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Cultural influences on brand extension judgments: Opposing effects of thinking style and regulatory focus☆

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ABSTRACT

Asians are more likely than Westerners to have both a relational (vs. analytic) thinking style and a prevention (vs. promotion) focus. These two chronic dispositions can have opposite effects on their evaluations of brand extensions, the relative magnitude of which depends on whether the extensions are construed at a concrete or abstract level. Results of three experiments demonstrate that when an extension is psychologically close and construed at a concrete level, Asians' disposition to engage in relational thinking leads them to perceive the extension to be relatively more similar to the parent, leading them to evaluate the extension more favorably than do Westerners. On the other hand, when the extension is psychologically distant and construed at an abstract level and thus Asians are unlikely to engage in relational processing, their prevention focus leads them to perceive the extension to be riskier and evaluate it less favorably than do Westerners.

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1. Introduction

Firms frequently adopt brand extension strategies (i.e., the use of an established brand name to enter a new product category) to increase sales volume and broaden business scope by taking advantage of strong brand equity. The use of a strong brand name can increase consumers' familiarity to a new product and at the same time reduce the risk of introducing a product in a new market (Aaker & Keller, 1990). The brand extension literature, however, suggests that the success rates of brand extensions are very low and failure of brand extensions can also cause a fatal damage to the image of the parent brand (Ahluwalia & Gurhan-Canli, 2000; Völckner & Sattler, 2006). Thus, investigations of factors that can influence the success of brand extensions have been of strategic importance to both managers and researchers, and numerous factors have been proposed by prior research. These factors include strategic brand factors such as the perceived similarity (or fit) between an extension and its parent brand category (Aaker & Keller, 1990; Bottomley & Holden, 2001; Keller, 2003; Völckner & Sattler, 2007), brand associations (Broniarczyk & Alba, 1994; Park, Milberg, & Lawson, 1991), the relationship of an extension to other products made by the same manufacturer (Shine, Park, & Wyer Jr., 2007), the order of entry into the market (Oakley, Duhachek, Balachander, & Sriram, 2007) as well as individual characteristics such as thinking style (Ahluwalia, 2008; Monga & John, 2007), motivational orientation (Yeo & Park, 2006), mood (Barone, Miniard, & Romeo, 2000; Yeung & Wyer Jr., 2005), and cognitive ability (Zhang & Sood, 2002). To date, however, empirical investigations of brand extensions have taken place mostly in Western countries, and little research has investigated

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how people from different cultures, who have different chronic dispositions, would react to brand extensions, with only a few exceptions (e.g., [Monga & John, 2007](#)).

Individuals' chronic cultural differences exist in both their thinking styles ([Chiu & Hong, 2006](#); [Nisbett, 2003](#); [Nisbett, Peng, Choi, & Norenzayan, 2001](#)) and motivational orientations, that is, regulatory foci ([Lee, Aaker, & Gardner, 2000](#)). These cultural differences are well documented. Asians are more likely to engage in relational thinking, processing the features of information in relation to one another and their context, whereas Westerners are more likely to consider them independently ([Nisbett, et al., 2001](#); for a review, see [Wyer Jr. & Hong, 2010](#)). In addition, Asians and Westerners differ in regulatory focus ([Lee, et al., 2000](#)). Asians tend to be more prevention focused and more motivated to minimize the negative consequences of a decision, whereas Westerners are more promotion focused, focusing on the positive consequences of a decision rather than thinking about its negative aspects. Differences in thinking style or regulatory focus have been shown to have different influences on consumers' reactions to a brand extension. However, their combined effects have rarely, if ever, been considered and the combined effects can be quite intriguing as previous research suggests opposing effects of thinking style and regulatory focus on extension evaluations for Asians and Westerners.

