

Full Length Research Paper

The effect of corporate brand dominance, involvement and corporate associations on attitudes toward new product development

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This study investigates the moderating role of corporate brand dominance and involvement in the relationship between corporate associations and attitudes toward new product. An experiment design using two version of advertisements are developed to manipulate the corporate brand dominance. A skincare product manufactured by a Taiwan petrochemical company was used in the study. The results indicate that both associations of corporate ability and corporate credibility have greater effect on consumer attitudes toward new product than corporate social responsibility. However, there are no significant relations between corporate brand dominance and involvement in both of these associations (corporate ability and corporate credibility). Instead, there are significant moderation effects between corporate brand dominance and involvement in corporate social responsibility. Implications for future research are discussed and limitations noted.

Key words: Branding strategy, brand dominance, corporate associations, involvement, new product development.

INTRODUCTION

A brand played multiple roles in the consumer decision making process, with the most dominant relating as a reference to psychological, sociological, and also as an economic indicator (Keller, 1998). Most notably, studies suggest that having a strong brand in the eyes of consumer is financially rewarding for an organization (Aaker, 1996; Pallister et al., 2007).

During product communicating, marketers may choose different types of branding strategies, whether to label an individual product by an individual brand name (brand-dominant), by only the corporate brand name (corporate dominant), or by two or more brand names together (mixed-brand) (Laforet and Saunders, 2005). For example, a Taiwan manufacturer called Acer uses its corporate brand prominently on most of its products, and 3M uses its corporate name as an "endorser" on many of its

products. However, which of these strategies should a marketer choose from? And what are the conditions that the decision should be based on? Particularly as studies indicate that consumers will also draw different types of associations; embedded within their memory, during product evaluations (Brown and Dacin, 1997; Goldsmith et al., 2004). For example, different types of corporate image associations that are often used by the consumer during product evaluations relate with the quality of goods and services, social responsibility, investment value, helpfulness and friendliness, and the quality of management (Gurhan-Canli and Batra, 2004).

The main purpose of this study is to extend and validate previous empirical study on the moderating effects of corporate branding strategies on consumer corporate associations. To investigate this relationship, a skincare product was used in the study experiment on the potential consumers from Taiwan.

The study focus on three types of corporate associations: Corporate ability, corporate social responsibility, and corporate credibility. Since consumer level of

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Table 1. Corporate associations.

| Type of corporate association | Reference |
|--|-------------------------------|
| Society/community orientation, Perceived quality, Innovation, Concern for customers, Presence and success, Local vs. global | Aaker (1996) |
| Corporate ability, Corporate social responsibility (CSR) | Brown and Dacin (1997) |
| Common product attributes, benefits, or attitudes; Quality and innovativeness, People and relationships, Customer orientation, Values and programs, Concern with environment and social responsibility, Corporate credibility, Expertise, trustworthiness, and likeability | Keller (1998) |
| Corporate excitement, Corporate environmental friendliness | Madrigal (2000) |
| Corporate credibility, Expertise, Trustworthiness | Goldsmith and Newell (2001) |
| Innovation, Trustworthiness, CSR | Gurhan-Canli and Batra (2004) |

involvement has also been suggested to influence the relationship between the corporate brand dominance (CBD) and corporate associations, the involvement construct was also included as a moderator for this study. The objectives of this study are:

- i) To investigate the direct effects of corporate ability, corporate social responsibility and corporate credibility associations on consumer attitudes toward new product development.
- ii) To examine the effects of corporate brand dominance and involvement on the relationship between consumer corporate associations and attitudes toward new product development.

The study will be of importance for both the marketing scholars and practitioners. Particularly, answering this question will provide further support to previous empirical studies and offer useful insight for the organization that intends to leverage their resources on the most effective branding strategies.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Corporate associations and attitudes toward new product development

Corporate association is described as any type of beliefs, moods, emotions, and evaluations held by individuals about an organization (Brown and Dacin, 2002). Brown et al. (2006) indicates that corporate associations represent how individuals think and feel about the organization, and it served as a reality of the organization for the individual. As such, corporate associations contribute towards several important roles in corporate outcomes such as,

enhancing the company's reputation, influencing the purchase intention, and customer identification with a company (Brown and Dacin, 1997; Goldsmith et al., 2000; Sen and Bhattacharya, 2001; Lichtenstein et al., 2004; Mohr and Webb, 2005).

