from the main study by filler tasks).

Results and Discussion

Manipulation Checks. Supporting the validity of the cultural congruity manipulation, a 
two-way ANOVA on participants’ self-reported cultural congruity ratings with Product 
Extension and Brand as fixed factors yielded a significant interaction, \( F(3, 197) = 9.31, p < .001 \), 
a significant main effect of Brand, \( F(3, 197) = 6.51, p < .001 \) and a marginal main effect of 
Product Extension, \( F(1, 197) = 3.69, p = .056 \). Post hoc contrasts revealed that as expected, there 
was no difference in cultural congruity between the two neutral conditions: Coors tequila and the
unbranded control tequila, $M = 3.04$ and $3.50$ respectively, $p > .2$. A significant contrast for the tequila extension, $F(3, 197) = 13.66, p < .001$, indicated that participants perceived Corona tequila higher in cultural congruity than both Coors tequila (neutral condition) and the unbranded control (see table 4); additionally the Budweiser tequila was rated as significantly lower in cultural congruity than both the neutrals. The contrast for the control brandy extension was non-significant ($p > .20$), suggesting no differences in cultural congruity between the four brandy extensions. In addition, the ANOVA on the fit ratings ($\alpha = .91$) yielded no significant effects (all $p$’s > .10), suggesting that all the product extensions represented a similar level of fit with the parent brands (see table 4).

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Insert table 4 about here

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*Extension Evaluations.* We conducted an ANOVA on the mean extension evaluation ($\alpha = .93$) with Product Extension and Brand as fixed factors and the following covariates: (1) prior attitudes toward the brand, (2) prior attitudes toward the product category, and (3) favorability toward alcoholic beverages manufactured in the US. The analysis yielded the expected significant Product Extension X Brand interaction, $F(3, 193) = 13.43, p < .001$, as well as significant main effects of Brand, $F(3, 193) = 7.46, p < .001$, prior product attitude, $F(1, 193) = 15.86, p < .001$, and prior brand attitude, $F(1,193) = 5.63, p < .025$. No other effects were significant (all $p > .4$). As shown in table 4, and consistent with our predictions, a significant contrast for the tequila extension ($F(3, 193) = 18.19, p < .001$) indicated that participants evaluated the culturally congruent Corona tequila more favorably than either the culturally neutral Coors tequila or the unbranded control; in contrast, the culturally incongruent Budweiser
tequila was evaluated less favorably than both the Coors as well as unbranded versions. There was no difference in evaluation between Coors tequila and the unbranded control. The contrast for the culturally neutral brandy extension was not significant \((p > .10)\), suggesting similar evaluations of the four brandy extensions.

**Purchase Intentions.** A similar ANOVA on purchase intentions yielded a significant Product Extension X Brand interaction, \(F(3, 193) = 12.83, p < .001\), as well as significant main effects of Brand, \(F(3, 193) = 5.87, p < .005\), prior product attitude, \(F(1, 193) = 19.96, p < .001\), and prior brand attitude, \(F(1, 193) = 10.25, p < .005\). No other effects were significant (all \(p > .2\)). As depicted in table 4, and consistent with our predictions, a significant contrast for the tequila extension \((F(3, 193) = 16.30, p < .001)\) indicated that participants expressed a significantly higher intention to buy the culturally congruent Corona tequila than either the culturally neutral Coors tequila or the unbranded control, which in turn were more likely to be purchased than the culturally incongruent Budweiser tequila. There was no difference in purchase intentions between Coors tequila and the unbranded control. A non-significant contrast for the culturally neutral brandy extension \((p > .17)\) suggested no differences in purchase intentions between the four brandy extensions.

**Processing Fluency.** Consistent with the above measures, the ANOVA on the 2-item measure of processing fluency \((\alpha = .82)\) revealed the expected significant Product Extension X Brand interaction, \(F(3, 193) = 9.41, p < .001\), as well as significant main effects of Brand, \(F(3, 193) = 4.74, p < .005\), and prior product attitude, \(F(1, 193) = 5.93, p < .025\). No other effects were significant (all \(p > .20\)). As shown in table 4, and consistent with our predictions, a significant contrast for the tequila extension, \(F(3, 193) = 12.96, p < .001\), indicated that participants experienced more fluency when exposed to the culturally congruent Corona tequila.
than either the culturally neutral Coors tequila or the unbranded control, which in turn received higher fluency ratings than the culturally incongruent Budweiser tequila. There was no difference in fluency measures between Coors tequila and the unbranded control. A non-significant contrast for the culturally neutral brandy extension ($p > .60$) suggested similar levels of processing fluency for all brandy extensions.

