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Corporate Associations and Consumer Product Responses: The Moderating Role of Corporate Brand Dominance

This study investigates the effect of corporate brand dominance—that is, the visibility of a company's corporate brand in product communications—on the relationship between corporate associations and product evaluations. The results show that corporate brand dominance determines the degree to which associations with the company's corporate ability and corporate social responsibility influence product attitudes, as well as the nature of the moderating effects of fit and involvement.

When communicating with customers, multibusiness companies can choose whether to label an individual product by a separate brand name ("stand-alone"), by only the corporate brand name ("monolithic"), or by the two names together ("endorsed" or "dual") (Laforet and Saunders 1994; Olins 1989). For example, in general, Procter & Gamble uses separate brand names without reference to the corporate brand, Philips uses its corporate brand prominently on most of its products, and Nestlé uses its corporate name as an "endorser" behind many of its products. An important managerial question is, Which of these strategies should a company use, and under what conditions? Although some empirical studies (Milberg, Park, and McCarthy 1997; Rao, Agarwal, and Dahlhoff 2004) have examined the effects of using different corporate branding strategies on people's reactions, it is not clear how a company's corporate branding strategy influences the effects of the different types of associations that people have with the corporate brand. Several academic studies have shown that customers' different types of associations with a company have different influences on their product evaluations (e.g., Brown and Dacin 1997; Sen and Bhattacharya 2001). Particularly, these studies have found that associations with a company's corporate ability (CA) and its corporate social responsibility (CSR) both influence product evaluations but that CA associations have a stronger effect than CSR associations. Thus, an important question is, How do the effects of corporate associations on consumer product responses differ for different corporate branding strategies? Answering this question can provide organizations with insights into which branding strategy is most effective when a company wants to leverage a specific type of corporate association.

To address this question, we present the results of a study that examines the effects of the corporate branding strategy of a financial services company on the transfer of CA and CSR associations to customer product evaluations. The results show that CA associations are most effective when organizations use a monolithic branding strategy, and CSR associations are most effective when organizations use an endorsed strategy. In addition, corporate brand dominance (CBD) influences the way that the effects of CA and CSR are moderated by the fit between the company and the product and by consumer involvement with the product.

Literature Review

Several studies have explicitly investigated the roles of CA and/or CSR associations in consumer reactions to products (for an overview, see Brown 1998). However, researchers have begun only recently to address the psychological mechanisms through which these types of corporate associations influence people's product responses (Brown and Dacin 1997; Gürhan-Canli and Batra 2004; Keller and Aaker 1998; Sen and Bhattacharya 2001). In a pioneering study, Brown and Dacin (1997) found that CA associations influence product attitudes through their influence on the evaluation of specific product attributes ("product sophistication") as well as through their influence on the overall evaluation of the company. In contrast, CSR associations influence product attitudes only through their influence on the overall company evaluation. Keller and Aaker (1998) report similar findings, and Madrigal (2000) reports that CSR also affects judgments of specific product attributes.

More recently, researchers have extended Brown and Dacin's (1997) study by investigating the conditions in which CA and CSR influence product responses. Sen and Bhattacharya (2001) find that the type of CSR a company

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adopts moderates the effect of CSR on product preferences. Gürhan-Canli and Batra (2004) show that a high risk associated with a product increases the effect of CA but not the effect of CSR. Madrigal (2000) finds that the perceived fit between the product and the corporate brand positively influences both the effect of CA associations and the effect of CSR associations. The latter result is consistent with findings in the literature on consumer evaluations of product brand extensions (for a review, see Czellar 2003). This literature examines the transfer of CA-type associations with a product brand (e.g., brand quality) to evaluations of new products that are marketed under the brand name, and it has often reported that perceived fit positively moderates this transfer. In addition, the literature has shown that brand associations have more influence on consumer judgments when people have a low involvement with the type of product and/or with the judgment itself (e.g., Maheswaran, Mackie, and Chaiken 1992) or when people have a low expertise with the product class (e.g., Broniarczyk and Alba 1994).

To date, few studies have investigated the effects of companies' branding strategies as a moderating variable in the transfer of corporate associations. Rao, Agarwal, and Dahlhoff (2004) find that a monolithic strategy leads to more favorable stock market results than a stand-alone strategy. Sheinin and Biehal (1999) report that corporate associations influence product attitudes when only the corporate brand is shown on the product advertisement but not when a subsidiary brand is also shown. Furthermore, Milberg, Park, and McCarthy (1997) show that the (main) effect of fit on the evaluation of product brand extensions is smaller when both a parent brand and a subbrand are shown than when only the parent brand is shown. This result suggests that the process of brand image transfer is different when the (corporate) parent brand is dominantly visible than when the parent brand is not dominantly visible. However, Milberg, Park, and McCarthy do not test this proposition. In addition, it is not clear how brand strategies affect the influence of other moderating variables, such as product involvement. Finally, the results from studies in the area of product brands may not be completely applicable in a corporate branding context. This is because (1) corporate brands often evoke associations with CSR, whereas in general, product brands do not and (2) even CA-type associations may be qualitatively different for corporate brands than for product brands (Aaker 1996). For corporate brands, in general, these associations are based on more than one category of products and on more than one source of information. This variety in sources can lead to a more elaborate and confidently held impression than that which is obtained from knowledge about individual products. In this article, we investigate the influence of a company's branding strategy on the effects of corporate associations with CA and CSR and on the moderating effects of fit and involvement.

Hypotheses Development

Figure 1 graphically displays the research model underlying our study. We propose four sets of relationships. First, we propose that there is a relationship between associations with a company's CA and CSR and people's product attitudes (labeled "I" in Figure 1) (Brown and Dacin 1997; Madrigal 2000). Second, we expect that these relationships are moderated by the degree of perceived fit between the product and the brand and by the degree of involvement that people have with the product (labeled "II" in Figure 1). Third, we expect that these moderating effects are in turn moderated by the degree to which the corporate brand is dominantly visible in product communications (labeled "III" in Figure 1). Fourth, we expect that the associations with CA and CSR are influenced by the amount of knowledge that people have about the company (Laroche, Kim, and Zhou 1996) and that product attitudes are influenced by information that people receive about the product itself (labeled "IV" in Figure 1).[1] However, we do not test these latter two relationships in our empirical study.