Berens and Cees (2005) indicate that consumer associations with the corporate brands pertain to three conceptual main streams: (1) Associations based on social expectations; (2) associations based on corporate personality traits; (3) associations based on trust. Table 1 illustrates several associations that a person may hold.

The present study, for reason of brevity, restricts the attention on three main types of corporate associations: Corporate ability (CA), corporate social responsibility (CSR), and corporate credibility (CC).

Corporate ability (CA) associations are those associations which are related to the company's expertise of producing and delivering its outputs (Brown and Dacin, 1997). Studies describe CA as a multitude of associations that relate to quality, innovativeness and product attributes (Aaker, 1996; Keller, 1998). In their seminar paper, Brown and Dacin (1997) find that corporate ability associations have a direct influence on consumer product evaluations through specific attributes (for example, product sophistication) as well as through overall evaluation of the company.

Associations with the company social responsibility (CSR) are defined on the basis of its behaviors on issues pertaining to social obligations, community orientation, and programs concerned with environment and society responsibility (Aaker, 1996; Brown and Dacin, 1997; Keller, 1998). Several studies find that corporate social responsibility (CSR) associations have a direct influence on consumer product evaluations through the overall company evaluation (Keller and Aaker, 1998; Madrigal, 2000).

Associations with the company corporate credibility

(CC) pertain to the extent which consumers believe that a firm can design and deliver satisfactory products and services, and found to be related with the company's overall expertise, trustworthiness, and likeability (Gurhan-Canli and Batra, 2004; Keller, 1998).

Studies suggest that there are direct and significant relationship between corporate associations and consumer product evaluations (Berens et al., 2005). For example, Gurhan-Canli and Batra (2004) find that both the CA and CSR positively influence consumer product evaluation of the financial services. Goldsmith et al. (2000) finds that CC significantly influences both consumers' attitudes and purchase intention. Further supporting these relationships, is a study by Davis (1994) that found the product purchase decisions to be related with the consumer views of the parent company, good citizenship and confidences in the corporate brand. Therefore:

H₁: Corporate ability positively affects the attitudes toward new product development.

H₂: Corporate social responsibility positively affects the attitudes toward new product development.

H₃: Corporate credibility positively affects the attitudes toward new product development.

Corporate brand dominance (CBD) and consumer product involvement

To predict the moderating effect of corporate brand dominance (CBD) and involvement on corporate associations, the study uses Feldman and Lynch's (1988) accessibility–diagnosticity model. The model states that any piece of information that is stored in a person's memory influences his or her evaluation process. The likelihood that the information will be used depends on several criteria which includes; (1) the accessibility of the information in the person's memory; (2) the other pieces of information are less accessible; (3) the perceived diagnosticity of the information. The study posits the strategy used in the corporate brand dominance (CBD) and will influence the degree of accessibility of the corporate associations, and the consumer level of involvement influences the diagnosticity of the associations.

Corporate brand dominance (CBD) describes the degree of visibility of the corporate brand in comparison to the visibility of other types of branding strategy. The corporate brand dominance is expected to be high when the firm is opting for corporate-dominant strategy. In contrast, the corporate brand dominance is low under the firm mixed-brand strategy (Berens, et al., 2005; Kumar and Budin, 2006). When the corporate brand is dominantly visible, corporate associations have more impacts on product evaluations than when the corporate brand is less dominantly visible (Sheinin and Biehal, 1999). Following the same logic of the accessibility–diagnosticity, it is assumed that when the dominance of the corporate brand decreases, the corporate associations will likely be

less accessible; thus, making the associations less influential on consumer attitudinal dispositions.

Zaichkowsky (1985) defines involvement as a person perceived relevance of the object, based on inherent needs, values, and interests. Studies suggest that a person who is highly involved will likely search for more information (for example, detailed product attributes information) and make more comparison on the product quality and value. On the contrary, a person who has low involvement is easily satisfied with the peripheral cues (for example, price and brand name) in making product inferences (Nkwocha et al., 2005).

Using the same logic of the accessibility–diagnosticity, this study posits a person will be more diagnostic toward the corporate associations when the level of involvement increases. Similarly, the degree of the diagnosticity is expected to decrease when the person's level of involvement is low.

This study posits that the consumer level of involvement is correlated with the different types of corporate brand dominance (CBD). When the corporate brand is dominantly visible, associations with the brand will be more salient and accessible; therefore, involvement is likely to be less influential.