Specifically, Asians' relational thinking style is likely to lead them to perceive an extension as more similar to the parent brand than Westerners, and thus to evaluate it more favorably ([Monga & John, 2007](#)). At the same time, Asians' prevention focus is likely to lead them to perceive the purchase of a new extension to be riskier than Westerners and thus to evaluate the extension less favorably ([Yeo & Park, 2006](#)). If this is true, there should be no cultural differences in brand extension evaluations as thinking style and regulatory focus suggest opposing effects within a culture. However, prior research has already shown cultural differences in extension evaluations (e.g., [Monga & John, 2007](#)). It is therefore of both theoretical and empirical importance to understand the combined effects of cultural differences in thinking style and regulatory focus on extension evaluations and the processes that underlie the effects. As we elaborate in the next section, we propose that the influence of culture on the evaluation of a brand extension varies depending on whether the extension is psychologically close or distant and thus construed at a concrete or abstract level (e.g., available immediately vs. in the distant future), which determines which of the two chronic dispositions (i.e., thinking style and regulatory focus) becomes more salient. We further argue that the two chronic dispositions influence the evaluation of an extension through different processes (i.e., through perceptions of extension-parent similarity vs. perceptions of risk). Thus, the present research contributes to the literature in several important ways.

First, the existing literature provides equivocal findings in predicting the direction of cultural influence on extension evaluations. Our research resolves this ambiguity by demonstrating that the effects of culture on extension evaluations are directionally opposite, depending on whether the extension is construed at a concrete versus abstract level. Second, we show that these effects are driven by different underlying processes depending on which of the two cultural dispositions becomes more salient. Third, we identify boundary conditions under which these differences are reduced. Finally, we draw implications of findings for marketers who consider introducing their new extension products under a particular cultural context.

2. Theoretical background

2.1. Two-stage processing of brand extension evaluations

Substantial evidence has documented that an extension of a strong quality brand is likely to be evaluated more favorably when the extended category is similar (vs. dissimilar) to the parent brand category ([Aaker & Keller, 1990](#); [Bottomley & Holden, 2001](#); [Keller, 2003](#); [Völckner & Sattler, 2007](#)). Such effects are accounted for by a two-stage processing of brand extension judgments, which is based on the two-stage processing of person impression formation suggested by social cognition researchers (e.g., [Boush & Loken, 1991](#); [Fiske, Lin, & Neuberg, 1999](#); [Fiske & Pavelchak, 1986](#)). According to this processing, when making judgments of a new brand extension, consumers engage in a two-stage processing, *categorization* and *evaluation*. When exposed to a new brand extension, consumers' first attempt to categorize the extension based on their perceptions of the extension's similarity to its parent brand, which is a function of salient cues such as a categorical label and brand associations ([Fiske, et al., 1999](#)). If the perceived similarity is high and thus the extension is successfully categorized into the parent brand category, the extension will be evaluated based on the affect associated with its parent brand in memory. Thus, when the parent brand is of high quality, consumers will evaluate the extension favorably ([Aaker & Keller, 1990](#)). If the perceived similarity between an extension and the parent brand is low and thus the categorization is unsuccessful during the categorization stage, the affect associated with the parent brand will not be transferred to the extension. In addition, consumers may question the brand's ability to make the extension, perceiving a high risk about the extension's performance ([Aaker & Keller, 1990](#); [Krishna, Lwin, & Morrin, 2010](#)). To this extent, consumers will evaluate the extension unfavorably during the evaluation stage ([Morrin & Ratneshwar, 2003](#)).

In sum, when an extension is perceived to be similar to its parent brand, consumers' perceived similarity judgments during the categorization stage may mostly govern their evaluations of the extension. On the other hand, when an extension is perceived to be dissimilar to the parent brand, consumers' evaluations of the extension will be determined by the degree of their perceptions of risk related to the extension during the evaluation stage.

2.2. Brand extension and cultural differences in thinking style

Extant research shows that members of Western cultures have a disposition to think of an object's features independently, and to categorize the object on the basis of these attributes ([Nisbett, et al., 2001](#); [Oyserman & Sorensen, 2009](#)). In contrast, Asians are

inclined to think of an object's attributes in relation to one another and to the context in which they occur (Nisbett, et al., 2001; Oyserman & Sorensen, 2009; Wyer Jr. & Hong, 2010), and to make judgments on the basis of this relationship. Consequently, Asians' relational thinking style can lead them to identify similarities between an object and its context that Westerners might not think about.

