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Tastlé-Nestlé, Toogle-Google: The effects of similarity to familiar brand names in brand name innovation

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ABSTRACT

When developing new brand names, marketers face the dilemma of how similar their new brand name is or should be to familiar brand names in the market. The current research tests the complete range of conditions exploring how the degree of similarity of a new brand name to an existing one may affect attitudes toward the new brand name. The authors first replicate an inverted-U pattern suggested by congruency theories. However, this result holds only in the case of positive pre-existing attitudes toward familiar brand names. Additional tests demonstrate a U-shaped pattern in the case of negative attitudes toward familiar brand names, and a linear relation between similarity and attitudes in the case of no pre-existing attitudes toward familiar brand names. A field study replicates these findings, testing actual choice of products that bear different levels of resemblance to real positive and negative brand names (Oreo and Spam).

Surprisingly similar in sound, Toyota's Verso followed Nissan's Versa to the market (in 2009 and 2006, respectively). Whether brand reputation or coincidence led to these similar names, each name could potentially impact both brands' success.

Managers often contemplate whether to develop a name similar to a familiar one (Bellman, 2005) or develop a novel/unique name for their product (Samu & Krishnan, 2010). Similar names may benefit from the positive effect of familiarity on attitudes (Campbell & Keller, 2003; Harler, 1996). Indeed, firms sometimes choose similar names to well-known brands (accidentally or intentionally). For example, Tastlé coffee sounds very similar to the well-known Nestlé coffee brand. Similarly, Toogle (http://c6.org/HYPERLINK "http://c6.org/toogle/ "toogleHYPERLINK "http://c6.org/toogle/"/) used Google as a basis not only for its name, but also its logo. Research has demonstrated the inverted-U effect of similarity on attitudes (in which the most positive attitudes are elicited by moderate similarity, with less positive attitudes for highest and lowest levels of similarity (e.g., Giora et al., 2004; Meyers-Levy, Louie, & Curren, 1994; Meyers-Levy & Tybout, 1989). This research focused on positive attitudes toward the familiar brand. However, beyond potential legal complications of creating brand names too similar to others, high similarity to a familiar name does not necessarily maximize a brand's worth. For example, unexpectedly at the top of the list of the 50 most hated names for 2012 were Twitter, Facebook, iPhone, and YouTube (Kelly, 2012). What if a marketer created a name that is similar to an existing disliked name? This paper focuses on the dilemma that managers face when creating new names: how the degree of innovation versus similarity to existing names affects attitudes toward new brand names. Four experiments replicate previous findings regarding the inverted-U relation between similarity and brand attitudes, and extend this question to negative pre-existing attitudes, showing that familiarity can have an upright-U relation with attitudes in the case of pre-existing negative attitudes toward a familiar name. The experiments also show that, in the case of no pre-existing attitudes, the relation between familiarity and attitudes is linear. Finally, the results are replicated in the field, testing the U- and inverted-U-shaped similarity effects on real brand names (Oreo and Spam) and actual choice behavior.

This work contributes to the theory and practice of branding by providing the complete story of brand name similarity, considering the various possibilities and identifying aspects of brand name similarity which has not received enough attention to date. The work distinguishes between different conditions (positive/negative/neutral pre-existing attitudes) in which similarity may have different effects.

1. Brand name innovation: the tension between pleasure in the familiar and pleasure in the novel.

One dilemma in branding is the choice between extending an existing name versus creating a completely new name – (pursuing a

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familiarity versus a distinctiveness route; Samu & Krishnan, 2010). However, theory and research provide inconclusive solutions for this dilemma.

On the one hand, brand familiarity has a positive effect on attitudes toward brand names, brand extensions and products (e.g., Kent & Allen, 1994; Kohli, Harich, & Leuthesser, 2005) and memory for names (Francis, Lam, & Walls, 2002; Lee & Ang, 2003; Zhang & Schmitt, 2001). Similarity also results in increased liking and affects behavioral outcomes such as request compliance (Brendl, Chattopadhyay, Pelham, & Carvallo, 2005; Burger, Messian, Patel, del Prado, & Anderson, 2004; Garner, 2005). Consumers search for and enjoy the familiar in new names (e.g. Cunha, Forehand, & Angle, 2014) as well as in product innovations (Moreau, Lehmann, & Markman, 2001). Similarity increases attitudes via the pleasing/comforting effect of familiarity and mere exposure (Bornstein & D'Agostino, 1992; Fang, Singh, & Ahluwalia, 2007; Harler, 1996; Zajonc, 1968). This research suggests that as similarity of a new name to a familiar one increases, attitudes will be more favorable toward the new name. Marketers, then, should minimally deviate from familiar names.