On the other hand, when the corporate associations are not easily accessible due to lack of visibility of the corporate brand, it may likely be that the corporate associations only influence a person's attitude when there is a degree of involvement. For instance, Berens et al. (2005) finds that when the CBD is not dominantly visible, the level of involvement is found to moderate the relationship between the corporate associations and consumer attitudinal dispositions.

However, the study shows that the relationship will only hold for associations that possess salient features, such as corporate ability and corporate credibility, but not for corporate social responsibility since a lack of visibility of the CBD makes the motivation to access these associations (that is, CSR) as even less likely.

Another important aspect that may also influence the relationships between corporate associations, corporate brand dominance (CBD), and involvement is the types of products. As several studies have shown, different types of products may elicit different degree of influence on consumer attitudinal dispositions.

For instance, Madrigal (2000) explicitly used the environmental responsible product in his study and found a stronger influence of corporate social responsibility on consumer product evaluation.

Similarly, Berens et al. (2005) who used the banking product in his study may have explicitly evoked the associations of corporate ability. Taking this under consideration, the study develops the following hypotheses:

H_{4a}: When corporate brand dominance is high, corporate ability associations have a stronger effect on attitudes toward new product development when involvement is

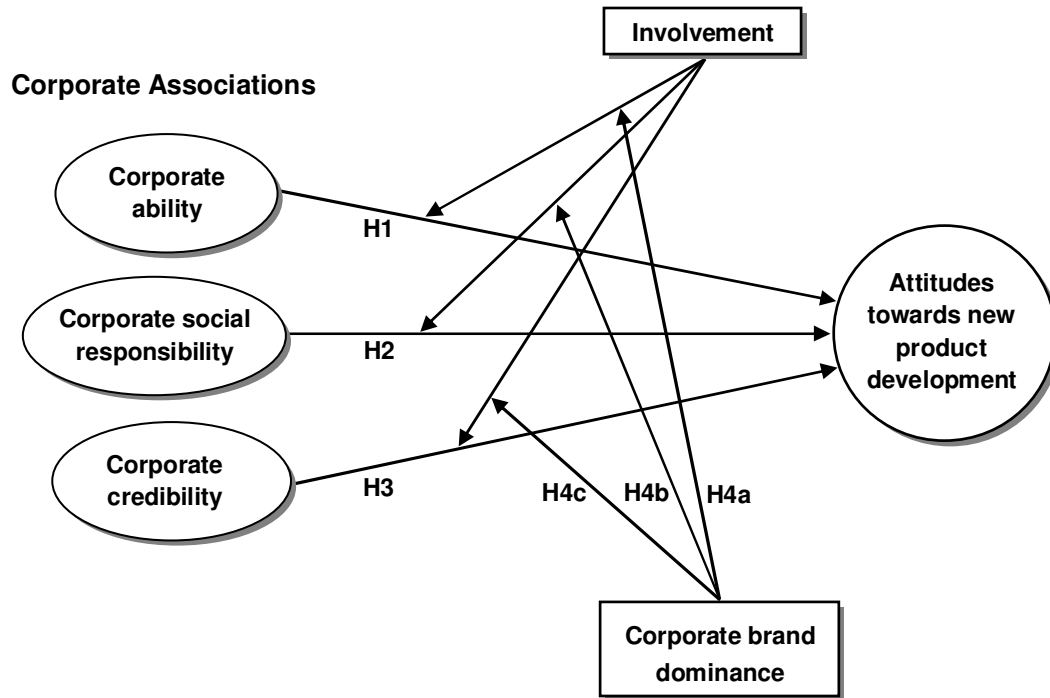


Figure 1. Research framework.

low than when involvement is high. When corporate brand dominance is low, corporate ability associations have a stronger effect on attitudes toward new product development when involvement is high than when involvement is low.

H_{4b}: When corporate brand dominance is high, corporate social responsibility associations have a stronger effect on attitudes toward new product development when involvement is low than when involvement is high. When corporate brand dominance is low, the effect of corporate social responsibility associations is not moderated by involvement.

H_{4c}: When corporate brand dominance is high, corporate credibility associations have a stronger effect on new product attitudes when involvement is low than when involvement is high. When corporate brand dominance is low, corporate credibility associations have a stronger effect on new product attitudes when involvement is high than when involvement is low.