**Brand’s Manufacturing Expertise.** An ANOVA on the brand’s manufacturing expertise measure yielded no significant effects (all $p > .10$). Participants perceived the different brands to be similarly low in terms of their expertise for making either tequila or brandy (see table 4). These ratings are consistent with the relatively low perceptions of fit reported earlier. Interestingly, although the brand’s perceived manufacturing expertise for making the product extension was positively correlated with its perceived fit ($r = .53, p < .001$), it did not correlate with COO ratings for manufacturing alcoholic beverages ($r_{U.S.} = - .06$, $r_{Mexico} = .07$, n.s.), or general COO favorability ratings ($r_{U.S.} = - .02$, $r_{Mexico} = .08$, n.s.). Similarly, perceived fit was not significantly correlated with any of these COO ratings ($r$’s = -.03 to .07, n.s.). Together, these findings suggest that COO did not influence the deliberate ratings of perceived fit or manufacturing expertise.

**Thoughts Analyses.** Participants’ listed thoughts were counted and coded in the same four categories used in study 2. There were no differences in the number of thoughts between the different conditions ($M = 2.2 – 2.6$, all $p > .2$). Separate ANOVAs conducted on the number of thoughts in each category suggested that there were no differences between conditions (all $p$’s > .20). Similarly, there were no differences in the proportion of individuals listing the different types of thoughts between conditions, all Likelihood Ratio Chi-Square < 4.50, all $p > .20$ (see table 4). A mere 9% of participants indicated any thoughts related to cultural schemas. The
majority of participants listed fit-related thoughts.

**Mediating Role of Processing Fluency.** We conducted a mediation analysis following the same procedure used in study 3 but also added the brand’s perceived manufacturing expertise and perceived fit as additional mediators to assess potential indirect effects based on COO mechanisms. Results of the mediation analyses suggest that increased (decreased) level of fluency generated by the schema activation process partially (fully) mediated the effect of cultural congruity (incongruity) on extension evaluations (Cultural Congruity: Mediated Effect = .77, SE = .19, 95% CI = .44 – 1.19, Sobel z = 2.01, \( p < .05 \); Cultural Incongruity: Mediated Effect = -1.06, SE = .23, 95% CI = -1.59 – -.68, Sobel z = -3.85, \( p < .001 \); see figure 3). Because the confidence intervals did not contain zero, we can conclude that there is a significant mediation effect of cultural congruity (incongruity) on extension evaluation through processing fluency. There was no evidence of mediation via perceived manufacturing expertise or fit as all the confidence intervals for the indirect effects contained zero.

A similar mediation analyses conducted for purchase intentions yielded the same results, suggesting that the increased (decreased) level of fluency generated by the schema activation process (and not the brand’s perceived manufacturing expertise or the fit) mediated the effect of cultural (in)congruity on purchase intentions (Cultural Congruity: Mediated Effect = .69, SE = .21, 95% CI = .36 – 1.22, Sobel z = 1.86, \( p = .06 \); Cultural Incongruity: Mediated Effect = -1.99, SE = .28, 95% CI = -1.65 – -.52, Sobel z = -3.22, \( p < .005 \)).

Overall, the findings provide further evidence for the conceptual (dis)fluency effects
triggered by cultural (in)congruity on extension evaluations. Results from this study further illuminate the process as well as rule out alternative interpretations based on traditional COO effects. The effects were very robust and emerged when evaluating the same product introduced as an extension by either a culturally congruent, incongruent, neutral brand, or unbranded extension, and after controlling for prior brand/product attitude. Replicating the conceptual fluency effects in past studies, participants evaluated the culturally congruent Corona tequila more favorably as compared to its culturally neutral Coors counterpart or the unbranded control, via increased processing fluency. In addition, participants evaluated the culturally incongruent Budweiser tequila less favorably than its culturally neutral Coors and unbranded control counterparts because of its decreased processing fluency. These effects extended to participants’ purchase intentions. Importantly, emergence of both the congruency (fluency) and incongruency (disfluency) effects in comparison to not only a neutral control (Coors) but also an unbranded control in the same category (tequila), as well as a control in a neutral extension category (brandy), increases our confidence in the robustness of these effects.