On the other hand, people find pleasure in novelty (Berlyne, 1978; Litman, 2005) and surprise (Duncker, 1945; Goth, 2004; Hvattum, 2008). People seek new information/experiences (Litman, 2005), as the discovery of the novel bears the pleasure of fulfilled curiosity and learning (Berlyne, 1974, 1978). Indeed, research on product innovation suggests that consumers enjoy discovering new uses for products and novel consumption experiences (Hirschman, 1980; Hirschman & Wallendorf, 1980), because they allow consumers to avoid the boredom of the familiar (Bornstein & D'Agostino, 1992). Consumers enjoy the "Aha!" effect in discovering the features of a new product by themselves, and "hints," such as product-use instructions, can destroy this pleasure (Lakshmanan & Krishnan, 2011). Also, unusually spelled brand names have a positive effect on attitudes, especially when consumers are unfamiliar with the brands (Lowrey, Shrum, & Dubitsky, 2003; Van den Bergh, Adler, & Oliver, 1987). These results support the notion of consumers' appreciation for novelty in brand name formation.

Thus, research does not provide a clear answer to the question managers face: to what degree should they innovate in brand name creation? A manager who sticks to the familiar may lose the pleasurable effect of innovation, but adopting innovative branding may fail to appeal to the sense of familiarity. A related finding that demonstrates this dilemma is that uncertainty drives consumers to prefer non-unique product features when they are unfamiliar with the product category, but when they are familiar with the category, consumers are more likely to prefer unique product features (Zhou & Nakamoto, 2007).

The authors propose in this work that the familiarity effect in brand innovation may depend on additional factors, such as pre-existing attitudes toward a familiar brand name. Following is a consideration of three cases: positive, negative, and no attitudes toward the familiar name. The predictions regarding these cases are outlined, reaching a unifying theory of the effect of similarity to the familiar name on attitudes toward the new name.

2. Optimal brand name innovation

2.1. An Inverted-U Effect of Similarity on Attitudes – The Case of Positive Pre-Existing Attitudes

The prediction for the case of positive attitudes toward the familiar brand name relies on research that finds an inverted-U-shaped relation between degree of similarity and product evaluations. For example, moderate incongruity between the attributes of a new drink and its product category leads to more favorable product evaluations than category-congruent or incongruent attributes (Meyers-Levy & Tybout, 1989). This has been investigated in different fields in marketing, such as brand name extensions (Meyers-Levy et al., 1994) and product categorization and evaluations (Peracchio & Tybout, 1996; Stayman, Alden, & Smith, 1992).

Two mechanisms contribute to the inverted-U-shaped effect: the pleasure in identifying the familiar/mere exposure (Bornstein & D'Agostino, 1992; Fang et al., 2007; Harler, 1996) and the pleasure in the novel/surprising (Berlyne, 1978; Duncker, 1945; Goth, 2004; Hvattum, 2008; Hirschman, 1980; Hirschman & Wallendorf, 1980; Lakshmanan & Krishnan, 2011; Litman, 2005). Unusually spelled names have a positive effect on attitudes, especially when consumers are unfamiliar with the brands (Lowrey et al., 2003; Van den Bergh et al., 1987). Thus, if a name is too similar to a familiar brand, there is not enough novelty, but if a name is too different, the comfort of the familiar is gone. The two forces create a peak of pleasure for moderate (optimal) novelty of brand name sound.

In sum, the literature suggests that new names that are extremely similar and extremely different from familiar brands evoke less favorable attitudes than moderately-similar names. If so, too similar and too distant brand name variations should elicit less positive attitudes compared with moderate variations. The logic of optimal innovation for brand names with positive attitudes is clear, but predictions for names with negative attitudes are less so.

2.2. The backfiring effect of negative attitudes toward the familiar brand name

Sometimes, consumer attitudes toward familiar brand names are not favorable. Research on repetition and attitudes indicates that negative attitudes may deepen with ad repetition (Belch, 1981, 1982; Calder & Sternthal, 1980; Stayman & Aaker, 1988). Pierce (1987) finds that people with negative attitudes toward a familiar product were more likely to prefer an innovation of the product rather than the product itself. Thus, similarity with disliked names may evoke negative attitudes. However, mere exposure, familiarity, and lowered risk (Fang et al., 2007) may increase attitudes toward brand names even if the attitudes toward the original brand name are not favorable, because highly similar (i.e. less innovative) names bear the soothing effect of the familiar (even for negative names, due to the lessening of risk associated with novel names), and may therefore be perceived as less threatening than moderately similar names. Moderately similar names bear less familiarity and more innovation and in the case of negative names this combination may reduce attitudes toward the innovation. This logic predicts a *decrease* in attitudes from highly similar names to moderately similar names.

For distant variations, high dissimilarity will not evoke the disliked brand name at all (Giora et al., 2004; Lane, 2000) and will therefore form an attitude independent of the original disliked brand name. This attitude will be more positive or more negative depending on the affect-potential of the new name in itself, but on average we expect attitudes toward distant variations to be more positive than toward the moderate variations.