RESEARCH FRAMEWORK

Figure 1 shows the framework for this study, that comprises two set of relationships. The first set describes the relationship between corporate associations (corporate ability, corporate social responsibility, and corporate credibility) attitudes toward new product development (H₁ to H₃). The second set of relationship examines the moderating effects of involvement and corporate brand dominance on corporate associations (H_{4a} to H_{4c}).

METHODOLOGY

The respondents for this study are potential consumers of a skin care product in Taiwan. The study asked the respondents to evaluate a new product that was produced and marketed by a local biomedical company known as Forte. The parent company for Forte is called Formosa Corporation, which is a reputable and well-known brand name among the locals in Taiwan.

For the manipulation of corporate brand dominance, the name of the parent company was used to denote a high-CBD (Formosa Corporation). Likewise, the low-CBD was manipulated, using the "Forte" brand name on the skin care product. To test the research hypotheses, the study developed an experiment design and manipulated the dominance of the corporate brand as a between-subjects variable. In order to manipulate the corporate brand dominance (CBD), the study developed two versions of advertisements, with one set containing high corporate brand dominance, followed by the second set containing low corporate brand dominance. For the high-CBD advertisement, the name and logo of the parent company (Formosa Corporation) is displayed prominently using obvious font on the top of the advertisement, while the "Forte" brand name is shown in a smaller font in a corner of the advertisement. Alternatively, for the low-CBD manipulation, the brand name "Forte" is displayed prominently using a larger font on the top of the advertisement, and the study included the name of the parent company using smaller font on the left corner of the advertisement. To ensure sufficient realism of the materials, the study based these on existing print advertisement. Figure 2 shows the advertisement used in the present study.

Measurement scales

All the items were measured using the Likert scales and semantic differential scale. There are 29 measurement items used in the present study.



Figure 2. Sample of advertisements with; (a) high CBD; (b) low CBD.

Independent variables

Three different types of associations were used as the independent variables; corporate ability (CA), corporate social responsibility (CSR), and corporate credibility (CC). Both the constructs of CA and CSR was measured using Fombrun et al. (2000) reputation quotient scale.

The scale which comprises 20 measurement items distinguishes six dimensions of: Emotional appeal, product and services, vision and leadership, workplace environment, social and environmental responsibility, and financial performance. Out of these dimensions, the study utilized the dimension of "product and service" to conceptualize the corporate ability, and "vision and leadership" to conceptualize the corporate social responsibility (Berens et al., 2005). For the corporate credibility associations, this study uses Goldsmith and Newell (2001) five items scale that was specifically developed to measure corporate credibility. All items are measured using seven-point Likert scales, anchored from 1 "strongly disagree" to 7 "strongly agree".

Moderating variables

Involvement is defined as a person perceived relevance of the object based on inherent needs, values, and interests (Zaichkowsky, 1985). To measure the level of involvement, this study uses the eight-item scale from Zaichkowsky's (1985, 1994) personal involvement inventory (PII).

These items are measured using a seven-point semantic differential scale.

Dependent variables

The study adapted the scales from Petroschius and Monroe (1987)

and Voss et al. (2003) to measure consumer attitudes toward new product. The attitudes toward new product are measured using nine measurement items reflecting aspects of (1) appeal and (2) reliability. These items are measured using the seven-point Likert scales, anchored from 1 "strongly disagree" to 7 "strongly agree".

Pilot test

The original English items were translated by two local Taiwanese English teachers into the Chinese language. They were then translated back into English by another English language teacher who had not read the original English questions. Finally, all three English language teachers worked together to work out inconsistencies in the translation.

The Chinese version of the questionnaire was pre-tested using the internet survey on 65 potential customers of skin care product, and none of them participated in the following phases of this study. Out of the 65 questionnaires distributed, 63 were returned and completed. Of the remaining 63 questionnaires, 46 were valid for a 73% valid-response rate.

The study uses the criteria of computed Item-to-total correlations of larger than 0.50, and Cronbach's α of larger than 0.70 (Hair et al., 1998). The item purification resulted with a deletion of two items from the original 29 items; leaving the study with 27 measurement items. These two items were deleted due to its low correlations with the construct of attitudes toward new product (< 0.50).

Procedure

The internet survey is used for data collection. The survey was hosted using a free online-questionnaire website, and lasted for two months.