To predict how CBD, fit, and involvement moderate the effects of CA and CSR, we use the accessibility–diagnosticity framework (Feldman and Lynch 1988; Lynch, Marmorstein, and Weigold 1988), which explains the influence of any piece of information stored in a person's memory on any evaluation that person makes. It states that the likelihood that information is used is a function of (1) the accessibility of the information in the person's memory, (2) the accessibility of other pieces of information, and (3) the perceived diagnosticity of the information. Information is more likely to be used for a certain evaluation when it is easily recalled, when other "competing" pieces of information are less easily recalled, and when the information is perceived as useful for the evaluation. Furthermore, a person uses only enough information for a certain evaluation to satisfy a "diagnosticity threshold"—that is, a minimum level of certainty about the evaluation (Lynch, Marmorstein, and Weigold 1988). In this study, we assume that CBD influences the (relative) accessibility of CA and CSR associations, that perceived fit influences the diagnosticity of the associations, and that product involvement influences a person's diagnosticity threshold. We explain this reasoning, which we illustrate in Table 1, and its consequences for the effects of CA and CSR in the subsequent paragraphs.

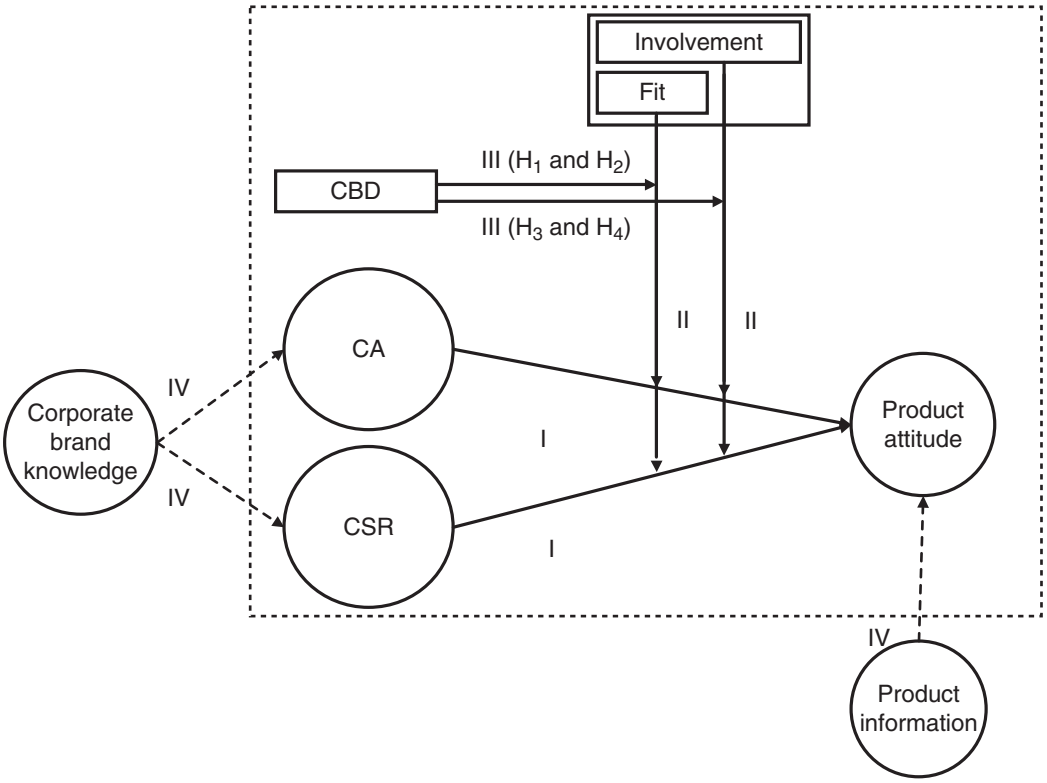
The Effect of CBD

We use the term "CBD" to indicate the degree of visibility of the corporate brand compared with the visibility of a subsidiary brand in product communications. This dominance is a direct consequence of a company's corporate branding strategy. When a company uses a monolithic branding strategy, CBD is high. In contrast, when a company uses an endorsed branding strategy, CBD is low.

It seems likely that when the corporate brand is dominantly visible, CA and CSR associations have more of an impact on product evaluations than when the corporate brand is less dominantly visible (Sheinin and Biehal 1999). In line with the logic of the accessibility–diagnosticity framework, we posit that when the dominance of the corporate brand decreases, CA and CSR associations with the corporate brand become less accessible than associations

[1]We thank an anonymous reviewer for suggesting the latter two effects.

FIGURE 1
Research Model: The Effect of CBD, Fit, and Involvement on the Degree to Which CA and CSR Associations Influence Product Attitudes



Notes: The Roman numerals I–IV refer to the different sets of relationships discussed in the text. Arrows with a solid line refer to relationships tested in the empirical study, and arrows with a dashed line refer to relationships not tested in the empirical study. This is also indicated by the dashed frame that encloses the tested relationships. Arrows pointing to the lines of other arrows refer to interactions.

with the subsidiary brand (see Table 1), and thus the corporate brand associations have less influence on product evaluations. More important, we also expect that the dominance of the corporate brand in product communications determines the degree to which perceived fit and product involvement are important in the transfer of CA and CSR associations.

CBD and the moderating effect of fit. "Fit" can be defined as the similarity between a (extension) product and a brand (e.g., Bhat and Reddy 2001). This similarity consists of two aspects: (1) that between the product category (or categories) of the brand and the category of the product and (2) that between the associations evoked by the brand and the associations evoked by the product. In this article, we focus on the latter aspect, which encompasses the former (Bhat and Reddy 2001). Previous research has shown that the effects of CA and CSR associations on consumer product evaluations are stronger when people perceive a high fit between the product and the brand (e.g., Madrigal 2000). In terms of the accessibility–diagnosticity framework, perceived fit influences the diagnosticity of corporate associations for the evaluation of a new product (Ahluwalia and Gürhan-Canli 2000) and thus the likelihood that the associations will be used. When consumers perceive the product as similar to the brand's image, they will reason that what they know about the brand can be used to predict the product's attributes. However, we expect that this reasoning holds for the effect of CA associations but not for the effect of CSR associations.