Our data also revealed that in making their assessments of the tequila extension, subjects neither elaborated on (extremely few thoughts) nor perceived a difference in the manufacturing expertise of these brands for producing tequila. As such, COO-related inferences about perceived manufacturing expertise of the parent brand did not mediate the effects of cultural congruity on extension evaluation. Importantly, significant differences in evaluation of Budweiser and Coors tequila emerged even though both were from the same COO and obtained near identical ratings on perceived manufacturing expertise, strengthening support for the less conscious cultural congruency explanation.

The findings of this study are consistent with the conceptual (dis)fluency process
hypothesized to underlie cultural (in)congruity. The effects emerged only when both the extension category and parent brand were strongly associated with a cultural schema; when only one component (brand or product category) activated a cultural schema (e.g., Corona or Budweiser brandy, or Coors or unbranded tequila), the effects failed to emerge. Importantly, our findings also suggest that a “true” or “double” neutral extension (where neither brand nor category are culturally “charged”, e.g., Coors or unbranded brandy) is likely to be evaluated similar to a replicate where only one of the two components is culturally symbolic (either brand or product are culturally charged, e.g., Coors tequila or Corona brandy).

**GENERAL DISCUSSION**

Results from four studies demonstrate that the cultural congruity between a brand and a product can influence extension evaluations over and above perceptions of fit. Culturally congruent extensions (e.g., Sony electric car) were evaluated more favorably than neutral (e.g., Sony toaster oven) or culturally incongruent ones (e.g., Sony cappuccino-macchiato maker). The effects were very robust and occurred for both moderate (study 2) and low fit brand extensions (studies 2, 3 and 4), as well as for both broad (study 2) and narrow brands (study 4). However, the effects only emerged when both the brand and the product were culturally symbolic and did not emerge for a less culturally symbolic brand (or an unbranded extension–study 4) which is unlikely to automatically activate a cultural schema.

It is notable that cultural congruity was manipulated in several different ways in our studies: the first study used a basic word rating paradigm; the second study manipulated cultural congruity via the selection of different extension product categories for the same parent brand
(Sony). In contrast, study 4 held the extension category constant (tequila), but manipulated cultural congruity via choice of different parent brands. Study 3 manipulated congruity by varying both brand name and product category for two replicates.

Our data suggest that cultural congruity effects emerge when the extension product category is strongly associated with the cultural schema activated by the parent brand, and results in conceptually fluent processing of the new product. Study 1 revealed that even brief exposure to culturally symbolic brands and product categories can activate cultural schemas and lead to conceptual (dis)fluency effects. Studies 3 and 4 demonstrated that culturally (in)congruent extensions can enhance (lower) the ease of processing (induced by conceptual fluency), which mediates the effects of cultural congruency on extension evaluations. The non-deliberative nature of the fluency-based effects is also consistent with the low level of elaboration on culture- or country-related thoughts in studies 2 and 4, as well as with the lack of inferences about the brand’s perceived manufacturing expertise as related to its COO.

There are several important theoretical implications. To the best of our knowledge, we are the first to provide direct evidence for disfluency effects upon activating incongruent cultural schemas. We provide clear evidence for disfluency by comparing these conditions against two baseline conditions: where only one as well as where no cultural schemas are activated. By doing so, our findings suggest that disfluency is not only a disadvantage relative to fluent conditions, but also relative to baseline conditions that are relatively neutral in terms of fluency. This is consistent with recent findings in goal fluency research (e.g., Labroo and Lee 2006) and highlights the importance of considering disfluency in its own right and not only relative to fluent conditions.