The study first asked for respondent demographics and seeks answers on familiarity with the subsidiary brand and the parent brand used in the study. Respondents who indicated to be unfamiliar with either of these brands were excluded for the subsequent analysis. Next, we presented the respondent with the product advertisement. As for the type of advertisement, each respondent was randomly assigned to either one of the advertisement (either high or low CBD). After reviewing the given advertisement (high or low CBD), the respondents were asked to proceed on the next page to evaluate the new product as shown in the advertisement.

In the third stage, the respondents answered questions involving the product.

Finally, the study asked the respondents to answer all the questions relating with the corporate associations of corporate ability (CA), corporate social responsibility (CSR), and corporate credibility (CC).

ANALYSES AND RESULTS

Out of the 561 questionnaire that we collected, 130 were identified as invalid, leaving this study with 431 valid responses. One hundred and eighty three (183) respondents answered on high-CBD advertisement, and the balance of 248 on the low-CBD. Majority of the respondents were females (80%) between the age group of 19 and 24 years old. Eighty-six percent answered 'as never used the skin care product "forte" before'. However, all the respondents answered 'as being familiar with the parent company' (Formosa Plastic Corp.). Table 2 summarizes the characteristics of the respondents.

Reliability and validity analyses

Confirmatory factor analysis (CFA) was used to examine the reliability and convergent validity on each of the constructs (Table 3) by examining the item factor loading, the composite reliability (CR), and the average variance extracted (AVE) (Anderson and Gerbing, 1988; Fornell and Larcker, 1981). Results for the factor loading were satisfactory, with items loading between the ranges of 0.60 to 0.94, which exceeded the recommended level of 0.60 (Hair et al., 1998). Likewise, both the composite reliabilities and average variance extracted also exceeded the recommended level of 0.70 and 0.50, respectively (Bagozzi and Yi, 1988; Fornell and Larcker, 1981). The average variance extracted for all the constructs produced aforementioned recommended threshold of 0.05, suggesting that the constructs were sufficiently explaining more than 50% of the variance in the measured items.

Table 4 shows the result of the discriminant validity that we used to identify for any potential overlapping between the constructs (Fornell and Larcker, 1981). Based on these results, the study concluded that there is strong evidence of construct reliability, convergent validity, and discriminant validity for the scales used in the present study.

Hierarchical regression analysis

A hierarchical moderated regression model was used to examine the moderating effects of the categorical variables (Aguinis, 1995; Aguinis et al., 2005). Table 5 shows the result of the hierarchical regression model. This study examined the main effects of all variables, the main effects plus two-way interactions, and the full model. Independent from the moderating effect of corporate brand dominance and involvement, the results show three independent variables of corporate ability, corporate social responsibility, and corporate credibility associations have significant positive effects on attitudes toward new product (CA: $\beta = .433$, $t = 7.278$; CSR: $\beta = .108$, $t = 2.079$; CC: $\beta = .137$, $t = 2.505$); with both the corporate ability and corporate credibility associations showing greater direct effects on attitudes toward new product development (supporting H_1 - H_3).

There was a negative and significant interaction between CSR and involvement ($\beta = -.123$, $t = -2.525$), implying that CSR associations influence attitudes toward new product development when involvement is low. The result also indicates a positive and significant interaction between CSR, involvement and corporate brand dominance ($\beta = .162$, $t = 2.150$). The study found the result for the CSR is in line with the research hypotheses; whereas, there were no significant relationships for both the corporate ability and corporate credibility.

Corporate brand dominance and the moderating effect of involvement

This study expected that corporate brand dominance influences the moderating effect of involvement on consumer corporate associations (H_{4a} , H_{4b} , and H_{4c}). However, there is no significant interaction between corporate ability, involvement, and corporate brand dominance ($\beta = -.100$, $t = -1.150$). Similarly, there is also no significant interaction among corporate credibility, involvement, and corporate brand dominance ($\beta = -.0099$, $t = -.133$). In contrast, there is a significant interaction between corporate social responsibility, involvement and corporate brand dominance ($\beta = .162$, $t = 2.150$).

Contrary to the earlier predictions in H_{4b} , there is no significant interaction among corporate social responsibility and involvement when corporate brand dominance is high ($\beta = .039$, $t = .678$). However, when corporate brand dominance is low, the study found a negative and significant interaction between corporate social responsibility and involvement ($\beta = -.127$, $t = -2.315$).

This result indicates that involvement has a significant effect on the influence of corporate social responsibility association only when the corporate brand is not dominantly visible on the advertisement (that is, when it is used as an endorser).