Furthermore, we predict that the moderating influence of fit on the effect of CA associations depends on the dominance of the corporate brand. In line with the logic of the accessibility–diagnosticity framework, we posit that when the corporate brand is not dominantly visible, subsidiary brand associations are more accessible than corporate associations (see the entries under "Accessibility" in Table 1) and are likely to be diagnostic enough to satisfy the diagnosticity threshold. Therefore, we expect that these associations alone influence product evaluations and that increasing the diagnosticity of CA associations with the corporate brand (through a higher degree of fit) does not enhance their influence. Thus, it is likely that the moderating effect of fit on the influence of CA associations is absent or weaker when the corporate brand is not dominantly visible. This expectation is consistent with the results of Milberg, Park, and McCarthy's (1997) study, which shows that the main effect of fit on the evaluation of products diminishes when the dominance of the parent brand decreases.

Whether the fit between a product and a brand influences diagnosticity of a certain type of corporate associa-

TABLE 1
The Effects of CBD, Fit, and Involvement on the Accessibility and Diagnosticity of CA and CSR Associations and on People's Diagnosticity Threshold

		Low CBD				High CBD			
		Low Fit		High Fit		Low Fit		High Fit	
		Low Involvement	High Involvement	Low Involvement	High Involvement	Low Involvement	High Involvement	Low Involvement	High Involvement
CA	Accessibility	Medium	Medium	Medium	Medium	High	High	High	High
	Diagnosticity	Low	Low	High	High	Low	Low	High	High
	Diagnosticity threshold	Low	High	Low	High	Low	High	Low	High
CSR	Accessibility	Medium	Medium	Medium	Medium	High	High	High	High
	Diagnosticity	Low/medium	Low/medium	Low/medium	Low/medium	Low/medium	Low/medium	Low/medium	Low/medium
	Diagnosticity threshold	Low	High	Low	High	Low	High	Low	High

tions is likely to depend on whether these associations can be translated directly into product attributes (Batra and Homer 2004). Madrigal (2000) finds that the moderating effect of fit on the influence of (environmental) CSR associations is even stronger than the effect of fit on the influence of CA associations. However, he explicitly chose an environmentally responsible product so that in his study, CSR associations could be directly translated into attributes of the product. When the product is not positioned explicitly as socially responsible, we expect that this direct translation into product attributes cannot occur and therefore that fit does not determine the influence of CSR associations. In the industry that we focus on herein, the financial services industry, only so-called socially responsible investment funds are positioned as socially responsible, whereas other products and services are not. Therefore, we expect that for most products in this industry, fit does not influence the diagnosticity of CSR associations, and CBD does not influence the moderating effect of fit. Rather, we expect that the diagnosticity of CSR is low to moderate, independent of the degree of perceived fit (see Table 1). Thus, we hypothesize a three-way interaction among CA associations, fit, and CBD but not among CSR associations, fit, and CBD.

H_1: When CBD is high, CA associations have a stronger effect on product attitudes when fit is high than when fit is low. When CBD is low, the effect of CA associations is not moderated by fit.

H_2: The effect of CSR associations on product attitudes is not moderated by fit, independent of whether CBD is high or low.

CBD and the moderating effect of involvement. We also expect that CBD influences the effect of product involvement. Involvement has been defined as "an unobservable state of motivation, arousal, or interest evoked by a particular stimulus" (Jain and Srinivasan 1990, p. 594). In this study, we focus on consumer involvement with a product category. Maheswaran, Mackie, and Chaiken (1992) find that when people have a low involvement with a product or task, CA associations have more influence on product evaluations than when people are highly involved. In line with the accessibility–diagnosticity framework, we posit that this is because a person's threshold for the diagnosticity of information decreases when involvement decreases (see Table 1). Thus, he or she is more easily satisfied with information that is less diagnostic but more accessible than actual product attribute information (Lynch, Marmorstein, and Weigold 1988). Alternatively, in such a case, it could be that people use the high accessibility of the CA associations as a heuristic cue to infer a high diagnosticity because a low involvement reduces people's motivation to assess diagnosticity at all (Menon and Raghubir 2003). We assume that product information is less accessible in general than are people's associations with the company, because it takes some effort to process product information, whereas corporate associations only have to be recalled from memory (Maheswaran, Mackie, and Chaiken 1992). Therefore, we expect that involvement negatively moderates the effects of corporate associations on product attitudes. Although we assume that the diagnosticity of CSR associations for evaluating a product is lower than the diagnosticity of CA associations (Brown and Dacin 1997), we expect that the effect of involvement occurs for both CA and CSR associations. When people have a low diagnosticity threshold, it is likely that even associations that have a relatively low degree of diagnosticity can have an effect on product evaluations.

Furthermore, we expect that the moderating influence of involvement depends on the CBD. When the corporate brand is dominantly visible, associations with this brand are more easily accessible. When people have a low involvement with the product and therefore have a low diagnosticity threshold, they tend to use only the most accessible information. Therefore, corporate associations are especially likely to be used as a cue to evaluate the product. Conversely, when corporate associations are less accessible because the corporate brand is not dominantly visible, it may be that they influence product evaluations only when people have a high diagnosticity threshold (i.e., when they are highly involved with the product). In such a case, information that is less accessible can also influence people's judgments. However, because this is the case only for information that has a relatively high diagnostic value for evaluating the product (Alba, Hutchinson, and Lynch 1991), we expect that this positive moderating influence holds for CA associations but not for CSR associations. Therefore, we formulate the following hypotheses:

H_3: When CBD is high, CA associations have a stronger effect on product attitudes when involvement is low than when involvement is high. When CBD is low, CA associations have a stronger effect on product attitudes when involvement is high than when involvement is low.