We show that non-attribute or category related schemas activated by a brand extension
can influence extension evaluation and override the effect of fit. Furthermore, these schema-driven processes seem to operate below the level of consciousness and affect extension evaluations through the fluency when processing the brand extension. These are important findings that may help to explain why poor fitted extensions sometimes succeed in the marketplace (Klink and Smith 2001), or why the rate of failure of extensions is so high in spite of marketers’ efforts to introduce logical extensions (Tait 2001). They suggest that researchers should look beyond the more conscious fit-related processes and investigate the more reflexive schema-driven processes that can influence the success of a brand extension.

Our framework also expands and extends past research in the area of country-of-origin effects. In contrast to the typically deliberative processes associated with COO effects, our studies identify an alternate effortless mechanism by which country and culture based schemas can also influence product evaluations. This is important given recent findings calling into question the role of COO and culture in view of people’s inability to recognize the COO of most brands (e.g., Balabanis and Diamantopoulos 2008) and/or to articulate COO-related reasons for explaining their brand choices (e.g., Liefeld 2004). As our research reveals, the automatic effects of cultural congruity are likely to emerge even under the presence of minimal information (i.e., mere presentation of a branded product), and when other pieces of diagnostic information are readily available (e.g., perceived fit) and the COO information is not very conspicuous (i.e., it is not explicitly pointed out to the consumer)—conditions under which the typical COO effects are less likely to be expected. Under these settings, processing fluency from cultural congruity is likely to trump both fit and country expertise assessments.

The brands included in this investigation were very familiar to participants and varied along multiple dimensions, such as breadth, fit with the extension product, cultural congruity, or
associated cultural schema. To avoid introducing additional sources of variability in the data, we presented participants with the brand extension without any supporting messages. This is not an uncommon approach in brand extension research using real (instead of fictitious) brands (e.g., Broniarczyk and Alba 1994; Park et al. 1991) where participants’ brand knowledge constitutes an important input into judgments. Nevertheless, the fluency nature of the cultural congruity effect would suggest that explicitly pointing to a country- or culture-based connection (i.e., to the source of (dis)fluency), which is typically recommended in COO research (e.g., Roth and Romeo 1992) for boosting product acceptance, might result in a correction effect, lowering extension evaluations (Fang et al. 2007). In contrast, negative attitudes toward culturally incongruent extensions might be partially overcome through encouraging elaboration about cultural congruity. Further investigating these issues seems a fruitful area for research.

We focused here on cultural congruity effects emerging from the activation of country-level cultural schemas (e.g., American or Mexican culture) because people commonly develop such schemas from direct or indirect cultural experiences (Hong et al. 2000) and consensually associate brands and products with them (Torelli et al. 2010). These effects should also extend to other sub-cultural schemas that are well established in memory and are likely to include brands and products, such as those defined on the basis of ethnicity, age or gender (McCracken 1986; Oyserman 2009; Torelli et al. 2010). These predictions await further investigation.

There are multiple implications for branding professionals, particularly managers of iconic brands. A brand’s cultural symbolism can be a liability or an asset, and to harness it profitably, a manager needs to understand the cultural symbolism of the potential extension categories under consideration. These brands may be at a disadvantage when attempting to extend into culturally incongruent categories. For instance, although consumers evaluated
Giorgio Armani’s extension into cappuccino makers (culturally congruent) more favorably than might be expected on the basis of perceived fit, they were less favorable towards the tea brewer category (culturally incongruent) which presented the same level of fit. As such, culturally symbolic brands may successfully extend into culturally congruent products regardless of fit and may backfire in culturally incongruent categories, despite their perceived fit. Cultural associations, however, are not likely to be of concern for managers of brands that are neutral or low in cultural symbolism, as these associations are unlikely to drive people’s judgments.
REFERENCES


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TABLE 1
Stimuli and Design (Study 1)
Panel A. Sample of Words, Brands and Products Used as Primes and Targets

<table>
<thead>
<tr>
<th>Type of stimuli</th>
<th>Associated culture</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Italian</td>
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<tr>
<td>Prime Word</td>
<td></td>
</tr>
<tr>
<td>Brand</td>
<td>Giorgio Armani</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>Cappuccino-Macchiato Maker</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Pleasantness target word</td>
<td>Gelatto, Linguini</td>
</tr>
</tbody>
</table>

