Brand trust and brand extension acceptance: the relationship

Jon D. Reast
Leeds University Business School, Leeds University, Leeds, UK

Abstract

Purpose – This UK-based research aims to build on the US-based work of Keller and Aaker, which found a significant association between "company credibility" (via a brand's "expertise" and "trustworthiness") and brand extension acceptance, hypothesising that brand trust, measured via two correlate dimensions, is significantly related to brand extension acceptance.

Design/methodology/approach – Discusses brand extension and various prior, validated influences on its success. Focuses on the construct of trust and develops hypotheses about the relationship of brand trust with brand extension acceptance. The hypotheses are then tested on data collected from consumers in the UK.

Findings – This paper, using 368 consumer responses to nine, real, low involvement UK product and service brands, finds support for a significant association between the variables, comparable in strength with that between media weight and brand share, and greater than that delivered by the perceived quality level of the parent brand.

Originality/value – The research findings, which develop a sparse literature in this linkage area, are of significance to marketing practitioners, since brand trust, already associated with brand equity and brand loyalty, and now with brand extension, needs to be managed and monitored with care. The paper prompts further investigation of the relationship between brand trust and brand extension acceptance in other geographic markets and with other higher involvement categories.

Keywords Brands, Trust, Brand extensions, United Kingdom

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

Brand extensions, “the stretch of the established franchise to a different product class” (Aaker and Keller, 1990) have become an increasingly popular way of gaining growth (Springen and Miller, 1990). Brand extensions, delineated from “line extensions”, which tend to offer modifications to existing products or services in the same product class (e.g. flavour, size), are typified by examples (Webster, 2000) such as Calvin Klein (from jeans to dishes and bed sheets); Starbucks (from coffee to ice-cream and CDs); and Ralph Lauren (from clothing to glasses and house-paint).

Although, intuitively, brand trust seems, to the researcher, a logical influence on the evaluation and usage of brand extension activities, particularly where there is an increased level of risk associated with a purchase (Jacoby and Kaplan, 1972; Selnes, 1998), and while a large amount of academic research, seeking to isolate the key components of successful brand extension, has taken place over the last 10-15 years, as yet, only indirect or partial linkages have been made between brand trust and brand extension (Keller and Aaker, 1992; McWilliam, 1993; Hem et al., 2000; Smith and Andrews, 1995).

The structure of this paper is as follows. First, we discuss brand extension and various prior, validated, influences on its success. Next, we discuss the construct of trust, the various contexts in which it has been emphasised, and consider any actual or perceived linkages in the two literature bodies. Next, we develop the hypotheses about the relationship of brand trust with brand extension acceptance. Then, we describe the research methodology and test our hypotheses on data collected from consumers in the UK. Finally, we discuss the limitations of our research and the implications of our findings.

Brand extension literature

Given the large literature on brand extension success factors, and as an aid to review, these various components are grouped as:

• parent brand characteristics;
• brand extension characteristics; and
• consumer characteristics.

Parent brand characteristics

These specifically include: the level of “affect” which most customers have in the parent brand (e.g. Fiske and Pavelchak, 1986; Boush and Loken, 1991); the prestige of the parent brand (Park et al., 1991); perceptions about the breadth of the parent brand portfolio (Boush and Loken, 1991); any strong “associations” related to the parent brand (e.g. MacInnis and Nakamoto, 1990; Park et al., 1991), which might include the extent to which the brand has strong product level or more generic associations (Rangaswamy et al., 1993); the parent
Brand extension characteristics

These factors include: the extent to which the extension is “similar” to the parent brand category (Aaker, 1990; Aaker and Keller, 1990; Boush and Loken, 1991). Aaker and Keller (1990) indicate, using fictitious brand extensions and six well known brands, that “fit” can be split into three dimensions of variables: transfer of skills or assets from parent to extension; the extent to which the two product classes are complementary; and the extent to which the two product classes are substitutes. Results suggest that “transfer” and “complement” are the more important in explaining attitude towards extensions, this gaining support in replication studies and reanalysis by Van Riel (1999).

Consumer characteristics

These specifically include: customer’s user status (Kirmani et al., 1999); their brand or category knowledge (e.g. Murphy and Medin, 1985); whether they are of novice or expert status within a given category (Broniarczyk and Alba, 1994); the extent to which they are considered to be innovative (Klink and Smith, 2001); and the extent of their involvement level within a particular category (McWilliam, 1993).