Table 2. Characteristics of respondents (N = 431).

| Variable | | Number | Percent |
|--------------------------|------------------------|--------|---------|
| Gender | Male | 86 | 20.0 |
| | Female | 345 | 80.0 |
| Age | ≤18 | 8 | 1.9 |
| | 19-24 | 233 | 54.1 |
| | 25-30 | 140 | 32.5 |
| | 31-40 | 33 | 7.7 |
| | ≥41 | 17 | 4.0 |
| Monthly income (NT\$) | No income | 130 | 30.2 |
| | <20,000 | 130 | 30.2 |
| | 20,000-29,999 | 57 | 13.2 |
| | 30,000-39,999 | 64 | 14.8 |
| | 40,000-49,999 | 28 | 6.5 |
| | 50,000-59,999 | 10 | 2.3 |
| | 60,000-69,999 | 6 | 1.4 |
| | 70,000-79,999 | 1 | 0.2 |
| | ≥80,000 | 5 | 1.2 |
| Education level | Senior high school | 68 | 15.8 |
| | Bachelor's | 269 | 62.4 |
| | Master's and PHD | 94 | 21.8 |
| Occupation | Student | 228 | 52.9 |
| | Manufacturing industry | 22 | 5.1 |
| | Wholesale/Retail Trade | 8 | 1.9 |
| | Financial/Insurance | 8 | 1.9 |
| | Information industry | 16 | 3.7 |
| | Mass media/Advertising | 3 | 0.7 |
| | International trade | 9 | 2.1 |
| | Human Health Services | 34 | 7.9 |
| | Government employees | 49 | 11.4 |
| | Freedom industry | 13 | 3.0 |
| | The family managing | 7 | 1.6 |
| | Retired | 3 | 0.7 |
| | Unemployed and Others | 31 | 7.1 |

DISCUSSION

The present study tested six hypotheses. The results suggest that all three types of corporate associations (corporate ability, corporate social responsibility and corporate credibility associations) significantly affect consumer attitudes toward new product development. These results offer additional support to previous empirical studies on the impact of corporate associations on consumer attitudinal dispositions.

When firms used a corporate-dominant strategy (corporate brand is dominantly visible), none of the corporate associations (corporate ability, corporate social responsibility, and corporate credibility) were significant.

When the firms used a mixed-brand strategy (corporate brand is not dominantly visible), only the corporate social responsibility was negatively moderated by involvement.

Theoretical implications

Corporate associations and attitudes toward new product development

The findings indicate that corporate ability, corporate social responsibility and corporate credibility affect the attitudes toward new products development, with both the corporate ability and corporate credibility associations

Table 3. Reliability and convergent validity.

| Construct | Factor and Item | Loading | SMC | CR | AVE | |
|-----------|---|---------|-------|-------|-------|--|
| CA | Ca1 The parent company develops innovative products and services. | 0.646 | 0.417 | 0.749 | 0.505 | |
| | Ca2 The parent company offers high-quality products. | 0.856 | 0.733 | | | |
| | Ca3 The parent company offers products with a good price-quality ratio. | 0.602 | 0.363 | | | |
| CSR | Csr1 The parent company supports good causes. | 0.840 | 0.706 | 0.854 | 0.663 | |
| | Csr2 The parent company behaves responsibly regarding the environment. | 0.890 | 0.793 | | | |
| | Csr3 The parent company is friendly towards its employees. | 0.704 | 0.495 | | | |
| CC | Cc1 The parent company is skilled in what they do. | 0.858 | 0.736 | 0.932 | 0.732 | |
| | Cc2 The parent company has a great amount of experience. | 0.841 | 0.708 | | | |
| | Cc3 The parent company has great expertise. | 0.912 | 0.832 | | | |
| | Cc4 The parent company has strong RandD teams. | 0.856 | 0.732 | | | |
| | Cc5 The parent company is trustworthy. | 0.808 | 0.653 | | | |
| INV | Pi1 This type of product is needed. | 0.815 | 0.664 | 0.971 | 0.805 | |
| | Pi2 This type of product is useful. | 0.844 | 0.712 | | | |
| | Pi3 This type of product is important. | 0.908 | 0.824 | | | |
| | Pi4 This type of product means a lot to me. | 0.929 | 0.862 | | | |
| | Pi5 This type of product is relevant to me. | 0.939 | 0.881 | | | |
| | Pi6 This type of product is exciting. | 0.913 | 0.833 | | | |
| | Pi7 This type of product is fascinating. | 0.922 | 0.850 | | | |
| | Pi8 This type of product is valuable. | 0.909 | 0.826 | | | |
| ATT | Appeal | | | | | |
| | Aq1 I think the quality of this product in comparison with similar products may be is better. | 0.726 | 0.527 | 0.872 | 0.631 | |
| | Aq2 I think this product is sympathetic. | 0.849 | 0.720 | | | |
| | Aq3 I think this product is attractive. | 0.847 | 0.717 | | | |
| | Aq4 I think this product give me a pleasant feeling. | 0.739 | 0.546 | | | |
| | Reliability | | | | | |
| | Ar1 I think this product is reliable. | 0.937 | 0.877 | 0.932 | 0.821 | |
| | Ar2 I think this product give me a safe feeling. | 0.916 | 0.839 | | | |
| | Ar3 I trust this product. | 0.861 | 0.742 | | | |