Panel B. Example of Pairs Shown to Groups of Participants

<table>
<thead>
<tr>
<th>Pair</th>
<th>Prime</th>
<th>Type</th>
<th>Pleasantness target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Word</td>
<td>Type</td>
<td>Word</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 1 - Congruent condition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Burberry</td>
<td>Brand</td>
<td>Queen</td>
</tr>
<tr>
<td>2</td>
<td>Cappuccino Maker</td>
<td>Product</td>
<td>Gelatto</td>
</tr>
<tr>
<td>3</td>
<td>Sony</td>
<td>Brand</td>
<td>Wasabi</td>
</tr>
<tr>
<td>4</td>
<td>Tea Brewer - Kettle</td>
<td>Product</td>
<td>Rugby</td>
</tr>
<tr>
<td>5</td>
<td>Giorgio Armani</td>
<td>Brand</td>
<td>Linguini</td>
</tr>
<tr>
<td>6</td>
<td>Sushi Serving Set</td>
<td>Product</td>
<td>Samurai</td>
</tr>
<tr>
<td>7</td>
<td>Central</td>
<td>Filler</td>
<td>Wind</td>
</tr>
<tr>
<td>Group 2 - Incongruent condition</td>
<td></td>
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<tr>
<td>1</td>
<td>Sony</td>
<td>Brand</td>
<td>Queen</td>
</tr>
<tr>
<td>2</td>
<td>Tea Brewer - Kettle</td>
<td>Product</td>
<td>Gelatto</td>
</tr>
<tr>
<td>3</td>
<td>Giorgio Armani</td>
<td>Brand</td>
<td>Wasabi</td>
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<td>Product</td>
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<td>5</td>
<td>Burberry</td>
<td>Brand</td>
<td>Linguini</td>
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<td>Cappuccino Maker</td>
<td>Product</td>
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</tr>
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<td>Central</td>
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<tr>
<td>Group 3 - Baseline condition</td>
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<td>1</td>
<td>Panasonic</td>
<td>Brand</td>
<td>Queen</td>
</tr>
<tr>
<td>2</td>
<td>Food serving set</td>
<td>Product</td>
<td>Gelatto</td>
</tr>
<tr>
<td>3</td>
<td>New Balance</td>
<td>Brand</td>
<td>Wasabi</td>
</tr>
<tr>
<td>4</td>
<td>Toaster Oven</td>
<td>Product</td>
<td>Rugby</td>
</tr>
<tr>
<td>5</td>
<td>Jansport</td>
<td>Brand</td>
<td>Linguini</td>
</tr>
<tr>
<td>6</td>
<td>Bread Toaster</td>
<td>Product</td>
<td>Samurai</td>
</tr>
<tr>
<td>7</td>
<td>Central</td>
<td>Filler</td>
<td>Wind</td>
</tr>
</tbody>
</table>
TABLE 2
Means and Percentages of Participants Reporting Different Types of Thoughts per Extension’s Fit and Cultural Congruity (Study 2)

<table>
<thead>
<tr>
<th>Extension's fit</th>
<th>Extension's cultural congruity</th>
<th>Congruent</th>
<th>Neutral</th>
<th>Incongruent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Moderate</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Fit(^1)</td>
<td>4.59(_a)</td>
<td>3.72(_a)</td>
<td>3.95(_a)</td>
<td></td>
</tr>
<tr>
<td>Evaluation(^1)</td>
<td>5.67(_a)</td>
<td>4.37(_b)</td>
<td>3.36(_c)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Cultural Schemas(^2)</td>
<td>7.7(_a)</td>
<td>0.0(_a)</td>
<td>7.7(_a)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Favorable Fit(^2)</td>
<td>46.2(_a)</td>
<td>41.7(_a)</td>
<td>46.2(_a)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Unfavorable Fit(^2)</td>
<td>23.1(_a)</td>
<td>33.3(_a)</td>
<td>38.5(_a)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Other(^2)</td>
<td>23.1(_a)</td>
<td>33.3(_a)</td>
<td>38.5(_a)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Low</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Fit(^1)</td>
<td>2.03(_a)</td>
<td>1.94(_a)</td>
<td>2.27(_a)</td>
<td></td>
</tr>
<tr>
<td>Evaluation(^1)</td>
<td>3.71(_a)</td>
<td>2.31(_b)</td>
<td>1.89(_b)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Cultural Schemas(^2)</td>
<td>15.4(_a)</td>
<td>0.0(_a)</td>
<td>0.0(_a)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Favorable Fit(^2)</td>
<td>0.0(_a)</td>
<td>0.0(_a)</td>
<td>0.0(_a)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Unfavorable Fit(^2)</td>
<td>61.5(_a)</td>
<td>45.5(_a)</td>
<td>63.6(_a)</td>
<td></td>
</tr>
<tr>
<td>Thoughts - Other(^2)</td>
<td>30.8(_a)</td>
<td>54.5(_a)</td>
<td>36.4(_a)</td>
<td></td>
</tr>
</tbody>
</table>