Trust

The trust construct is variously defined as: “a generalised expectancy held by an individual that the word of another can be relied on” (Rotter, 1967); “the extent to which a person is confident in, and willing to act on the basis of the words, actions, decisions of others” (McAllister, 1995); and, uniquely in the consumer domain, “the willingness of the average consumer to rely on the ability of the brand to perform its stated function” (Chaudhuri and Holbrook, 2001). Seen as multidimensional in the majority of marketing studies (Raimondo, 2000), trust is reported to be: involved, as part of “brand credibility”, in brand extension acceptance (Keller and Aaker, 1992); fundamental to the development of loyalty (Berry, 1993; Reicheld and Schefter, 2000); as critical in maintaining successful agency-client relationships (Labahn and Kohli, 1997); as a component of brand equity (Dyson et al., 1996); and as essential in building strong customer relationships on the internet (Urban et al., 2000), and “perhaps the single most powerful relationship marketing tool available to a company” (Berry, 1995). There is, generally, a paucity of trust-related research in the consumer domain, although several recent publications focus on the consumer’s “relationship” with brands (e.g. Aaker, 1997; Fournier, 1998), and some, as yet rare, studies consider the dimensionality of consumer-brand trust (e.g. Fletcher and Peters, 1997; Sirdeshmukh et al., 2002). On these rare occasions the correlates of brand trust tend, in the main, to be regarded as two dimensional, and Reast (2003) for example, provides more support, via factor analysis, for a two component, cognitive and conative, model of the correlates of brand trust, founded on “credibility” and “performance satisfaction”, the model having strong explanatory power, with an adjusted $R^2$ of 0.670 (see Figure 1).

Perceived linkage between trust and brand extension

While the brand extension literature makes little mention of brand trust, there are, however, a few direct or implied exceptions. In a consumer context, Keller and Aaker (1992), using fictitious brands, report a significant association between “company credibility” (via its “expertise” and its “brand trustworthiness”) and brand extension acceptance.

Keller and Aaker (1992), conducting laboratory-based experiments with fictitious brands within the potato chip (crisp) category (“Crane’s” and “Medallion”) in order to evaluate the impact of the perceived quality of the core brand, and the number, success and similarity of intervening brand extensions, on the evaluations of proposed new extensions, also evaluate the impact of brand breadth and credibility of the brand on extension evaluation. The researchers operationalise credibility as the average of the “perceived expertise” and the “perceived trustworthiness” of the company/brand providing the extension. Keller and Aaker (1992) state that:

… in particular, a company will appear more expert and trustworthy if it already has successfully introduced new products or brand extensions.

The findings of the Keller and Aaker (1992) study are summarised as: high quality brands stretch further than average quality brands; successful intervening extensions improve evaluation of a proposed extension for average quality brands; and perceived company credibility (expertise and trustworthy status) and fit appear to mediate effects of intervening extensions on evaluations of a proposed extension. It is interesting to note that the authors find more support for the “company credibility” dependent variable than “fit” variable within the experimental setting.

Figure 1 Two component model of brand trust correlates

![Image](image-url)
used. In support of Keller and Aaker (1992), McWilliam (1993) finds that, in the view of marketing practitioners, consumers are willing to try brand extensions, as long as the brands are highly trusted and regarded, and the explanations are sufficiently plausible, and Hem et al. (2000), report that consumer knowledge of and “belief in strong brands”, when evaluating brand extensions, may compensate for a consumer’s lack of direct product knowledge. “Belief in” these strong brands appears to overlap closely with the many definitions of trust. Also, Reast (2003) conducting UK research on real and fictitious brands within low involvement products and services categories, finds that brands with higher trust ratings tended to have significantly higher brand extension ratings for line, related and unrelated extension concepts, relative to same category lower trust rated rivals. Smith and Andrews (1995), in a business to business context, find that the relationship between “fit” and brand extension evaluation is mediated by “customer certainty”, or, “belief in” a company’s ability to deliver a product that meets his/her expectations, and Selnes (1998) notes the importance of trust in reducing perceived risk and thereby facilitating “relationship enhancement” in buyer-seller interactions. On the basis of the prior research, we hypothesise that:

**H1.** Brand trust, measured via two correlate dimensions, “credibility” and “performance satisfaction” will be significantly and positively associated with measures of brand extension acceptance.