These cultural differences in thinking style can influence reactions to a brand extension (Monga & John, 2007). As the two-stage processing model suggests, upon looking at an extension, both Westerners and Asians would try to categorize the extension based on their perceived similarity between the extension and parent brand (Fiske & Pavelchak, 1986). During this categorization stage, however, Westerners, as analytic processors, are likely to base their perceptions of similarity on the notions of product category and categorical features alone because of their disposition to focus on the category to which it belongs and think of features independently (Nisbett, et al., 2001). On the other hand, Asians may take into account relationships (e.g., functional, social, situational) and contextual characteristics of an extension, thereby recognizing additional indications of extension-parent similarities such as common situations in which the products are used and the overlap of the market segments that may be interested in the products (i.e., "relational processing advantage" by Ahluwalia, 2008). Accordingly, Asians' consideration of these additional relations could lead them to judge the extension to be relatively more similar to the parent during the categorization stage than Westerners do, and thus to evaluate it more favorably (e.g., Ng & Houston, 2006).

The impact of cultural differences in thinking style on similarity perceptions during the categorization stage may be particularly evident when an extension is a low-fit product, that is, when the extension and parent products belong to different product categories. When both belong to the same or similar categories, their similarity is readily apparent. In this case, both Westerners and Asians are likely to judge the high-fit extension to be very similar to the parent, and these similarity judgments will be used as a dominant cue for the extension evaluations (Ahluwalia, 2008; Monga & John, 2007). When an extension and its parent are in different product categories, however, their relation to each other is less obvious and so the effect of cultural differences in thinking style becomes more apparent. A study by Monga and John (2007) supports this effect. They found that when the extension was a high-fit product with the parent, cultural differences in individuals' reactions to it were not evident. When the extension was a low-fit product (e.g., "Kodak shoes"), however, Asians (i.e., Indians) perceived the extension-parent similarity to be higher than Americans did and evaluated the extension more favorably.

In sum, the differences in thinking style between Asians and Westerners would result in differences in similarity judgments and thus differences in evaluations of a brand extension, particularly for a low-fit extension product. Specifically, compared to Westerners, Asians would engage in relational thinking process and perceive a greater similarity between the low-fit extension and the parent during the categorization stage, and to this extent, evaluate the extension more favorably.

2.3. Brand extension and cultural differences in regulatory focus

As conceptualized by Higgins (1997; Higgins & Spiegel, 2004), a promotion focus is characterized by a heightened sensitivity to the positive outcomes of behavior, whereas a prevention focus is characterized by a sensitivity to negative ones. Consequently, promotion-focused individuals are willing to take a risk to attain positive consequences of decision alternatives, whereas prevention-focused individuals are more risk averse and are inclined to avoid the possibility of negative decision outcomes (Chernev, 2004; Crowe & Higgins, 1997).

These differences in regulatory focus have implications for consumers' reaction to a brand extension. As discussed earlier, when an extension is judged as being dissimilar to the parent, consumers might perceive a high risk about the extension's performance and the purchase of the extension, and this heightened perception of risk is likely to decrease their evaluation of the extension (Krishna, et al., 2010; Morrin & Ratneshwar, 2003). However, this effect is shown to be moderated by individuals' regulatory focus. Yeo and Park (2006) showed that the impact of the risk perception about a dissimilar extension was greater among the prevention-focused than the promotion-focused individuals and consequently, the extension was evaluated less favorably by the former individuals than by the latter. When an extension is judged as highly similar to the parent, however, consumers will not perceive a risk about the extension's performance, and they are likely to evaluate it favorably to the extent that the parent is a strong brand. In this case, therefore, the impact of regulatory focus might be minimal.