H_4: When CBD is high, CSR associations have a stronger effect on product attitudes when involvement is low than when involvement is high. When CBD is low, the effect of CSR associations is not moderated by involvement.

Method

To test our hypotheses, we conducted a field experiment. Our respondents were potential customers of a large financial services provider, who were asked to evaluate products that were marketed by subsidiaries of this company. These products were shown on advertisements in which we manipulated the dominance of the corporate brand as a between-subjects variable.

Materials

In our study, the financial services provider consists of a large number of subsidiary banks and insurance companies, most of which operate under their own name (without explicitly referring to the parent company). We investigated the evaluation of eight different products that are marketed by four subsidiaries. From each subsidiary, we chose one product from the retail banking market and one product from the wholesale banking market (see Table 2). Each respondent evaluated one of these products after being confronted with the product advertisement. To ensure sufficient realism of the materials, we based these on existing print advertisements.

To manipulate CBD, two versions of each advertisement were developed. On the first of these advertisements

(low CBD), the name and logo of the parent company were added in a small font below the name and logo of the subsidiary company after the words "part of." On the second (high CBD) advertisement, the name and logo of the subsidiary were replaced completely by the corporate name and logo. In addition, the background color of the advertisement was modified to the corporate color (orange). Examples of the advertisements used, including the manipulation of CBD, appear in Figure 2.

Respondents

A total of 273 respondents participated in the study, with a roughly equal number of retail and wholesale prospects (139 and 134, respectively). All respondents were responsible for financial matters in their families and companies, respectively. To ensure that questions about specific associations with the corporate brand would be meaningful to the respondents, we asked them about their familiarity with the corporate brand (and its subsidiaries) on seven-point semantic differential scales. For respondents who indicated that they were completely unfamiliar with the corporate brand (i.e., those who obtained a score of "1"), the interview was completed, but we excluded their responses from the analyses. We randomly assigned respondents to one of the two CBD conditions.

TABLE 2
Overview of Products

Subsidiary	Retail Banking Market	Wholesale Banking Market
A	Industrial disability insurance (n = 39)	Employee benefit plan (n = 37)
B	Ordering stocks and bonds through the Internet (n = 32)	Payment service within Europe (n = 30)
C	Investment fund mortgage (n = 44)	Real estate finance for entrepreneurs (n = 36)
D	Financial consultancy for prospective lawyers (n = 24)	Consultancy for succession problems in family-owned businesses (n = 31)

Notes: For reasons of confidentiality, the brands are labeled A–D.

FIGURE 2
Sample Advertisements with Low (Left) and High (Right) CBD

Procedure

The wholesale prospects were prerecruited by telephone and interviewed at their offices. Retail prospects were interviewed at their homes. We used a face-to-face interview procedure in which the interviewer posed questions and filled out the respondent's answers. After asking questions about demographics and familiarity with the different brands, the interviewer showed the product advertisement. When the respondent had studied the advertisement, it was removed from view, and the respondent was asked to evaluate the product shown in the advertisement and then to indicate his or her purchase intentions to the product. Next, he or she answered questions about perceived fit between the product and the corporate brand; this was followed by questions about involvement with the product. Finally, the questionnaire was given to the respondent, who filled out the remaining questions about CA and CSR associations (in that order). On average, the interviews lasted for approximately 50 minutes.

Measures

For all measures, we used multiple-item scales that consisted of seven-point Likert or semantic differential scales. All measures and their reliabilities, as well as descriptive statistics and correlations, appear in the Appendix.

Independent measures. Our independent variables are CA and CSR associations. To measure these constructs, we adapted Fombrun, Gardberg, and Sever's (2000) reputation quotient scale, which captures several aspects of corporate reputation. This 20-item scale distinguishes the following six dimensions: emotional appeal, products and services, vision and leadership, workplace environment, social and environmental responsibility, and financial performance. In line with Brown and Dacin's (1997, p. 68) definition of CA as "the company's expertise" and their operationalization of it as the quality of the processes in a company that deal with product development and manufacturing, we chose the products and services and the workplace environment subscales to operationalize CA associations.[2] Vision and leadership is also relevant to CA, but the items in this scale could be equally interpreted as pertaining to leadership regarding CSR.[3] Financial performance may be conceptualized better as a (perceived) consequence of CA than as an aspect of CA.

Moderator measures. We operationalized perceived fit as the perceived similarity between the image of the corporate brand and the image of the product. We measured this construct with two items adapted from previous literature on brand extensions (e.g., Bhat and Reddy 2001). We measured involvement with the product category with two of the three items of the relevance subscale from the new involvement profile (Jain and Srinivasan 1990). These items capture cognitive (rather than affective) involvement (i.e., the product's perceived relevance and importance rather than its perceived pleasure or sign value). We made this choice because, in general, these latter dimensions are not applicable to financial products and services (Aldlaigan and Buttle 2001).

Dependent measures. We measured people's attitudes toward the products on three subscales: quality, appeal (feelings about the product), and reliability (cf. Petroshius and Monroe 1987). In addition, we measured respondents' product purchase intentions with three items (cf. Petroshius and Monroe 1987).

Scale Validation

To purify our measures, we computed item-to-total correlations for each scale, followed by a confirmatory factor analysis of all variables. We began with a total of 27 items and ultimately retained 23. We dropped two items from the product attitude scale and one item from the involvement scale because they had a low correlation (<.4) with the total scale. We also dropped one item from the CSR scale because it seemed to measure an overall evaluation rather than CSR.