**H2.** Brand trust, measured via two correlate dimensions, “credibility” and “performance satisfaction”, will produce closer associations with measures of brand extension acceptance than will the single item measure “perceived quality level” of parent brand

### Methodology

#### Sample and data collection

A one-stage area sampling design was adopted, utilising a random selection of postcode blocks from the Royal Mail Postal Address Book (North East of England). We collected 210 completed questionnaires, via door-to-door drop off and collection, from consumers, of which 204 were useable, a response rate or completion rate of 48 per cent of homes where contact was made. Analysis of response from early and late respondents could detect no non-response bias.

Brand data were collected for brands in five categories of goods and services:

1. grocery retail;
2. coffee;
3. tea;
4. pens; and
5. internet retail.

Initial target sub-samples were set at 40 respondents per category and were collected for each of the five categories, providing a target sample frame of 200 and an actual sample of 204. Excepting the internet retail category (where one brand was used), brand data were obtained for two brands within each of the other four categories, providing a total target sample frame of 360 brand responses (40 respondents × two brands × four categories + 40 responses from one category), and an actual sample of 368 brand responses. Table I provides a sample breakdown by category, sex, age, and educational levels.

Data were collected on either one or two real brands in each category, using a careful selection protocol described below. The study included more than one brand per category where possible to overcome delineation issues of brand versus category effects (Broniarczyk and Alba, 1994).

#### Pre-test process

The process followed here, in common with many studies regarding brand extension (see Broniarczyk and Alba, 1994; Aaker and Keller, 1990; Keller and Aaker, 1992; Bouss and Loken, 1991), encompassed several pre-test stages. An initial pool of 46 categories was derived from the Marketing Pocket Book (1998) and Yellow Pages (1999), with 16 respondents completing a pre-test questionnaire for familiarity and usage (reducing the pool to nine categories) and 51 consumer-respondents testing for brand familiarity and usage levels. Five categories were selected to be progressed to the main sample (grocery shops, tea, coffee, pens, and internet retail) based on brand familiarity and usage of the brands, and two real brands were selected for each category, except for internet retail, where only Amazon.com met the familiarity and usage criteria. Using a 1-9 scale to define the different types of extensions, ideas conforming to the descriptions of “line”, “related” and “unrelated” extensions (see Broniarczyk and Alba, 1994; Keller and Aaker, 1992), were generated and validated at this stage. Ten respondent-generators produced (10-20) extensions for each good/service category, these screened by eight consumer-respondents and an “expert panel” of ten marketing academics from two UK Business Schools, and resulting in three “brand neutral” brand extension concepts for each of the five categories (Table II).

#### Development and validation of measures

**Brand trust and correlate variables**

The questionnaire instrument contained 16 variables, operationalised as single measure, seven-point semantic differential scales (1 = Low, 7 = High), and being representative of the two correlate dimensions of brand trust. One item, “Quality level”, used within the “performance satisfaction” scale, also approximates to the “parent brand quality” measure utilised by Keller and Aaker (1992), and will be used as a single item comparator of the levels of association achieved by the “trust model”. The variables were randomised within each questionnaire, and together with brands, rotated across questionnaires in order to reduce the impact of any ordering effects. The full list of variables, generated via literature searching, and used within earlier research (Reast, 2003), is shown below.

1. **Credibility:**
   - Truthfulness (Schlenker et al., 1973);
   - Fair-mindedness (Anderson and Weitz, 1989);
   - Sincerity (Crosby et al., 1990);
   - Concern for customers (Arrow, 1974);
   - Similar values (Bidault and Jarillo, 1997);
   - Confidence (Moorman et al., 1993);
   - Competence (Morgan and Hunt, 1994);
   - Expert standing (Madhok, 1995);
   - Reputation (Jarillo, 1988).