Prior research also has well established that Asians and Westerners differ in regulatory focus (Aaker & Lee, 2001; Briley & Aaker, 2006; Lee, et al., 2000; Ouschan, Boldero, Kashima, Wakimoto, & Kashima, 2007). Asians are relatively prevention focused (i.e., tend to minimize the negative consequences of their decisions), whereas Westerners are promotion focused (i.e., focus on the positive consequences of decisions without thinking about negative aspects).

The above considerations on the impact of regulatory focus on brand extension evaluations and cultural differences in regulatory focus suggest implications on the influence of cultural differences in regulatory focus on brand extension evaluations. Asians, who are generally more prevention focused than Westerners, are likely to perceive a greater risk of purchasing an extension, particularly for a low-fit extension product and consequently evaluate the extension less favorably (Yeo & Park, 2006).

2.4. A possible reconciliation: construal level of an extension

To summarize, when an extension and its parent belong to the same or similar product categories (i.e., high-fit extension), the extension would be perceived to be similar to the parent and the affect associated with the parent will be transferred to the extension, regardless of the cultures and cultural dispositions. On the other hand, cultural differences in thinking style and regulatory focus are likely to have an appreciable impact on the evaluation of an extension when the extension and its parent belong to

different product categories (i.e., low-fit extension) and their similarity is not obvious. More importantly, the effects of these two cultural dispositions are opposite in direction. Cultural differences in thinking style should lead Asians to perceive this low-fit extension to be more similar to its parent during categorization than Westerners do and consequently evaluate it more favorably. At the same time, Asians' prevention focus might lead them to perceive the purchase of the low-fit extension to be riskier than Westerners' promotion focus and consequently to evaluate it *less* favorably. Therefore, the direction of cultural influences observed in extension evaluations would depend on the relative magnitude of these opposing tendencies.

What would determine the relative impact of the two cultural dispositions on the evaluation of a low-fit extension? When would Asians' relational thinking versus prevention focus have stronger impact on the extension evaluation? As suggested by the two-stage processing model and discussed above (Boush & Loken, 1991; Fiske, et al., 1999), individuals' thinking style plays an important role during the categorization stage by influencing their perceptions of extension-parent similarity. Asians' relational processing will result in higher similarity perceptions of the low-fit extension than Westerners' analytic processing (e.g., Ahluwalia, 2008), and to this extent, Asians' prevention focus would not come into play during the evaluation stage and their evaluations of the extension will be more favorable. However, if Asians did not engage in relational processing during categorization and did not find the similarities, their similarity judgments would be as low as Westerners'. In this case, Asians' prevention focus will lead to higher risk perceptions of the low-fit extension than Westerners' promotion focus, which in turn will result in less favorable extension evaluations. Then another question ensues; when is Asians' disposition to engage in relational processing likely to become more salient or when the advantages of relational processing are more likely to emerge?

Construal level theory (Trope & Liberman, 2003, 2010) suggests an answer to this question. According to this theory, psychological distance (e.g., temporal, social or spatial distance) from future events influences individuals' responses to the events by changing the way they mentally represent the events. Specifically, as psychological distance increases, individuals construe future events in terms of a few abstract, global features of the events (high-level, abstract construals) rather than in terms of concrete, incidental details of the events (low-level, concrete construals). In addition, Day and Bartels (2004) demonstrated that when people were asked to judge the similarity of pairs of events, they focused more on abstract, superordinate, global commonalities (vs. concrete, subordinate, detailed ones) when the events were described as occurring in the distant future (vs. in the near future). The implication of this theory is that individuals would construe an extension in global, categorical terms when the extension is perceived to be psychologically distant (e.g., it is available in the distant future or in a remote country), while they would focus on more concrete, context-specific implications of the extension when it is psychologically close (e.g., it is available immediately or in a nearby market).