Thus, similarity to negatively-evaluated names should lead to an upright-U effect on attitudes toward new names: very similar and very distant variations should elicit more positive attitudes than moderately similar variations. Supporting this prediction, research on advertising repetition shows that favorable thoughts first increase and then decrease with continued exposure, whereas negative thoughts display the opposite pattern (Hawkins & Hoch, 1992). This effect may be due to a combination of the irrelevance of the familiarity effect in distant innovations (because there is little likelihood that the original name is recalled at all), and subliminal perception of a brand name that is highly similar to a negative brand as unfavorable.

2.3. The case of no Pre-existing attitudes toward the familiar brand name

Consumers do not always possess pre-existing attitudes toward products and brand names (Baker, 2003; Klink, 2003). Meyers-Levy

et al. (1994) find a linear relation between incongruity and thoughts about the message and the names. Importantly, the experiments conducted by Zajonc (1968) and others (e.g., Brendl et al., 2005), which support a linear relation between familiarity and pleasure, employed stimuli that elicited no pre-existing attitudes (such as letters, first names, faces, and symbols). This implies that when consumers have no pre-existing attitudes toward a name, familiarity should have a simple linear effect on attitudes. Thus, when consumers do not hold pre-existing attitudes toward a familiar name, variations of this name should be better liked if they are more similar to the original name, due to familiarity.

3. Theoretical summary and predictions

In sum, the overarching theory of the tension between similarity and novelty can yield different predictions in different cases of pre-existing attitudes: When people are familiar with an existing name and have positive attitudes toward it, too similar names elicit boredom, whereas too distant names do not remind one of the liked existing name. Therefore, *relatively*, too similar and too distant names will elicit less positive attitudes than a moderately similar name.

Conversely, when people are familiar with an existing name but have negative attitudes toward it, too similar names elicit *relatively* less negative attitudes than more distant names, because they inhibit the negative attitudes associated with the unfamiliar. Distant names elicit *relatively* more positive attitudes than moderately similar names, because they do not remind one of the negative name, and the effects of similarity and negative associations are diminished.

Finally, when no attitudes toward an existing familiar name are present, attitudes toward the new name depend only on degree of similarity to the existing name, as other effects of pre-existing attitudes are eliminated.

4. Method

The predictions were tested in five experiments. Experiments 1–3 used a tightly controlled methodology with fictitious names to maximize internal validity. Experiment 1 induced familiarity with fictitious names through a number of tasks, inducing pre-existing positive or negative attitudes toward the names by coloring the font in green and red, and by making participants believe the brands represent "positive" or "negative" companies (see detailed description). Then participants rated a list of 30 names, which included close, moderate, and distant variations of the original names. Being unaware of the relation between the variations, participants filled out attitude and brand evaluation items for each variation. Experiment 2 was similar, but without the manipulation of creating positive/negative pre-existing attitudes. In experiment 3, the familiarity manipulation was eliminated altogether, to demonstrate the central role of familiarity in the predicted patterns. Experiment 4 is a field experiment that replicates the inverted-U-shaped and U-shaped relations between familiarity and attitudes in real product choice, using variations on real brands (Oreo and Spam). Finally, experiment 5 is an online experiment that replicates experiments 1–3 as conditions in a single experiment with random assignment of participants. Due to space considerations, experiment 5 is available from the first author upon request.

4.1. Experiment 1

Experiment 1 tested the prediction that when consumers hold pre-existing attitudes (positive or negative), an inverted-U-shaped and a U-shaped pattern (respectively) of the relation between similarity and attitudes toward the new name will emerge. A mixed design was employed, with pre-existing attitude valence (positive/negative) and similarity (close/moderate/distant) as within-subject factors, and three company descriptions as between-subject conditions (these three conditions were not significantly different and therefore were collapsed in further analyses). Participants were first presented with a list of ten fictitious brand names and got familiar with the names via several tasks. To induce pre-existing attitudes, half of the names were presented as "positive," and the other half were presented as "negative" (see description below). Then, participants received a list of 30 new fictitious names (which were three variations for each of the ten original names: a close (very similar), a moderate (somewhat similar) and a distant (barely similar) variation), and completed attitudes and evaluation items for each of the 30 variations. Participants received the variations in black font and were not aware that the new list was related to the ten original names.

4.1.1. Participants, Materials, and Procedure

Fifty-four undergraduate students from a large Southwestern university participated in this experiment for partial course credit (26 women; mean age = 25). Participants completed the experiment on individual computers in lab cubicles.

4.1.1.1. Creation of fictitious brand names and variations. Ten fictitious names were created (e.g., Ukoz), as well as three variations for each name – a close (e.g., Uhoz), a moderate (e.g., Uzok) and a distant variation (e.g., Ugor). The linguistic rules and procedures to create and pretest the original names and their variations are available in detail from the first author. Fictitious names were used to eliminate potential confounds stemming from pre-existing attitudes with familiar brands. Research often relies on fictitious brands and advertisements for experimental manipulations (e.g., Baxter & Lowrey, 2011; Campbell & Keller, 2003; Loken & Roedder-John, 1993; Lowrey & Shrum, 2007).