2. **Performance satisfaction:**
   - Personal experience (Scanloni, 1979);
   - Brand purchase duration (Ganesan, 1994);
   - Fulfils expectations (Dwyer et al., 1987);
   - Quality consistency (Altman and Taylor, 1973);
Table I Breakdown of respondents and responses

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample respondents</th>
<th>Brands</th>
<th>Sample response</th>
<th>% Male</th>
<th>% Female</th>
<th>% ≤ 40</th>
<th>% &gt; 40</th>
<th>% No grad</th>
<th>% Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td>40</td>
<td>Tetley</td>
<td>40 × 2 = 80</td>
<td>24</td>
<td>76</td>
<td>55</td>
<td>45</td>
<td>62</td>
<td>38</td>
</tr>
<tr>
<td>Coffee</td>
<td>41</td>
<td>Nescafe</td>
<td>41 × 2 = 82</td>
<td>18</td>
<td>82</td>
<td>51</td>
<td>49</td>
<td>68</td>
<td>32</td>
</tr>
<tr>
<td>Grocery retail</td>
<td>39</td>
<td>Sainsbury</td>
<td>39 × 2 = 78</td>
<td>19</td>
<td>81</td>
<td>50</td>
<td>50</td>
<td>47</td>
<td>53</td>
</tr>
<tr>
<td>Pens</td>
<td>44</td>
<td>Parker</td>
<td>44 × 2 = 88</td>
<td>42</td>
<td>58</td>
<td>55</td>
<td>45</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td>Internet retail</td>
<td>40</td>
<td>Amazon.co.uk</td>
<td>40 × 1 = 40</td>
<td>68</td>
<td>32</td>
<td>67</td>
<td>33</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>Total sample</td>
<td>204</td>
<td>9</td>
<td>368</td>
<td>34</td>
<td>66</td>
<td>55</td>
<td>45</td>
<td>49</td>
<td>51</td>
</tr>
</tbody>
</table>

Table II Pre-tested categories, brands and brand extension concepts

<table>
<thead>
<tr>
<th>Category</th>
<th>Brands</th>
<th>Extension 1 line extension</th>
<th>Extension 2 related extension</th>
<th>Extension 3 unrelated extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td>Tetley</td>
<td>Lemon tea</td>
<td>Café chain</td>
<td>Spice range</td>
</tr>
<tr>
<td>Coffee</td>
<td>Nescafe</td>
<td>Irish tea</td>
<td>Coffee biscuits</td>
<td>Fresh pasta</td>
</tr>
<tr>
<td>Maxwell House</td>
<td>Parker</td>
<td>Fashion coffee</td>
<td>Writing paper</td>
<td>Personal computers</td>
</tr>
<tr>
<td>Pens</td>
<td>Pilot</td>
<td>Home delivery</td>
<td>Giftware</td>
<td>Legal advice</td>
</tr>
<tr>
<td>Grocery retail</td>
<td>Sainsbury</td>
<td>Co-op</td>
<td>Typhoo</td>
<td>Maxwell House</td>
</tr>
<tr>
<td>Internet retail</td>
<td>Amazon.com</td>
<td>Branded clothing</td>
<td>Personal computers</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

- Experience of peers (Zucker, 1985);
- Quality standing (Dwyer et al., 1987);
- Dependability (Rempel et al., 1985).

Measures of brand extension response

“Likely to purchase” had been utilised in a number of previous brand extension studies (see Aaker and Keller, 1990; Keller and Aaker, 1992), and respondents, here, recorded their likely trial of the brand extension using a single measure “Likely to try?” (LTT), operationalised as a seven-point semantic differential scale (1 = low, 7 = high). The study also adopted a second measure of brand extension response, “To what extent do you trust BRAND X to provide this new product?” (TTP). Captured via a single seven-point semantic differential scale (1 = low, 7 = high), TTP, reducing the impact of personal relevance of the particular extension concept, was a measure which required the respondent to consider each particular brand and whether it could be trusted to provide such an extension. Brand extension concepts were rotated within the questionnaires to overcome ordering effects.

Analyses

Standard multiple regression has been utilised to assess the strength and nature of the association between the brand trust correlate dimensions and brand extension response.

Results

Two brand trust correlate components and brand extension response

Analysis, using standard multiple regression, has been conducted to consider the level of association between the two component model of brand trust and brand extension response (LTT and TTP), the association being measured at an overall aggregate level (Ext. 1 + 2 + 3), as well as at each level of extension relatedness. In the interests of brevity, full results have only been shown for the aggregated extension response with summary tables being utilised to depict associations at each level of extension relatedness.

Table III, shows the results of the regression of independent variables “Credibility” and “Performance satisfaction” with the aggregated dependent variable “Likely to try extension 1 + 2 + 3,” where an adjusted $R^2$ of 0.140 is found, and “Performance satisfaction” is statistically significant within the equation (Beta 0.536, 0.000). Credibility is not found to reach significant levels of association. By comparison, at the aggregated level, “Quality level” (Table not shown) produces an adjusted $R^2$ of 0.094 ($p < 0.001$).