NOTES: \(^1\)Measured on 1-7 scale
\(^2\)Percentage of participants reporting the type of thought
\(a,b,c\) Cells not sharing the same subscript in the same row differ significantly, \(p < .05\), one-tailed
## TABLE 3
Means per Product Extension and Brand (Study 3)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Product extension</th>
<th>Cultural Congruity</th>
<th>Perceived Fit</th>
<th>Evaluation</th>
<th>Processing Fluency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Cappuccino maker</strong></td>
<td>4.09&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.73&lt;sub&gt;a&lt;/sub&gt;</td>
<td>3.59&lt;sub&gt;a&lt;/sub&gt;</td>
<td>0.26&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td><strong>Toaster oven</strong></td>
<td>2.85&lt;sub&gt;b&lt;/sub&gt;</td>
<td>1.86&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.31&lt;sub&gt;b&lt;/sub&gt;</td>
<td>-1.00&lt;sub&gt;b&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td><strong>Tea brewer</strong></td>
<td>1.72&lt;sub&gt;c&lt;/sub&gt;</td>
<td>2.18&lt;sub&gt;a&lt;/sub&gt;</td>
<td>1.72&lt;sub&gt;c&lt;/sub&gt;</td>
<td>-2.13&lt;sub&gt;c&lt;/sub&gt;</td>
</tr>
<tr>
<td>Giorgio Armani</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burberry</td>
<td></td>
<td>1.91&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.10&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.16&lt;sub&gt;a&lt;/sub&gt;</td>
<td>-2.33&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.16&lt;sub&gt;b&lt;/sub&gt;</td>
<td>2.51&lt;sub&gt;a&lt;/sub&gt;</td>
<td>3.07&lt;sub&gt;b&lt;/sub&gt;</td>
<td>-0.99&lt;sub&gt;b&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.27&lt;sub&gt;c&lt;/sub&gt;</td>
<td>2.61&lt;sub&gt;a&lt;/sub&gt;</td>
<td>4.03&lt;sub&gt;c&lt;/sub&gt;</td>
<td>.32&lt;sub&gt;c&lt;/sub&gt;</td>
</tr>
</tbody>
</table>

*NOTE: Cells not sharing the same subscript in the same row differ significantly, p < .05, one-tailed*
### Table 4
Means and Percentages of Participants Reporting Different Types of Thoughts per Brand and Product Extension (Study 4)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Tequila</th>
<th>Brandy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budweiser</td>
<td>Coors</td>
</tr>
<tr>
<td>Cultural congruity¹</td>
<td>2.05&lt;sub&gt;a&lt;/sub&gt;</td>
<td>3.04&lt;sub&gt;b&lt;/sub&gt;</td>
</tr>
<tr>
<td>Perceived Fit¹</td>
<td>2.61&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.71&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td>Manufacturing expertise¹</td>
<td>2.58&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.58&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td>Evaluation¹</td>
<td>1.84&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.78&lt;sub&gt;b&lt;/sub&gt;</td>
</tr>
<tr>
<td>Purchase intentions¹</td>
<td>1.48&lt;sub&gt;a&lt;/sub&gt;</td>
<td>2.75&lt;sub&gt;b&lt;/sub&gt;</td>
</tr>
<tr>
<td>Processing fluency²</td>
<td>-1.91&lt;sub&gt;a&lt;/sub&gt;</td>
<td>-2.0&lt;sub&gt;b&lt;/sub&gt;</td>
</tr>
<tr>
<td>Thoughts - Cultural schemas³</td>
<td>13.6&lt;sub&gt;a&lt;/sub&gt;</td>
<td>8.7&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td>Thoughts - Favorable fit³</td>
<td>9.1&lt;sub&gt;a&lt;/sub&gt;</td>
<td>8.7&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td>Thoughts - Unfavorable fit³</td>
<td>85.7&lt;sub&gt;a&lt;/sub&gt;</td>
<td>91.3&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
<tr>
<td>Thoughts - other³</td>
<td>54.5&lt;sub&gt;a&lt;/sub&gt;</td>
<td>52.2&lt;sub&gt;a&lt;/sub&gt;</td>
</tr>
</tbody>
</table>