4.1.1.2. Familiarity induction. Participants first got acquainted with the ten original fictitious names. Familiarity was induced by having participants interact with each word in a series of tasks (Kronlund & Bernstein, 2006). In the first task, participants simply read each of the ten names, which appeared randomly on the screen one by one, four times each. Next, participants received a randomized list of the ten names and had to arrange them in alphabetical order by their first letter. Then, participants had to alphabetize the names by their last letter. Finally, participants were shown the ten names four times in random order and were asked to drag all the occurrences of the same name to one of ten designated boxes. Participants then rated the degree of perceived familiarity with each of the ten names on a 7-point scale to ensure no initial familiarity bias across the original names. There were no differences in familiarity across the ten names; familiarity means ranged between M = 5.7 to M = 6.2 on a 7-pt. scale, $p > .05$.

4.1.1.3. Pre-existing attitudes manipulation. To manipulate pre-existing attitudes, the descriptions of the original fictitious brands were varied; participants read an introductory sentence which indicated that a) the names displayed in the red font are for brands that have been found to use environmentally-hazardous materials [this part of the sentence was also displayed in red]; and b) the names displayed in the green font are for brands that have been found to use only environmentally-friendly materials [this part of the sentence was also displayed in green]. Part of the sample read alternative formulations, in which the negative companies were described as engaging in corrupt management or were found to have a poor refund policy, and the positive companies were described as engaging only in ethical management practices or were found to have an excellent refund policy. The phrasing factor had no significant main effect, therefore all phrasings were collapsed into one group ($F(1, 52) = .964$, $p = .388$). After reading this introduction, all participants rated the ten names on valence (1 – "very negative company" to 7 - "very positive company"). These ratings served as a manipulation check.

4.1.1.4. Brand variation attitude measure. Immediately following the induced familiarity and pre-existing attitude manipulation, participants received a randomly-ordered list of the 30 variations developed in the pretest (three variations for each of the ten original names). Participants rated each variation on three 7-pt. scale items: How much do you like this brand name? How likely are you to purchase a product with this brand name? How likely would you be to recommend a product with this brand name to a friend? (1 = Not at all; 7 = Very Much). The three items were highly intercorrelated ($\alpha = .921$) and were averaged to form a composite measure of attitude. Thus, each participant produced 30 mean composite brand name attitudes (i.e., one toward each of the 30 variations). Reliability of responses regarding liking, purchase intention, and WOM for each of the 30 variations was between $\alpha = .924$ and $\alpha = .813$. Thus, these three measures were combined into a composite measure of brand name attitude for each variation.

4.1.1.5. Brand variation evaluation measure. This examination extends beyond brand name attitudes, introducing new dimensions relevant to product and brand evaluation: credibility of the company, enjoyableness of the product, how long-lasting the product would be, prediction of popularity of the name, and likelihood to be the perfect name (see also Kohli et al., 2005). Participants were presented with the list of 30 variations in random order and dragged and dropped into a box the ten names that they predicted to be the most credible companies; then they received the list again, also in randomized order of the variations, and dragged and dropped into a box the ten names they predicted to be the most enjoyable products. Participants repeated the same procedure for the other 3 product evaluations: the most long-lasting products, the most popular names, and the most perfect names. To summarize, for each of the five dimensions, participants dragged their top ten choices out of the list of the 30 variations, presented to them each time in random order. To calculate the ranking of each of the three variations, each variation within each participant was assigned a value, ranging from 0 (not in the box) through 1 (in the box, last place) to 10 (in the box, first place). Thus, each variation received a 0–10 rating. The five measures were highly intercorrelated ($\alpha = .838$) and were therefore averaged to form a composite measure of brand evaluation. Finally, participants were asked several demographic questions, after which they were debriefed, thanked, and dismissed.

4.1.2. Results

4.1.2.1. Pre-existing attitude valence manipulation check. Participants indicated significantly higher positivity for the names that were presented as "positive" ($M = 6.2$) than for the names that were presented as "negative" ($M = 3.8$, t (1, 52) = 5.01, $p = .02$).