Table IV, the summary association table for the dependent variable “Likely to try” (LTT) indicates that association levels for Extension 1 (line extension) and Extension 2 (related brand extension) are both statistically significant ($p < 0.001$) and are relatively consistent with adjusted $R^2$ of figures of 0.103 and 0.138.Where the extension relatedness is pushed in an overall aggregate level (Ext. 1 + 2 + 3), as well as at each level of extension relatedness. In the interests of brevity, full results have only been shown for the aggregated extension response with summary tables being utilised to depict associations at each level of extension relatedness.

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Table IV, the summary association table for the dependent variable “Likely to try” (LTT) indicates that association levels for Extension 1 (line extension) and Extension 2 (related brand extension) are both statistically significant ($p < 0.001$) and are relatively consistent with adjusted $R^2$ of figures of 0.103 and 0.138.Where the extension relatedness is pushed in a more extreme fashion at Extension 3 (unrelated extension), association, while still statistically significant ($p < 0.001$), is pushed to a low level at an adjusted $R^2$ of 0.031. The two dimension trust model produces a higher level of association with the “Likely to try” brand extension response measure, at all levels of extension relatedness, than does the single item “quality level” variable.

In both the aggregated LTT response (Table III) and in each of the levels of extension relatedness, “Performance satisfaction” has been statistically significant ($p < 0.001$) within regression equations, which may suggest that within
brand extension decisions this is the more influential element of brand trust. For the dependent variable “Likely to try”, while an overall significant association is found between extension response and the two dimensional “trust model”, H1 is only partially upheld, since only the “Performance satisfaction” dimension is consistently positively and significantly associated with LTT. Given the consistently higher levels of association for the brand trust model over the quality level measure for the LTT variable, H2 is upheld.

Table V presents the results of a regression between the aggregated “Trust brand to provide” (TTP) dependent variable and brand trust dimensions, shows that the two component model of brand trust has an adjusted $R^2$ of 0.251, with both components statistically significant within the regression equation at the 0.001 level or higher. Again, by comparison, “Quality level” produces a lower level of association for all levels of extension relatedness for the “Trust brand to provide” extension response variable.

For the dependent variable TTP, for all but the most unrelated brand extension (Extension 3), both brand trust correlate dimensions (credibility and performance satisfaction) are statistically significantly and positively associated with TTP. At Extension 3 (unrelated brand extension), the association level, whilst statistically significant, again falls to a very low level, with an adjusted $R^2$ of only 0.039 ($p < 0.001$). The comparator independent variable “quality level”, showing a similar pattern, produces lower levels of association for all levels of extension relatedness for the “Trust brand to provide” extension response variable.

Table VI, the summary association table for the dependent variable “Trust brand to provide” (TTP), consistent with results for the LTT dependent variable, shows that association levels for Extension 1 (line extension) and Extension 2 (related brand extension) are both statistically significant and are very consistent with adjusted $R^2$ of figures of 0.243 and 0.242 respectively. At Extension 3 (unrelated brand extension), the association level, whilst statistically significant, again falls to a very low level, with an adjusted $R^2$ of only 0.039 ($p < 0.001$). The comparator independent variable “quality level”, showing a similar pattern, produces lower levels of association for all levels of extension relatedness for the “Trust brand to provide” extension response variable.

Table III Multiple regression – LTT Ext. 1 + 2 + 3 and trust model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardised</th>
<th>Standardised</th>
<th>Analysis of variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
<td>SEB</td>
<td>$\beta$ $T$ Sig. $T$</td>
</tr>
<tr>
<td>Credibility</td>
<td>0.105</td>
<td>0.120</td>
<td>0.069 0.871 0.384</td>
</tr>
<tr>
<td>Performance satisfaction</td>
<td>0.536</td>
<td>0.098</td>
<td>0.433 5.470 0.000*</td>
</tr>
</tbody>
</table>

Multiple $R$ 0.381
$R^2$ 0.145
Adj. $R^2$ 0.140
Standard error 1.314

Notes: * $p < 0.01$; Dependent variable: “Likely to try extensions 1+2+3”; $N = 368$; Independent variables: two components of brand trust