CA: Corporate ability, CSR: Corporate social responsibility, CC: Corporate credibility, INV: Involvement, ATT: Attitudes toward new product development.

having greater effects than the corporate social responsibility associations. Perhaps, the logical explanation for the weaker corporate social responsibility association can be attributed to the product type that the study used for the experiment. There is also a possibility to suggest the product that the study used during the experiment (Formosa Plastic Corp.) - which positions itself more as a technological innovator - may have exerted consumers to transfer those associations related with ability and credibility more prominently. Therefore, it is likely for the association that relates to corporate social responsibility (participation for good cause or being environmental friendliness) not to appear saliently.

Because the product brand (forte) used in this study is less known, the study presume this skin care product

may likely fall under the category of experience rather than a search type product. Moreover, the high cost and the purchase risk associated with the product may have also influenced consumer perception (Batra and Sinha, 2000), just as Gurhan-Canli and Batra (2004) indicates that a high risk associated with a product may increase the effect of corporate ability and corporate credibility associations but not the effect of corporate responsibility associations.

Corporate brand dominance and the moderating role of involvement

The results of this study indicate that a company's

Table 4. Discriminant validity.

| Construct | Descriptive statistic | | Correlation | | | |
|---------------------------------|-----------------------|-------|-------------|---------|---------|---------|
| | Mean | S.D. | 1 | 2 | 3 | 4 |
| Corporate ability | 4.659 | 0.801 | - | - | - | - |
| Corporate social responsibility | 4.351 | 0.838 | 0.623** | - | - | - |
| Corporate credibility | 4.857 | 0.834 | 0.659** | 0.572** | - | - |
| Involvement | 4.697 | 1.492 | 0.198** | 0.097* | 0.209** | - |
| Attitudes toward new products | 4.527 | 0.846 | 0.577** | 0.447** | 0.486** | 0.150** |

** p < 0 .01.

Table 5. Hierarchical regression model for attitudes toward new product.

| Variable | Main effect only | | Main effect + 2-way interaction | | Full model | |
|---|------------------|----------|------------------------------------|----------|------------|----------|
| | β | <i>t</i> | β | <i>t</i> | β | <i>t</i> |
| (Constant) | 4.485** | 98.366 | 98.366 | 94.880 | 4.479** | 93.497 |
| Corporate ability associations | 0.433** | 7.278 | 7.278 | 5.655 | .500** | 5.788 |
| Corporate social responsibility associations | 0.108* | 2.079 | 2.079 | 1.650 | .105 | 1.435 |
| Corporate credibility associations | 0.137* | 2.505 | 2.505 | 1.011 | .078 | 1.020 |
| Involvement | 0.016 | 0.699 | .699 | .765 | .028 | .887 |
| Corporate brand dominance | 0.026 | 0.389 | .389 | .418 | .032 | .467 |
| Corporate ability × Involvement | | | 98.366 | .835 | .080 | 1.293 |
| Corporate ability × Corporate brand dominance | | | 7.278 | -.859 | -.097 | -.789 |
| Corporate social responsibility × involvement | | | -.123* | -2.525 | 2.079 | -1.486 |
| Corporate social responsibility × Corporate brand dominance | | | 2.505 | -.207 | -.032 | -.299 |
| Corporate credibility × Involvement | | | 0.699 | .150 | .010 | .192 |
| Corporate credibility × Corporate brand dominance | | | 0.389 | 1.121 | .125 | 1.130 |
| Involvement × Corporate brand dominance | | | 98.366 | -.439 | -.015 | -.313 |
| Corporate ability × Involvement × Corporate brand dominance | | | | | -.100 | -1.150 |
| Corporate social responsibility × Involvement × Corporate brand dominance | | | | | .162* | 2.150 |
| Corporate credibility × Involvement × Corporate brand dominance | | | | | -.0099 | -.133 |
| Adj- R^2 | 0.347 | | 0.342 | | 0.345 | |
| <i>F</i> | 46.763** | | 19.643** | | 16.087** | |