4.1.2.2. Brand attitudes. Moderate variations were expected to produce the most favorable brand name attitudes for positive companies compared to close and distant variations (an inverted-U-shaped pattern) but just the opposite pattern (a regular U-shaped pattern) for negative companies. To test this hypothesis, a 2 (company: positive, negative) × 3 (similarity: close, moderate, distant) X 3 (company description) Mixed Repeated Measures ANOVA was conducted, with pre-existing attitude and sound similarity as within-subject factors and the alternative company descriptions (i.e., environmental/management/customer care) as a between-subject factor. This 3-way test revealed no significant main effect of company description and no interactions with this between-subject variable (p's > .1). Therefore the results were collapsed across the different company descriptions and all further analyses refer to within-subject differences. The results of this analysis can be seen in Fig. 1. None of the simple main effects were significant (p's > .1). As expected, the company X similarity interaction was significant (F (1, 52) = 10.54, $p < .001$). As the figure shows, the predicted inverted-U-shaped pattern for positive companies, and the predicted regular U-shaped pattern for negative companies, were observed. Planned contrasts revealed significantly higher attitudes toward the moderate variation ($M = 2.64$) than toward the close variation ($M = 2.34$) and toward the distant variation ($M = 2.25$, F (1, 52) = 6.7, $p < .003$) for the positive companies. The close and distant variations did not differ significantly. In contrast, for the negative companies, attitudes toward the moderate variation were significantly lower ($M = 2.25$) than toward the close variation ($M = 2.66$) or the distant variation ($M = 2.49$, F (1, 52) = 5.9, $p < .005$). Again, the close and distant variations did not differ significantly. Although attitudes toward negative brands appear somewhat higher than toward positive brands, this difference was not statistically significant ($p > .1$).

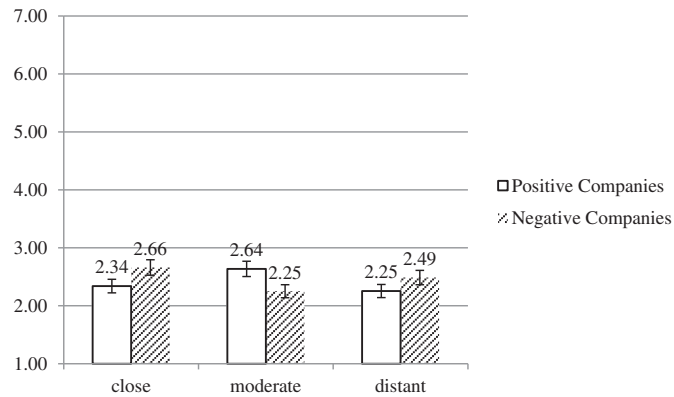

Fig. 1. Attitudes Toward Close, Moderate, and Distant Variations of Familiar Brand Names for Positive and Negative Brands (Experiment 1).

Brand evaluation. A 2 (positive/negative company) × 3 (similarity: close/moderate/distant) repeated measures ANOVA was conducted, with company and similarity as within-subject factors. As expected, the 2-way interaction was significant (F (1, 52) = 14.23, $p < .001$), with strikingly similar patterns as those obtained for the composite measure of brand name attitudes.

Planned contrasts revealed significantly higher preferences for the moderate variation ($M = 9.41$), compared to the close variation ($M = 8.3$) and the distant variation ($M = 7.0$, F (1, 52) = 22.7 $p < .001$) for the positive companies. For the negative companies, the moderate variation was significantly less preferred ($M = 7.7$) than the close variation ($M = 10.9$) or the distant variation ($M = 11.2$, F (1, 52) = 10.7, $p < .001$). These results replicate those obtained for the main attitudinal measure.

4.1.3. Discussion

Results of experiment 1 suggest that pre-existing attitudes impact the relation between the degree of similarity of new brand names to familiar names on attitudes toward the variation. Supporting our predictions, the findings suggest that when attitudes toward a familiar brand name are positive, variations on that name elicit the most positive attitudes when they are moderately similar to the original name, compared to when the variation is either close or distant from the original name, forming an inverted-U-shaped pattern. In contrast, when attitudes toward a brand name are negative, variations on that name elicit the most negative attitudes when they are moderately similar to the original name, compared to when the variation is either close or distant from the original name, forming a U-shaped pattern.

4.2. Experiment 2: the case of no Pre-existing attitudes

The purpose of experiment 2 was to distinguish between the case of pre-existing positive/negative attitudes, and the case of no pre-existing attitudes. The U and inverted-U patterns evidenced in experiment 1 are expected to be attenuated when pre-existing attitudes are eliminated. This experiment is important as a test of pre-existing attitude moderation,

via manipulation of the moderator. The experiment follows the same design as experiment 1, but the pre-existing positive/negative attitudes manipulation is eliminated.

4.2.1. Participants and procedure

A total of 115 undergraduate students from a large Southwestern university participated in this experiment (57 women; mean age = 23.3). The same fictitious brand names from experiment 1 were used, as well as the same three variations for each name. Participants first got acquainted with the ten original fictitious names in the same manner as in experiment 1, but all names were presented in black font and no introduction manipulating brand attitude was used. After the induced familiarity stage, participants completed the brand attitudes and brand evaluations measures, as in experiment 1.