Table IV Multiple regression: trust dimensions and LTT variable

<table>
<thead>
<tr>
<th>Extension relatedness</th>
<th>Trust model Adj. $R^2$</th>
<th>Credibility Sig. $T$</th>
<th>Performance satisfaction Sig. $T$</th>
<th>Parent quality level Adj. $R^2$</th>
<th>Quality level Sig. $T$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension 1</td>
<td>0.103*</td>
<td>*</td>
<td>*</td>
<td>0.058</td>
<td>*</td>
</tr>
<tr>
<td>Extension 2</td>
<td>0.138*</td>
<td>*</td>
<td>*</td>
<td>0.100</td>
<td>*</td>
</tr>
<tr>
<td>Extension 3</td>
<td>0.031*</td>
<td></td>
<td></td>
<td>0.018</td>
<td></td>
</tr>
</tbody>
</table>

Notes: * $p < 0.001$; ** $p < 0.01$

Table V Multiple regression – TTP Ext. 1 + 2 + 3 and trust model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardised</th>
<th>Standardised</th>
<th>Analysis of variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
<td>SEB</td>
<td>$\beta$ $T$ Sig. $T$</td>
</tr>
<tr>
<td>Credibility</td>
<td>0.325</td>
<td>0.094</td>
<td>0.254 3.441 0.001*</td>
</tr>
<tr>
<td>Performance satisfaction</td>
<td>0.291</td>
<td>0.077</td>
<td>0.279 3.782 0.000*</td>
</tr>
</tbody>
</table>

Multiple $R$ 0.505
$R^2$ 0.255
Adj. $R^2$ 0.251
Standard error 1.032

Notes: * $p < 0.01$; Dependent variable: Trust brand to provide extensions 1 + 2 + 3; $N = 368$; Independent variables: two components of brand trust
correlated with extension response, and thus $H1$ is upheld. Association levels (adjusted $R^2$) for the TTP variable are consistently higher for the two component “trust model” relative to “quality level”, and thus $H2$ is upheld.

**Discussion**

Association levels between the prior validated two component model of brand trust and brand extension response measures are found to be moderate, but significant, and stronger than those produced by the single item perceived “quality level” of the parent brand (Keller and Aaker, 1992). Analyses by brand extension relatedness shows that the association levels stay relatively stable for close in line extensions and moderately disparate brand extension, but fall to very low (but significant) levels for wholly unrelated brand extensions. The results, which provide an overall adjusted $R^2$ of 0.140 ($p < 0.001$) for the “Likely to try” response (Ext. 1 + 2 + 3 aggregated), and an adjusted $R^2$ of 0.251 ($p < 0.001$) for the “Trust to provide” brand extension (Ext. 1 + 2 + 3 aggregated), show moderate but significant associations between the variables in what is a complex field, with many competing variables. The association levels for the TTP variable are higher than for the LTT variable, since respondents were merely being asked about whether the brand could be reasonably trusted to provide such a product/service, rather than whether they personally would try the extension. The LTT dependent variable appears to place more emphasis on “Performance satisfaction” as a predictor variable, whereas TTP places equal emphasis on both independent variables.

While the association levels might be seen, by some, as weak, they need to be put into the context of a complex situation with many variables, such as perceived “quality level” of parent, exerting influence upon the brand extension evaluation. In a similar but unrelated vein, Pincott (2002), of Millward Brown, recently analysed, based on a sample of 100 brands over a three-year period, the association level between media weight (raw GRPs) and brand share, finding an association level ($R^2$) of only 0.05, this increasing to an $R^2$ of only 0.20 where “share of voice” is used as the measure of GRPs. The author does not claim, here, to present the single most important variable within the brand extension evaluation arena, but claim to provide support for an additional variable, brand trust, of which brand owners should be aware. Figure 2 depicts the integration of brand trust with some of the key brand extension “success” variables from the literature.

**Managerial implications**

The results of this study are of relevance to managers involved in developing brand strategy, since brand trust levels are associated in past academic studies with brand equity, brand loyalty, and now with brand extension acceptance. The results suggest that brands with higher trust profiles will benefit in brand extension strategies relative to less trusted rivals. In an environment in which new product launch failures can be as high as 42 per cent (Barclay and Benson, 1990), and as many as eight out of ten new product launches undertaken via brand extension strategies (Oursouff et al., 1992), it should be reassuring to brand owners that investments in brands and the consumer-brand “relationship”, securing higher trust ratings, should, subject to other criteria being met, deliver a future pay-off in the ability to leverage the brand name in new categories. Having considered the broad relevance of this study to practitioners, and in an effort to provide practitioners with an insight into the variables relevant to brand trust development, attention is now drawn to the two correlate dimensions of brand trust: 1 credibility; and 2 performance satisfaction.