Because some of the constructs we used (i.e., CA and product attitude) were composed of different subscales, our measurement model was a second-order factor model (see Rindskopf and Rose 1988). This model showed adequate fit (χ^2_{233} = 315.54, p = .00; standardized root mean square residual = .05; comparative fit index = .97).[4] However, one of the items in the CSR scale ("Do you think that [parent company] behaves in an ethically responsible manner?") had high positive residuals (>2.58) with items from the involvement and purchase intention scales, suggesting that this item is related more to an overall evaluation than to the specific CSR concept (see Steenkamp and van Trijp 1991). Therefore, we removed this item. The fit of the resulting model was also adequate (χ^2_{211} = 284.43, p = .00; standardized root mean square residual = .05; comparative fit index = .98). However, the decrease in fit caused by imposing the second-order factors was significant (χ^2_{16} = 30.30, p = .02), suggesting that the better parsimony of the second-order model did not quite weigh up to the loss of fit that resulted from "forcing" the subscales under the second-order factors (see Rindskopf and Rose 1988). However, because the fit of the second-order factor model was adequate and because it corresponded to the constructs we identified, we proceeded to use the previously defined scales.

Results

We analyzed the data using hierarchical moderated regression models. The independent variables are CA, CSR,

[2]Although the name of this variable suggests a focus on employee treatment, it addresses the expertise of employees and management.

[3]We thank an anonymous reviewer for this suggestion.

[4]Note that the model yielded an inappropriate solution (a negative estimate of the error variance or "Heywood case") for one of the items on the involvement scale. We remedied this by forcing the estimate of the error variance for this item to be positive. This strategy is justifiable in our case, given the relatively large size of our sample (see Dijkstra 1992).

CBD, fit, involvement, and the interactions between these variables; the dependent variables are product attitude and purchase intention. However, because product attitude is our main dependent variable, we focus our discussion on the results for this variable and report the results for purchase intention only when they diverge from those for product attitude. To account for the different types of products that we used, we also included dummy variables that represent the different products as independent variables. Although moderated regression models are especially sensitive to measurement error, the biasing effects of such errors are minimal when the reliability of all the scales used is high (i.e., approximately .8 or .9; see Ping 1996). This is the case with our measures, so we assumed that using regression analyses rather than structural equation models would not substantially bias our results.

To improve the interpretability of the main effects in the presence of interaction variables, we mean-centered the continuous variables before computing the interaction variables (see Jaccard, Turrisi, and Wan 1990). The main effects can be interpreted as conditional effects, or effects that hold when the other continuous variables in the model are at their mean (i.e., zero). To estimate the "real" (unconditional) main effects, we examined the models lower in the hierarchy that do not include the interaction terms under consideration. To interpret the significant three-way interactions, we examined the conditional two-way interactions that constitute each of them as well as the conditional main effects of CA and CSR, which in turn constitute the significant conditional two-way interactions (see Jaccard, Turrisi, and Wan 1990). We also tested the significance of the conditional effects. In doing so, we used modified levels of the significance level alpha to correct for performing multiple statistical tests on the same interaction effect (Holm 1979). We present these alpha values in the discussion of our results.

The results of the hierarchical regression model for product attitude appear in Table 3. We observe that CA associations have a significant, positive effect on product attitudes, but CSR associations do not. In addition, there is a significant, negative interaction between CSR and CBD, implying that CSR associations especially influence product attitudes when the corporate brand is not dominantly visible on the product advertisement (i.e., when the corporate brand is used as an endorser). Regarding our hypotheses, we note that the results for CA are largely as we predicted, whereas the results for CSR are not.

CBD and the Moderating Effect of Fit

We hypothesized that the dominance of the corporate brand would influence the moderating effect of fit for CA associations but not for CSR associations (H_1 and H_2). Conforming

TABLE 3
Results of Hierarchical Regression Model for Product Attitude

	Main Effects Only		Main Effects + Two-Way Interactions		Full Model	
	B	t	B	t	B	t
(Constant)	–.15	–.91	–.14	–.87	–.16	–1.04
Product A: retail	.21	1.03	.16	.81	.15	.76
Product B: retail	–.06	–.26	–.11	–.55	–.08	–.39
Product C: retail	–.05	–.26	–.10	–.51	–.09	–.47
Product D: retail	–.22	–.96	–.15	–.66	–.09	–.38
Product A: wholesale	.43	2.08	.39	1.94	.39	1.99
Product B: wholesale	.25	1.15	.20	.93	.20	.96
Product C: wholesale	.20	.95	.09	.44	.10	.51
CA	.34	4.64	.24	2.35	.22	2.13
CSR	.06	1.00	.27	2.79	.28	2.99
CBD	.07	.70	.09	.89	.09	.84
Fit	.27	6.55	.16	2.70	.19	3.17
Involvement	.12	3.63	.20	4.25	.18	3.84
CA × fit			.01	.21	–.12	–1.59
CA × involvement			.03	.62	.15	2.37
CA × CBD			.14	.98	.14	1.03
CSR × fit			.09	1.97	.24	3.68
CSR × involvement			–.07	–2.06	–.15	–3.10
CSR × CBD			–.33	–2.75	–.31	–2.61
Fit × CBD			.19	2.36	.16	1.98
Involvement × CBD			–.13	–1.96	–.08	–1.29
CA × fit × CBD					.24	2.29
CA × involvement × CBD					–.24	–2.69
CSR × fit × CBD					–.30	–3.18
CSR × involvement × CBD					.15	2.20
Adjusted R^2		.36		.40		.43

Notes: All coefficients are unstandardized regression coefficients.

to this expectation, there was a significant, positive three-way interaction among CA, fit, and CBD. Conversely, and contrary to our expectation, there was a significant, negative three-way interaction among CSR, fit, and CBD.[5] To interpret these interactions, we next discuss the conditional effects that underlie them.

The interaction between CA and fit for different levels of CBD. Although the three-way interaction among CA, fit, and CBD is significant, neither of the two conditional two-way interactions between CA and fit are significant (in the case of high CBD: b = .11, t = 1.64, p = .10, α = .05; in the case of low CBD: b = –.12, t = 1.59, p = .11, α = .10). Although the pattern of these results is consistent with our hypothesis (i.e., there is a positive interaction between CA and fit for high CBD but not for low CBD), the lack of significance implies that we do not have sufficient evidence to accept the hypothesis. Conversely, we find a significant two-way interaction between fit and CBD. Consistent with previous research (Milberg, Park, and McCarthy 1997), this implies that the main effect of fit is significantly stronger when CBD is high than when CBD is low.