Implications of temporal distance in an extension's availability for extension judgments were identified by Kim and John (2008). Participants in their study were Western individuals and evaluated extensions that were described by brand name, product type, and a set of specific attributes. Although participants evaluated the extension more favorably when it exemplified the parent brand category than when it did not, this difference was less when the extension was available immediately than when it was available only in the future. The findings of this research suggest that consumers are more likely to consider the broad categorical similarity between an extension and its parent (i.e., whether the extension and parent belong to the same product category) as a basis for evaluating the extension for distant future consumption, but are more likely to take specific attributes into considerations as well for immediate consumption.

Taken together, construal level theory suggests direct implications for the question of when Asians' disposition to engage in relational processing is likely to become more salient. Specifically, when a low-fit extension is perceived to be psychologically close, both Asian and Western consumers are likely to construe the extension in concrete and context-specific terms rather than in global, categorical terms. Thus, during the categorization stage, consumers would be highly sensitive to concrete and contextual features of the extension. In this case, compared to Westerners who focus on features alone and think of them independently, Asians who are disposed to engage in relational thinking are more likely to think about the features of the low-fit extension in relation to the parent brand and to their contexts than Westerners do, and thus are able to additionally identify subtle relations and similarities between the extension and the parent, even when the extension is obviously low fit

Table 1

Summary of mechanisms that produce cultural differences as a function of extension-parent fit and psychological distance.

	Perceptions of extension-parent similarity	Perceptions of risk	Extension evaluations
High-fit extension Regardless of psychological distance	Similarity perceptions will be high in both Asian and Western cultures	Risk perceptions will be low in both Asian and Western cultures	No differences will emerge between the two cultures
Low-fit extension When an extension is psychologically close (i.e., construed at a concrete level)	Asians (vs. Westerners) will perceive higher similarity	Asians' heightened similarity perceptions will lead Asians (vs. Westerners) to perceive lower risk	Asians' higher similarity perceptions will lead Asians (vs. Westerners) to evaluate the extension more favorably
When an extension is psychologically distant (i.e., construed at an abstract level)	Similarity perceptions will be low in both Asian and Western cultures	Low similarity perceptions will lead Asians (vs. Westerners) to perceive higher risk	Asians' higher risk perceptions will lead Asians (vs. Westerners) to evaluate the extension less favorably

with the parent in terms of product categories (Ahluwalia, 2008). Consequently, Asians might perceive the low-fit extension as more similar to the parent than Westerners during the first stage of categorization. To this extent, the impact of Asians' prevention focus on the risk perceptions about the extension would be limited, and at the same time, heightened perceptions of similarity of the low-fit extension would lead Asians to evaluate it more favorably than Westerners (see Table 1).

On the other hand, when a low-fit extension is perceived to be psychologically distant and construed at an abstract level, both Asians and Westerners are likely to represent the extension in global, categorical terms only (e.g., whether the extension and the parent are in the same product category) without considering its more specific features (Kim & John, 2008). In this case, such abstract construal of the extension would not only dampen thinking about concrete and contextual features of the extension, but also promote focusing on more self-relevant motivational orientations, which would lead to heightened focus on regulatory focus (Torelli & Kaikati, 2009). Thus, Asians' disposition to engage in relational processing, so-called "relational processing advantage" (Ahluwalia, 2008), is less likely to become salient during the categorization stage. Consequently, Asians and Westerners are likely to perceive the low-fit extension as equally dissimilar to the parent. Therefore, the influence of cultural differences in thinking style on extension-parent similarity judgments is unlikely to be evident during the first stage of categorization and thus, both Asians and Westerners perceive the low-fit extension as equally dissimilar to the parent. The heightened focus on self-relevant motivational orientation in an abstract construal, however, should prompt Asians to engage their chronic prevention focus. Thus, Asians' heightened prevention focus (vs. Westerners' heightened promotion focus) would induce them to perceive a greater risk about the low-fit extension, and consequently to evaluate it less favorably at the stage of evaluation. Combining the proceeding theorizing, we hypothesize the following:

H1a. When an extension product is psychologically close (i.e., construed at a concrete level), Asians will evaluate the extension more favorably than Westerners do, and this difference will be more pronounced when the extension-parent fit is low (i.e., the extension and its parent belong to different product categories) than when the fit is high.