Emphasis is placed here on the correlate dimensions since while trust levels have been measured by many brand-owners for many years, this has generally been a unidimensional single item measure of brand trust and not a multidimensional measure as depicted here. Credibility reflects the honesty and standing of the brand in terms of product or service claims delivered in advertising, packaging, or other forms of brand communication, including personal interaction. The dimension also reflects the extent to which a brand is perceived to be sincere and fair in its dealings with its customers, showing concern for its customers, and the extent to which the values portrayed or perceived regarding the brand (and brand owner) reflect those of the customer. These variables are seen to relate to the credibility of the brand in terms of its good (or poor) character, but the dimension also includes other category-based credibility measures such as the extent to which the brand is believed to be “competent” or “expert” in its field. Reputation is clearly a key element within this dimension.

Performance satisfaction reflects many variables concerned with the “delivery” of the product or service. The extent to which quality is consistent and meets expectations, and the extent to which the brand is dependable or can be “relied on”. The dimension also revolves around the extent to which customers have had (or consider that they are likely to have) satisfactory experiences with the brand. These perceptions regarding satisfaction may come from the customer’s personal experience, the experiences of “trusted others” (Doney and Cannon, 1997), and the extent to which customers consider that their expectations concerning the brand and its products and services have been fulfilled. This dimension is testimony to the powerful influence exerted on brand trust by word of mouth communication, and also the need to manage customer expectations so as to avoid disappointment with product or service delivery.

**Limitations and future research directions**

While this research extends the literature on brand extension and trust, since prior studies have typically utilised fictitious brands, a potential limitation of this study is the selection of low involvement, low risk, low complexity goods and service categories, to gain high brand familiarity among potential respondents. Since trust is associated with risk reduction in decision making (Selnes, 1998), the role and nature of trust and its correlates may be different in higher involvement, high risk/complexity goods and services, and the widening of brand trust research into other product/service categories is recommended.

The research, conducted among 368 northern UK consumers, may be subject to cultural influence (Harris and Dibben, 1999) and thus the study of brand trust in other countries and cultures is an obvious future direction.
**Figure 2** Brand extension – success factors and measures of success

<table>
<thead>
<tr>
<th>Parent Brand Characteristics</th>
<th>Brand Extension Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand affect</strong> (e.g. Fiske &amp; Pavelchak, 1986)</td>
<td><strong>Category Similarity or ‘fit’</strong> (e.g. Boush &amp; Loken, 1991)</td>
</tr>
<tr>
<td><strong>Parent brand ‘strength’ &amp; expertise</strong> (Reddy, Holak &amp; Bhat, 1994)</td>
<td><strong>Quality Consistency</strong> (Wenerfelt, 1988)</td>
</tr>
<tr>
<td><strong>Brand Specific Associations</strong> (e.g. MacInnis &amp; Nakamoto, 1990)</td>
<td><strong>Consumer Characteristics</strong></td>
</tr>
<tr>
<td><strong>Brand Breadth</strong> (Boush &amp; Loken, 1991)</td>
<td></td>
</tr>
<tr>
<td><strong>Brand Prestige</strong> (Park, Millberg &amp; Lawson, 1991)</td>
<td><strong>Consumer Involvement level</strong> (McWilliam, 1993)</td>
</tr>
<tr>
<td><strong>Company Credibility</strong> (Keller &amp; Aaker, 1992)</td>
<td><strong>Brand/Category Knowledge</strong> (e.g. Murphy &amp; Medin, 1985)</td>
</tr>
<tr>
<td><strong>Parent Quality</strong> (Keller and Aaker, 1992)</td>
<td><strong>Consumer Innovativeness</strong> (Klink and Smith, 2001)</td>
</tr>
<tr>
<td><strong>Consumer-Brand Trust</strong></td>
<td><strong>Novice or Expert Status</strong> (Broniarczky and Alba, 1994)</td>
</tr>
</tbody>
</table>

**Sequence of Introduction** (Keller & Aaker, 1992)


MacInnis, D.J. and Nakamoto, K. (1990), “Examining factors that influence the perceived goodness of brand extensions” Working paper no. 54, Karl Eller Graduate School of Management, University of Arizona, Tucson, AZ.