4.2.2. Results

4.2.2.1. Brand Attitudes. As predicted, Repeated Measures ANOVA revealed a descending line that depicts a direct, linear relation between sound similarity and attitudes toward brand name variations in the case of no pre-existing attitudes toward the original name ($F(1, 114) = 29.8$, $p < .001$). Planned contrasts revealed significantly higher attitudes toward the close variations ($M = 2.86$) compared with the moderate variations ($M = 2.61$, $F(1, 114) = 12.8$, $p < .011$) and between the moderate variations and the distant variations ($M = 2.36$, $F(1, 114) = 10.2$, $p < .001$). Fig. 2 presents these results.

4.2.2.2. Brand evaluation. Repeated measures ANOVA replicated the results concerning brand attitudes, showing a significant effect of sound similarity on attitudes, represented by rankings ($F(1, 114) = 20.4$, $p < .001$). A similar pattern was again found, suggesting that the more similar variations were more favored than the moderate and more distant variations. Planned contrasts revealed significantly higher attitudes toward the close variation ($M = 11.13$) compared with the moderate variation ($M = 10.01$, $F(1, 114) = 45.4$, $p < .001$) and toward the moderate variation than the distant variation ($M = 8.96$, $F(1, 114) = 8.07$, $p < .005$).

4.2.3. Discussion

Results of this experiment demonstrate that, in the case of no pre-existing attitudes toward a company, sound similarity has a direct, linear effect on perceptions of brand name variations: consistent with the familiarity effect, more similar variations were more favored than moderate and distant variations. This result reaffirms the suggestion that, although pre-existing attitudes may skew the effect of sound similarity on perceptions, when no such pre-existing attitudes exist, the familiarity effect is a superior explanatory mechanism for attitudes toward brand name innovations.

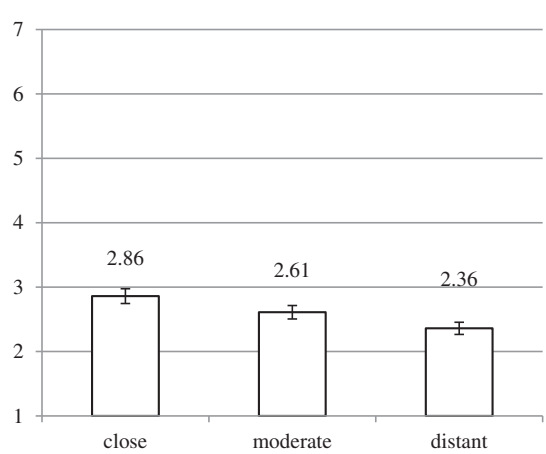

Fig. 2. Attitudes Toward Close, Moderate, and Distant Variations of Familiar Brand Names When No Pre-Existing Attitudes Are Present (Experiment 2).

4.3. Experiment 3: testing the role of familiarity by eliminating it

Experiments 1 and 2 both induced brand familiarity. Experiment 3 is a control study, aimed at demonstrating the role of familiarity in the formation of attitudes toward brand variations. Experimentally manipulating the mediator is a recommended mediation test, especially in investigations of subtle psychological effects (Bullock, Green, & Ha, 2010; Spencer, Zanna, & Fong, 2005). Forty participants were enrolled in this experiment (12 women; mean age = 22.2). The procedure was similar to that of experiments 1 and 2, except that participants did not go through the familiarity tasks and did not see the ten original names. Instead, they were directly presented with the 30 variations in black font and filled out the three attitude items and the five brand evaluation tasks for those variations.

4.3.1. Results

As expected, repeated measures ANOVA suggests no significant difference in evaluation of the variations. Fig. 3 shows that the pattern of attitudes toward close, moderate, and distant variations forms a flattened line, suggesting that familiarity caused the patterns previously. The results show no effect of similarity (close/moderate/distant) ($F(1, 38) = .16$, $p = .86$), suggesting that familiarity plays a crucial role in the effect of degree of similarity on attitudes toward the new names. Planned contrasts revealed no significant differences between close, moderate, and distant variations on attitudes ($F(1, 38) = .09$, $p = .77$). There were also no significant effects for brand evaluations ($F(1, 38) = .79$, $p = .38$).

4.3.2. Discussion

Results of this experiment suggest that familiarity is the main reason for the sound similarity effects found in the previous experiments. These findings reconfirm the role of familiarity in similarity effects in general: eliminating familiarity flattened the relation between innovation and attitudes toward name variations. This finding also implies that less familiar brands may not be as affected by brand name innovation as familiar brands.

Experiments 1–3 manipulated familiarity and similarity using fictitious names, student participants, and subjective attitude reports in the laboratory. Experiment 4 is conducted in the field, employing variations on real brand names, and real product choice by street passers-by.