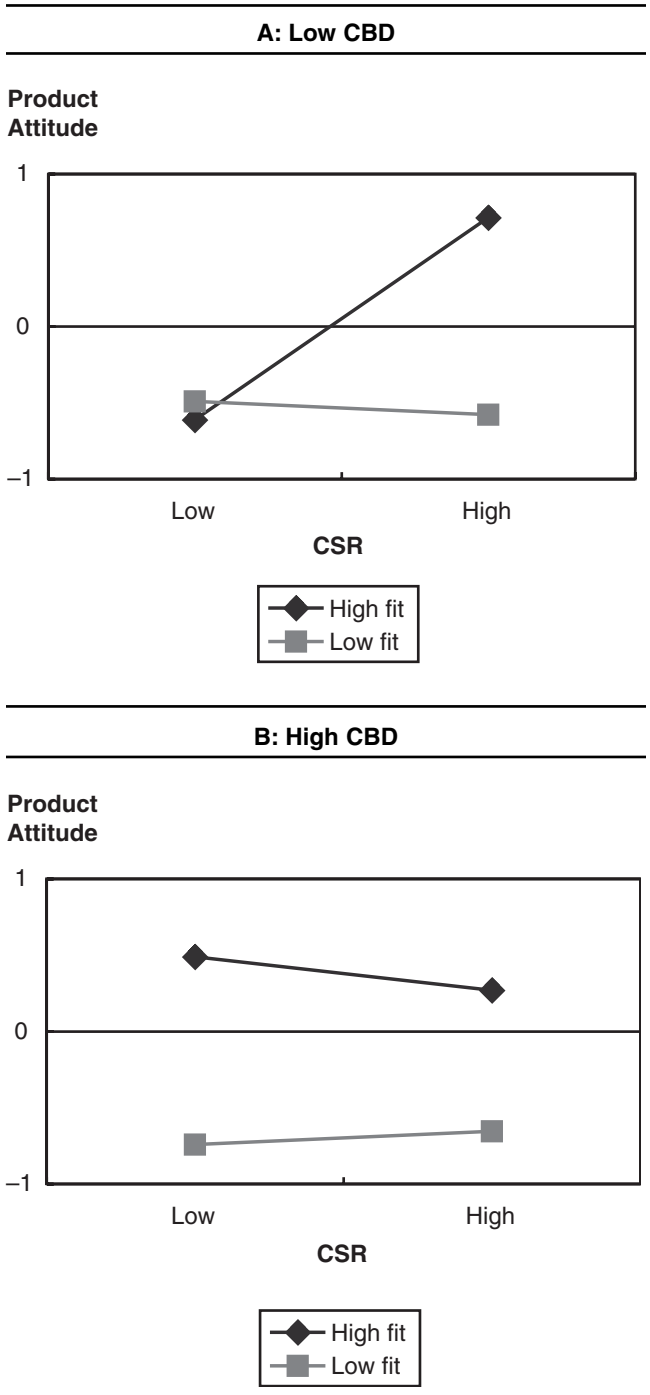
The interaction between CSR and fit for different levels of CBD. For high CBD, there is no significant interaction between CSR and fit (b = –.05, t = –.81, p = .42, α = .10). For low CBD, the interaction between CSR and fit is positive and significant (b = .24, t = 3.68, p = .00, α = .05). When we examine the conditional main effects that constitute the latter interaction, we observe that CSR has a significant, positive effect when fit is high (b = .61, t = 4.63, p = .00, α = .05) but not when fit is low (b = –.04, t = –.33, p = .74, α = .10). Figure 3 graphically displays this pattern of results. Contrary to our hypothesis (H_2), the fit between the product and the corporate brand affects the influence of CSR associations on product attitudes but only when the corporate brand is not dominantly visible (i.e., when it is used as an endorser).

CBD and the Moderating Effect of Involvement

We also expected that CBD would influence the moderating effects of involvement (H_3 and H_4). The results show that there is a significant three-way interaction among CA, involvement, and CBD and among CSR, involvement, and CBD.[6] Next, we analyze the conditional effects that constitute these interactions.

The interaction between CA and involvement for different levels of CBD. Contrary to our expectation in H_3, for high CBD, there is no significant interaction between CA and involvement (b = –.10, t = –1.47, p = .14, α = .10). However, as we predicted, there is a significant, positive interaction between CA and involvement when CBD is low, which indicates that CA has a stronger influence on product attitudes when involvement is high than when involvement is low (b = .15, t = 2.37, p = .02 α = .05). When we examine the conditional effects that constitute this significant interaction, we observe that CA has a significant influence when involvement is high (b = .45, t = 3.29, p = .00, α =

FIGURE 3
Effect of CSR on Product Attitude for Different Levels of CBD and Fit



Notes: High CSR = one standard deviation above the mean, and low CSR = one standard deviation below the mean. High fit = one standard deviation above the mean, medium fit = the mean, and low fit = one standard deviation below the mean.

[5]For purchase intention, the interaction among CSR, fit, and CBD is also significant (b = –.31, t = –2.11), but the interaction among CA, fit, and CBD is not (b = .26, t = 1.58). The pattern of conditional effects that constitutes the significant interaction is similar to that for product attitude.

[6]For purchase intentions, neither of these two interactions were significant (for CA × involvement × CBD, b = –.05, t = –.33; for CSR × involvement × CBD, b = –.08, t = –.76).

.05) but not when involvement is low (b = –.02, t = .12, p = .91, α = .10).

The interaction between CSR and involvement for different levels of CBD. Contrary to our predictions in H_4, there is no significant interaction between CSR and involvement when CBD is high (b = .01, t = .11, p = .91, α = .10). Conversely, when CBD is low, there is a significant, negative interaction between CSR and involvement (b = –.15, t = –3.10, p = .00, α = .05). An examination of the conditional main effects that constitute this interaction shows that CSR has a significant effect when involvement is low (b = .52, t = 4.89, p = .00, α = .05) but not when involvement is high (b = .05, t = .39, p = .70, α = .10). Contrary to our hypothesis, this suggests that involvement has a significant effect on the influence of CSR associations only when the corporate brand is not dominantly visible on the advertisement (i.e., when it is used as an endorser).