Brand trust and brand extension acceptance: the relationship

Jon D. Reast


Further reading


Executive summary

This executive summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

Trusted brands mean successful extensions

The more I read about brand extension the less certain I am about whether or not it is the right strategy to adopt. I am not complaining but noticing that, as is often the case with marketing strategy, the greater amount of information and research strips away received wisdom (or possibly sacred cows) and results in a case-by-case decision-making process founded on some certainties and a great number of possibilities.

Nevertheless brand extension remains the favoured option in most situations and as marketers we should try to understand what goes to make our brand extensions successful. Here, Reast looks at an important concept in brand marketing – one that has always proven difficult to pin down – brand trust.

Since we want the consumer to use our brand as a cue for purchase – cutting out all the assessment and analysis that might otherwise be needed to inform the purchase decision – that consumer has to place a considerable degree of trust in our brand. Without this trust the consumer has no grounds for using our brand as a shortcut to her purchase.

The argument for brand extension

The strongest argument in favour of brand extension as opposed to creation of a new brand is that the strength of the existing brand assists the launch of the extension since the consumer does not have to learn to love a new brand. We can expect therefore that some or all of the existing trust that the consumer places in the brand migrates to the new extension assisting in the process of trial and adoption by the consumer.

This extension is trust often taken for granted without us understanding the factors that contribute to the trust. In addition, we assume that the migration occurs, that trust in the parent brand transfers to trust in the extended brand.

Reast’s examination identifies two critical elements in the transfer of trust to an extended brand – credibility and loyalty. This suggests that brand trust informs both the degree to which the extension is believable (brand X fits well with product category Y) and the extent to which the consumer is likely to switch within the new product category (brand X is my preference in category Z so it will also be in category Y).

Credibility – the first test for a brand extension

The first question in considering a new brand extension should be to ask whether the consumer is likely to find the extension credible. Some of this credibility relates to the product category in which the parent brand sits at present and is quite easy to grasp (it is easier to see the link between a biscuit brand and a cake than it is between a soap powder brand and a biscuit). The second aspect of credibility relates to the brand itself and the association that sit in the consumers’ minds when considering the extension. As a result we have seen the successful extension of a heavy machinery brand into boots (Caterpillar) and a record company into an airline (Virgin).

In these latter cases there is no initial and logical association between the two product areas yet the extension succeeded. The secret lay in what the consumer associated with the brand itself rather than the narrow limitations of the particular product category. Crucially this transfer of associations to the new product area reflects a consistency in brand image made possible by the wider affection of the consumer.

And, as we now can see, the credibility gap is closed by the consumers’ confidence in the brand – in the amount of brand trust. That brand trust lies behind the success of the brand extension since the consumer’s relationship with the parent brand provides sufficient confidence for them to try the extended brand.

Loyalty and satisfaction with performance

The loyalty that consumers show to a given brand is, in part, constructed from consistent satisfaction with the performance of the brand. Over time this satisfaction becomes less objective since most of us do not compare performance or satisfaction in any formalized way – hence the term brand loyalty rather than just brand satisfaction.

When the extended brand is launched the expectation is that this loyalty factor will drive trial – if the consumer is loyal to the parent brand there is a good chance that they will try the extended brand (so long as the loyalty is not too stretched by any lack of fit). Reast demonstrates that, using “performance satisfaction” as a surrogate for loyalty, this stacks up. The more loyal consumers are to a given brand the greater credence they give to the extended brand.

The upshot of these findings is to confirm that stronger brands are better bets for extensions especially where that strength relates to the brand rather than just to the product’s strength in its product category. And Reast confirms this by
concluding that consumers “… are willing to try brand extensions as long as the brands are highly trusted and regarded and the explanations are sufficiently plausible”.

In concluding it is worth observing that marketers place less emphasis on brand trust than they should. We tend to assume that trust will follow if we get certain images and attributes embedded in the consumer’s mind. We should be looking to establish the extent to which the level of brand trust affects brand performance and supports the extension of successful brands into credible new product categories.

(A précis of the article “Brand trust and brand extension acceptance: the relationship”. Supplied by Marketing Consultants for Emerald.)