**Notes:**

¹Measured on 1-7 scale  
²Measured on -4 to +4 scale  
³Percentage of participants reporting the type of thought  

<sub>a,b,c</sub> Cells not sharing the same subscript in the same row differ significantly, \( p < .05 \), one-tailed.
FIGURES

FIGURE 1
CONCEPTUAL MODEL OF CULTURAL CONGRUENCY EFFECTS ON BRAND EXTENSION EVALUATIONS

FIGURE 2
MEDIATION OF THE EFFECT OF CULTURAL CONGRUITY (INCONGRUITY) ON EXTENSION EVALUATION BY PROCESSING FLUENCY (STUDY 3)

FIGURE 3
MEDIATION OF THE EFFECT OF CULTURAL CONGRUITY (INCONGRUITY) ON EXTENSION EVALUATION BY PROCESSING FLUENCY (STUDY 4)
FIGURE 1
CONCEPTUAL MODEL OF CULTURAL CONGRUENCY EFFECTS ON BRAND EXTENSION EVALUATIONS

Cultural Symbolism of Brand

- High (cultural schema activated)
  - Extension category associated with same schema
    - Increased Processing Fluency
    - Enhanced Evaluation
  - Extension category cues different cultural schema
    - Lowered Processing Fluency
    - Reduced Evaluation
  - Extension category not associated with a cultural schema
    - No cultural congruency effects
    - Baseline Evaluation

- Low (no cultural congruency effects)
FIGURE 2

MEDIATION OF THE EFFECT OF CULTURAL CONGRUITY (INCONGRUITY) ON EXTENSION EVALUATION BY PROCESSING FLUENCY (STUDY 3)

PANEL A. CULTURALLY CONGRUENT EXTENSION

PANEL B. CULTURALLY INCONGRUENT EXTENSION

*** $p < .001$

** $p < .01$

* $p < .05$
FIGURE 3

MEDIATION OF THE EFFECT OF CULTURAL CONGRUITY (INCONGRUITY) ON EXTENSION EVALUATION BY PROCESSING FLUENCY (STUDY 4)

PANEL A. CULTURALLY CONGRUENT EXTENSION

PANEL B. CULTURALLY INCONGRUENT EXTENSION

*** p < .001
** p < .01
* p < .05
HEADING LIST

1) THE THEORETICAL FRAMEWORK
2) Cultural Schemas
2) Activated Cultural Schemas and Conceptual (Dis)fluency in Brand Extensions
1) STUDY 1
2) Pretests, Design, and Procedure
2) Results and Discussion
1) STUDY 2
2) Pretests and Design
2) Results and Discussion
3) Perceived Fit
3) Extension Evaluations
3) Thoughts Analyses
1) STUDY 3
2) Pretests and Development of Materials
2) Design, Procedure, and Variables
2) Results and Discussion
3) Manipulation Checks
3) Extension Evaluations
3) Processing Fluency
3) Mediating Role of Processing Fluency
1) STUDY 4
2) Pretests and Development of Materials
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3) Processing Fluency
3) Brand’s Manufacturing Expertise
3) Thoughts Analyses
3) Mediating Role of Processing Fluency
1) GENERAL DISCUSSION
1) REFERENCES