Discussion

The results of our study show that a company's corporate branding strategy affects the relationship between corporate associations and customer product attitudes. When firms use a monolithic branding strategy (i.e., when the corporate brand is dominantly visible), associations with CA have a strong influence, independent of fit and involvement. In contrast, associations with CSR do not have a significant influence, again independent of fit and involvement. When firms use an endorsed strategy (i.e., when the corporate brand is not dominantly visible), the influence of CA associations is positively moderated by product involvement. Conversely, in such a case, the influence of CSR associations is negatively moderated by involvement and positively moderated by fit.

Theoretical Implications

Our results suggest that a company's corporate branding strategy is an important determinant of the mechanism through which CA and CSR associations influence customer product evaluations. When the corporate brand is dominantly visible, CA associations appear to be highly salient cues that influence product evaluations, independent of perceived fit and product involvement. In contrast, when the corporate brand is not dominantly visible, consumers appear to use CA associations only as a means to increase the reliability of their product evaluation. In this case, CA associations influence product evaluations only when involvement is high but not when involvement is low. In terms of the accessibility–diagnosticity framework (Alba, Hutchinson, and Lynch 1991; Feldman and Lynch 1988; Lynch, Marmorstein, and Weigold 1988), low CBD presumably decreases the accessibility of CA associations so that they are less likely to be used. However, because the associations have a relatively high diagnosticity, they may still be used when people have a high diagnosticity threshold. In such a case, CA associations can be used as a "backup" that may enhance consumer confidence in product judgments.

The finding that the influence of CA is not moderated by involvement when the corporate brand is dominantly visible can be explained by assuming that in our study, CA associations have a relatively high diagnostic value for evaluating the products. In such a case, these associations would have a high probability to be used in people's product evaluations, independent of the height of their diagnosticity threshold (i.e., independent of their level of involvement). Similarly, the insignificance of the effect of perceived fit when CBD is high can be explained by a ceiling effect. Because the mean level of perceived fit in our study was relatively high (5.45 on a seven-point scale), the diagnosticity of CA associations perhaps did not vary enough.[7] An alternative explanation may be a lack of statistical power. The three-way interaction among CA, fit, and CBD was significant and in the expected direction, whereas none of the conditional two-way interactions that constituted this interaction was significant. This issue deserves attention in future empirical studies.

However, with respect to the effect of CSR associations, the story is different. When the corporate brand is dominantly visible, CSR does not appear to have any effect on product evaluations. When the corporate brand is used as an endorser and therefore is not dominantly visible, CSR has an effect but only when fit is high or involvement is low. That the influence of CSR increases in the case of low rather than of high involvement is consistent with our reasoning that CSR associations have only limited diagnostic value for product evaluations. The significant, positive interaction between CSR and perceived fit is not consistent with our hypothesis and suggests that to some degree, our respondents observed the associations as directly applicable to product attributes. However, this explanation must be substantiated with further research.

An interesting but puzzling finding is that the moderating effects of fit and involvement on the influence of CSR associations occur when CBD is low rather than high. A possible explanation for this finding is that when people evaluate a product's quality, the dominance of the corporate brand selectively increases the accessibility of CA associations while decreasing the accessibility of CSR associations. Making the subsidiary brand dominant in product communications changes the role of the corporate brand from that of the driver of a product purchase to that of the endorser of the product (Aaker 1996). In the case of high CBD, the corporate brand acts as the driver, and CSR associations may become relatively inaccessible because the task of evaluating a product's quality induces people to focus on the brand's CA rather than its CSR. Conversely, the endorser role does not primarily involve providing product information. Therefore, when the corporate brand assumes the endorser role, it may induce people to focus on the parent company's other roles, such as its contributions to the community and its efforts to limit environmental damage. The accessibility of CSR associations may then increase, which in turn induces people to use these associations when the associations are diagnostic or when people have a low diagnosticity threshold.

[7]We thank an anonymous reviewer for this suggestion.

To test the validity of this reasoning, we conducted a small additional empirical study. In this study, we investigated the effect of the CBD manipulation on the accessibility of CSR associations. We asked 74 undergraduate business administration students to list their spontaneous associations with the corporate brand after being exposed to either an advertisement with high CBD or an advertisement with low CBD.[8] Three independent judges coded the respondents' associations as CSR, CA, or other attributes. We operationalized the accessibility of CSR associations as the presence or absence of CSR associations in a respondent's list of associations. Most of the respondents' CSR associations addressed the quality of the company as an employer (e.g., "good employer"), the recent publicity surrounding an increase in the parent company's top management compensation (e.g., "scandals regarding top salaries"), and the organization's sponsorship of events (e.g., "sport sponsorship"). A log-linear model showed that significantly more people mentioned CSR associations when CBD was low than when CBD was high ($\lambda = -1.24$, $Z = -1.81$, $p = .07$). This result supports our reasoning. In contrast, CBD had no significant effect on the number of people who mentioned CA associations ($\lambda = -.15$, $Z = -.32$, $p = .75$). Finally, an analysis of variance with CBD as a between-subjects factor and the type of associations judged (CA or CSR) as a within-subjects factor showed that there was no significant difference between the CBD conditions in terms of the degree to which respondents viewed the company's CSR or CA as diagnostic for evaluating the product ($F = .52$, $p = .47$). However, consistent with our assumption, CA was perceived as significantly more diagnostic than CSR ($F = 102.21$, $p = .00$). There was no significant interaction between CBD and the type of associations ($F = .54$, $p = .47$).

In conclusion, our results suggest that people use CA associations as a salient cue when the corporate brand is dominantly visible in product communications and only as a means to increase confidence when the corporate brand is not dominantly visible. In contrast, people seem to use CSR associations as a salient cue primarily when the corporate brand is not dominantly visible.