The scores of all independent variables are mean-centered; all coefficients are unstandardized regression coefficients; *p < 0 .05, **p < 0.01.

corporate branding strategy is an important determinant of the mechanism through which corporate social responsibility association influence attitudes toward new product. When the corporate brand was dominantly visible, corporate social responsibility was not affecting consumer evaluations of the new product. However, when the corporate brand was used as an endorser and was not dominantly visible, corporate social responsibility had an effect but only when involvement is low. The influence of corporate social responsibility association which increases as in the case of low involvement is consistent with the earlier reasoning on corporate social responsibility association as producing limited diagnosticity.

The finding of this study is in line with Aaker (1996) who indicates that the dominance of the corporate brand may decrease the accessibility of corporate social responsibility. For instance, in the case of high corporate brand dominance, the corporate brand acts as a driver; thus, making the corporate social responsibility less accessible because the task of evaluating a product induces people to focus on other salient associations (for example, corporate ability and corporate credibility). Conversely, the endorser role relatively does not 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 society or its efforts on the green environment. The accessibility of corporate social responsibility may then increase, which in turn induces people to use this association when the associations are diagnostic or when people have low diagnosticity threshold (Berens et al., 2005).

However, this was not the case for both corporate ability and corporate credibility. The results from the three-way interaction showed that regardless of the corporate brand strategies used (dominantly visible or not), involvement does not moderate the effect of both corporate ability and corporate credibility on consumer attitudes towards new product. The study believes this can be explained by the high diagnosticity values of these associations (Berens et al., 2005). Perhaps, the high purchasing risks associated with the product used in the experiments may have triggered the diagnosticity values of corporate ability and corporate credibility (Gurhan-Canli and Batra, 2004). In this regard, this study assumes that these associations may have been directly used on attitude towards new product (regardless of the branding strategies and involvement). The absence of any significant interaction among these associations (corporate ability and corporate credibility) with corporate brand dominance and involvement are yet puzzling. Therefore, this limited explanation deserves attention in future empirical studies.

MANAGERIAL IMPLICATIONS

The current study offers practical suggestions on

managerial choices on the different types of corporate brand strategies during product communication. This study found corporate ability and corporate credibility has greater effects on attitudes toward new products than corporate social responsibility associations. For instance, a high-tech company is better off to align itself with strong research and development ability, rather than relying on positioning as a socially responsible company. This is far more important if the company is less known and the product is perceived to be a high purchasing risk product. When a company wants to leverage associations with its corporate social responsibility, an endorsed mixed-brand strategy seems to be more effective. This is especially the case when the product is perceived as a low-involvement product. However, when a company wants to leverage on the corporate ability or corporate credibility associations, this study does not find which is more effective and under what conditions a company should use as branding strategy.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

This study encountered several limitations. First, this study assessed consumer 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 corporate associations are extremely favorable or extremely unfavorable.

Further research should corroborate the findings by studying multiple organizations or by using experimental manipulations of corporate associations (Berens et al., 2005).

Second, this study used only one product category (skincare product) to examine the hypothesized effects. Future research should generalize the results by using other types of products or industries. In particular, the results of this study warrant for more investigations on corporate ability and corporate credibility using high-tech industry. By and large, the diagnosticity and the accessibility of corporate ability, corporate social responsibility and corporate credibility associations may be different in other product domain.

Finally, this study did not examine the moderating role of fitness between the company and the product. A separate stream of research suggests that new product evaluation should be also dependent on its perceived fitness to its corporate brand (Aaker and Keller, 1990, 1992). For example, CSR associations may be more diagnostic for products that are positioned as environmentally friendly. If the fitness is perceived as being poor, consumers use a piecemeal approach whereby new product evaluation rely less on what they think about the company and more on the specific attributes offered by the new product.

This reason can possibly be used to explain parts of the insignificant results in the study.

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