4.4. Experiment 4: field experiment

Experiment 4 tests the interaction of similarity and attitude valence directly on product choice in the field, using variations of real brand

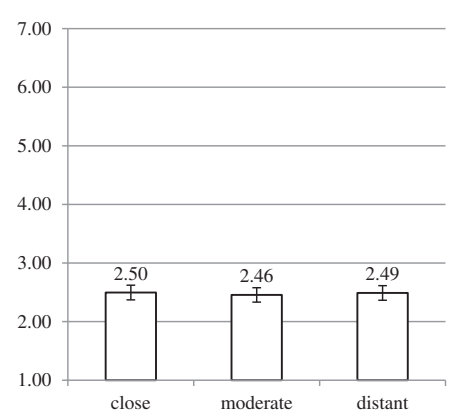

Fig. 3. Attitudes Toward Close, Moderate, and Distant Variations of Familiar Brand Names When Familiarity Manipulation is Eliminated (Experiment 3).

names (Oreo and Spam). An experimenter walked in the street with a cardboard box full of candies. Street passers-by could choose to open one of six lids that had close, moderate, and distant variations of the names Oreo and Spam written on them, and take one candy from the box. The variations were: Orea, Eroe and Irei for Oreo; and Zpam, Pmas and Kpad for Spam. The full procedure of developing the variation names is available upon request from the first author. The number of candies missing in each section under the 6 lids served as our count for brand name variation preference.

4.4.1. Results

The total number of candies chosen from the box was 216. More candies were chosen for Oreo variations ($n = 127$) than for Spam variations ($n = 89$). The analysis replicated the predicted pattern found in experiment 1: the findings suggest an inverted-U-shaped pattern for Oreo variations, with the moderate variation being chosen much more often ($n = 60$) than the closest and the most distant variations ($n = 38$ and N = 29, respectively), and an upright-U-shaped pattern for Spam variations, with the moderate variation being chosen much more rarely ($n = 18$) than the closest and the most distant variations ($n = 30$ and $n = 41$, respectively; $\chi^2 = 19.5$, $p < .001$; see Fig. 4).

4.4.2. Discussion

The purpose of experiment 4 was to demonstrate the optimal brand name innovation effects in a situation of real choice, with a non-student population, and with variations on real brand names. Although the candies were offered for free, which is not real purchase behavior, this field experiment represents an important realistic replication of the lab experiments, providing external validity to the results.

4.5. Experiment 5 - online experiment

The experiments were replicated online with four between-subject conditions, to allow true random assignment to conditions. Strikingly similar and significant results were obtained as reported in experiments 1–3. For considerations of space, description of the experiment and its results are available from the first author.

5. General discussion

A well-crafted brand name can bring immediate value to a brand. Although managers realize this, they often cut the naming process short (Kohli & LaBahn, 1997), which may result in brand names sub-optimally serving their purpose. In this research a prominent phenomenon is addressed that has been overlooked in the literature: the degree of sound similarity of new brand names to familiar ones. This investigation relies on multidisciplinary literature to theorize about the relation between degree of similarity of a brand name innovation to a familiar brand name and attitudes toward the innovation. The tightly controlled methodological approach allows for a close look at these relations. The most remarkable methodological element in this work is that once participants were familiar with the originals, the originals were removed and participants were then exposed to variations in random order with no explicit or implicit cue that these were variations of the original names. Nevertheless, a strikingly similar effect was found in different rating and judgment tasks, suggesting that the hypothesized effects are strong and generalizable. The findings portray relatively low overall attitude scores. Additionally, in experiment 1, some of the data points for negative names were non-significantly higher than those for positive names. These results may be due to participants' low involvement when completing these tasks, partially because of the experimental conditions, because of the use of fictitious brand names, and because the names were taken out of context, as they were not attached to a specific product category. Notably, the mean differences in the studies may seem small, but this is not surprising given the extremely subtle nature of the sound similarity manipulations used in this research (Forgas, 1999; Fussel & Moss, 1998; Slatcher & Pennebaker, 2006). Importantly, the tasks in all experiments involved differences that were subtle to participants. For example, participants were not aware of the relation between the original brand names and the variations. Therefore the effects obtained cannot be explained by explicit actions such as comparison to the originals.

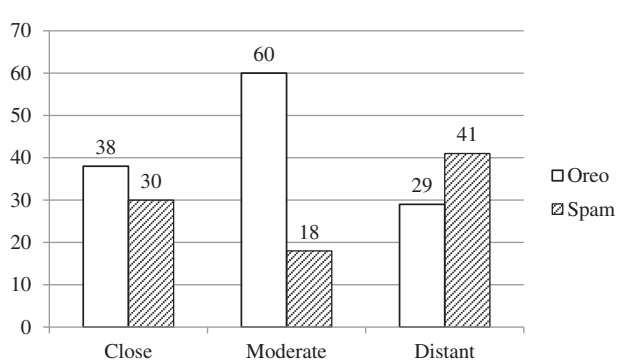

Fig. 4. Number of Candies Chosen as an Effect of Brand Name Similarity to a Positive and a Negative Brand Name (Experiment 4).