Managerial Implications

Our results have implications for managerial choices for the use of the corporate brand in product communications. Specifically, the findings suggest that when a company wants to leverage its CA associations, a monolithic branding strategy (i.e., a dominant visibility of the corporate brand) is most effective. An endorsed strategy (i.e., a low CBD) seems to be effective only when products are perceived as high-involvement products. When a company wants to leverage associations with its CSR, an endorsed strategy seems to be the most effective. This is especially the case when the product is perceived as fitting well with the corporate brand and is perceived as a low-involvement product.

[8]The product they viewed was that of Subsidiary B for the retail banking market.

Limitations and Suggestions for Further Research

Although this study reports several important findings, it is not without limitations. First, we assessed people's associations with a single parent company, which likely induced truncation of the measures of these variables. This implies that care must be taken when generalizing the results in this study to situations in which people's corporate associations are extremely favorable or extremely unfavorable. Further research should corroborate our findings by studying multiple organizations or by using experimental manipulations of corporate associations. Second, we did not include measures of people's CA and CSR associations with the subsidiary brands in our study. The reason for this choice was that the emphasis of the study was on associations with the corporate brand. In addition, some of the subsidiary brands we used were relatively unknown to the public; thus, it seemed unlikely that most respondents would be able to answer questions about specific cognitions regarding these brands. Third, we measured the independent and dependent variables in the same questionnaire, which potentially could inflate the reported relationships (e.g., Feldman and Lynch 1988). We tried to address this by measuring the independent variables after measuring the dependents. Still, it could be possible that respondents' answers on the dependent measures (i.e., product responses) influenced their responses on the independent measures (i.e., corporate associations).

In this study, we examined the role of CA and CSR associations on customer reactions. A worthwhile issue for further research is the generalizability of our results to judgments of stakeholders other than customers. For example, corporate brands are also used on the job market and the stock market. To what degree do CA and CSR associations play a role in these contexts? What would be the influence of corporate branding strategies in these contexts? A priori, we expect that CSR associations play a larger role in the context of evaluating jobs and stocks because they are likely to be perceived as more diagnostic. Therefore, in these cases, the role of CSR associations may be similar to the role of CA associations in our study.

In addition, it would be worthwhile to replicate our findings in the context of other types of companies, industries, and products. Both the diagnosticity and the accessibility of CA and CSR associations may be different in other contexts. For example, recent research has shown that the diagnosticity of CA associations may be lower for products that involve a low degree of risk (Gürhan-Canli and Batra 2004). Similarly, CSR associations may be more diagnostic for products that are positioned as socially responsible, such as social/green investment funds or environmentally friendly products. Furthermore, the accessibility of CA and CSR associations may depend on the familiarity of the parent company (which was moderate in our case) and its positioning strategy. For highly familiar companies that position themselves on CA- and/or CSR-related attributes, it is likely that these types of associations will have larger overall effects on product evaluations but also that the moderating effects of CBD will be weaker because of the higher accessibility of these associations.

Appendix
Measures, Descriptive Statistics, and Correlations

A: Measures

Scale	Items	Alpha
CA associations	*Products and services* •Do you think that [parent company] develops innovative products and services? •Do you think that [parent company] offers high-quality products? •Do you think that [parent company] offers products with a good price–quality ratio? *Workplace environment* •Do you think [parent company] is well managed? •Do you think that [parent company] employs talented people in comparison with competitors?	.88
CSR associations	•Do you think that [parent company] supports good causes? •Do you think that [parent company] behaves responsibly regarding the environment?	.85
Fit	•Do you think that this product fits the image of [parent company]? •Do you think that this is a logical product for [parent company] to market?	.84
Involvement	•How essential do you find this type of products? (endpoints: "essential" and "not essential") •How useful do you find this type of products? (endpoints: "useful" and "useless")	.85
Product attitude	*Quality* (endpoints: "very low" and "very high") •How favorable is your judgment of this product? •What do you think about the quality of this product? •What do you think about the quality of this product in comparison with similar products? •How high do you think the returns of this product are for the customer? *Appeal* •Do you find this product sympathetic? •Do you find this product attractive? •Does this product give you a pleasant feeling? *Reliability* •Do you find this product reliable? •Does this product give you a safe feeling?	.90
Purchase intention	•If you were planning to buy a product of this type, would you choose this product? •Would you purchase this product? •If a friend were looking for a product of this type, would you advise him or her to purchase this product?	.81

B: Descriptive Statistics and Correlations

	Descriptive Statistics		Correlations				
	Mean	Standard Deviation	CA	CSR	Fit	Involvement	Product Attitude
Total Sample							
CA	5.12	.93					
CSR	4.58	1.09	.61**				
Fit	5.45	1.32	.24**	.15*			
Involvement	4.45	1.58	.01	.04	.13*		
Product attitude	4.60	1.05	.42**	.33**	.44**	.26**	
Purchase intention	3.67	1.52	.39**	.33**	.38**	.27**	.67**

Appendix
Continued

B: Descriptive Statistics and Correlations

	Descriptive Statistics		Correlations				
	Mean	Standard Deviation	CA	CSR	Fit	Involvement	Product Attitude
High CBD Condition							
CA	5.18	.94					
CSR	4.63	1.14	.62**				
Fit	5.44	1.32	.30**	.12			
Involvement	4.37	1.54	.04	.09	.04		
Product attitude	4.64	1.04	.45**	.24**	.54**	.17*	
Purchase intention	3.79	1.58	.47**	.31**	.41**	.26**	.64**
Low CBD Condition							
CA	5.05	.92					
CSR	4.53	1.03	.60**				
Fit	5.45	1.33	.16	.19*			
Involvement	4.54	1.63	–.02	–.03	.22*		
Product attitude	4.54	1.07	.38**	.44**	.33**	.37**	
Purchase intention	3.53	1.44	.27**	.36**	.34**	.30**	.72**

*$p < .05$.
**$p < .01$.

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