5.1. Implications for practice and future research

5.1.1. The meaning within an innovation

Consumers enjoy innovative products, such as the Prius Hybrid, if they value the meaning of the innovation (Ozaki & Sevastyanova, 2011). Kohli et al. (2005) found that the meaningfulness of a new brand name is important for attitude formation. Similarly, Gunasti and Ross (2010) found that in many cases, even alphanumeric meaning can affect attitudes toward products, such that higher numbers may imply better quality. The current project, however, focuses on nonsense names, following the recent trend to create nonsense names. In this case, as Bao, Shao, and Rivers (2008) suggest, creating new names that are easy to pronounce is crucial in attitude formation. Ease of pronunciation depends, among other things, on the similarity of a word to a familiar one. Importantly, one implication to practice is whether managers should prefer to create moderate innovations for names that attract positive attitudes, or rather very similar innovations to names that attract negative attitudes. A logical conclusion from the current results would be to defer to moderate innovations on positive brand names, but to also be aware of the possible consequences of unintended similarity to unfavorable brand names. Further, Kohli et al. (2005) demonstrated that repeated exposure to a nonsense brand name improves attitudes toward the name to a greater extent than repeated exposure to a meaningful name. The current work does not directly test pleasure, but based on the literature it is assumed that positive attitudes are a result of pleasant rather than unpleasant thoughts. A possible way to test the tension between pleasure with the novel and pleasure with the familiar is by constructing gradually varying stimuli and testing the point where pleasure with the familiar becomes greater than pleasure with the novel. As meaningful names are easier to recall and typically evaluated more favorably than nonsense names (Kohli et al., 2005), an important implication of the current findings is that repetition of novel nonsense names that are optimally similar to familiar names is essential for their success, perhaps to a greater extent than repetition of meaningful names.

5.1.2. Additional factors in brand name innovation

In addition to familiarity with the name and pre-existing attitudes toward the name or the company, there are also effects such as attitudes toward the new brand, the number of different brands the company has, the relations of similarity between current brand names and the

strength of the original name in the market, as well as the relation between the product categories represented by the original name and the new name. These aspects may affect perceptions of innovations of names the company currently holds. Moreover, the similarity of the new name to an existing one may depend on the similarity of products as well. Experiment 4 manipulated similarity of names crossing product category: the variations on Oreo and Spam were for candies. Thus, further research may explore the interaction between name similarity and product category similarity on the perception of brand name and product innovations.

5.1.3. Different cases of brand name innovation

Results of this work were obtained in isolation of additional influences, such as product category, product attributes, or past purchase preferences. Klink and Athaide (2010) found that more innovative consumers have a lower preference for similarity and viewed new names more favorably than brand-name extensions, compared to less innovative consumers. These results, though occurring in different conditions, may be influenced by product category. Brand similarity effects in product categories that attract more innovative consumers, like technological gadgets, may show different patterns than those found in this research, and different patterns than less innovative product categories, such as dairy products. Another interesting case may be when a company makes a variation on an existing strong brand name of another company in order to attract customers and penetrate the market with a borrowed halo. Similarity effects are expected to be different for innovations created within a company, such as McDonalds and McCafé, and innovations that are created by competitors, such as Nestlé and Tastlé. In the latter case, similarity may backfire toward the borrowing company, regardless of the reputation of the borrowed company, merely because of the borrowing act itself. Finally, Milberg, Sinn, and Goodstein (2010) suggest that the competitive environment of a brand has an important effect on perceptions of brand extensions. Specifically, with the presence of familiar competitors in the environment, consumers perceive less fitting brand extensions as less risky, compared with noncompetitive environments. This notion relates to the current paper suggesting that success of name variations may depend on the existence of competition in the environment.

5.1.4. Two-way influence of similarity

Consumers of health products are sometimes confused due to similar names (e.g., Celebrex and Cerebyx). In this case, confusion may be dangerous to health. But other than that, the similarity between two names may have an effect on both names. Literature on brand extension suggests that mentioning two names together in one marketing communication affects perceptions regarding both brands, such that the name at the initial position in the message receives higher attention and serves as the basis for impression formation (Tsai, Lou, Bei, & Monroe, 2011). Further, brand extensions may affect attitudes toward brand family or the original brand (Ahluwalia & Gürhan-Canli, 2000; Loken & Roedder-John, 1993). The effect of similarity may also be bi-directional: the variations of a familiar name may elevate attitudes toward the familiar name, or may backfire and harm attitudes toward the familiar name. This potential implication to practice has not been explored in the current work, but may be an important issue. When thinking of a new name, firms should explore the market for existing familiar names the new name may resemble, and investigate attitudes toward these names.

In conclusion, when making decisions regarding the use of familiar brand names as a platform for innovation, managers need to consider the effects of the similarity of the new name to the familiar one. These findings provide clear guidelines as to the degree and kind of similarity recommended for optimal brand name innovation.

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