H1b. When an extension product is psychologically close, the observed effect of culture on extension evaluations will be mediated by perceptions of extension-parent similarity.

H2a. When an extension product is psychologically distant (i.e., construed at an abstract level), Asians will evaluate the extension less favorably than Westerners do, and this difference will be more pronounced when the extension-parent fit is low than when the fit is high.

H2b. When an extension product is psychologically distant, the observed effect of culture on extension evaluations will be mediated by perceptions of risk about the extension.

Three experiments investigated these hypotheses. Experiment 1 tested and confirmed the cultural differences in extension evaluations and the underlying processes by using the timing of an extension product's availability to manipulate psychological distance. Experiment 2 provided a theoretical replication by using another manipulation method (i.e., spatial distance) of psychological distance. Experiment 3 confirmed further implications of our conceptualization by suggesting boundary conditions as well as demonstrating that the relative impact of cultural differences in thinking style and regulatory focus could vary depending on participants' ability to perceive the extension's similarity to the parent brand.

3. Experiment 1

Experiment 1 was conducted to test the diametrically opposite effects of culture on extension evaluations and mediating processes underlying the effects. In this experiment, psychological distance was manipulated by using the time of the extension's availability (i.e., available immediately vs. in the distant future).

3.1. Method

3.1.1. Participants and design

Sixty-eight Canadian (82% Caucasian) and 80 Korean (100% Korean) undergraduates, who were born and raised in their respective countries, participated in the experiment to fulfill a course credit. Participants evaluated either a high-fit or low-fit extension of Starbucks brand. In each case, the extension was available either immediately (i.e., psychologically close) or in the distant future (i.e., psychologically distant). Thus, the experiment involved a 2 (culture: Asian vs. Western) by 2 (extension-parent fit: high vs. low) by 2 (psychological distance: immediate vs. future availability) between-subject factorial design.

3.1.2. Stimuli

A pretest with 70 participants (35 in each country, respectively) was conducted to select a focal parent brand that was judged similarly between the two countries. Pretest results revealed Westerners and Asians made similar judgments of Starbucks along seven-point scales in terms of favorableness ($M = 5.11$ vs. 4.80 by Canadians and Koreans, respectively), familiarity ($M = 5.54$ vs. 5.66), reputation ($M = 6.57$ vs. 6.80), and breadth of brand ($M = 3.29$ vs. 3.00; $F < 1$, in all cases).

Another pretest with 48 participants (24 in each country, respectively) identified high-fit and low-fit extensions of Starbucks. Based on participants' ratings of extension-parent similarity along a scale from 1 (very dissimilar) to 7 (very similar), we selected

“Australian Tanganyika Reserve coffee” and “microwave oven” ($M = 5.00$ vs. 2.33 , $F(1, 46) = 58.30$, $p < .001$) as the high-fit and low-fit extension of Starbucks, respectively.

3.1.3. Procedure

The experimental stimuli (prepared in English and in Korean) and procedure were identical in both countries. Upon arriving, participants in each country were randomly assigned to one of the four experimental conditions. The study was introduced as a survey seeking consumer evaluations of various new products. Participants were told that Starbucks was going to introduce a new product and the company would like to get feedback about college students' reactions to it. Then, they were told that the company was seriously considering introducing it in the market either “soon, next week” (*immediate availability* conditions) or “sometime next year” (*future availability* conditions). After this, they were told about either the high-fit extension (“Starbucks Australian Tanganyika Reserve coffee”) or the low-fit extension (“Starbucks microwave oven”) and were asked to evaluate it along three scales from 1 (very bad/very poor quality/very unfavorable) to 7 (very good/very good quality/very favorable). Responses to the three items were highly intercorrelated and were averaged to form a composite index of extension evaluations ($\alpha = 0.95$). Next, participants rated the perceived similarity between the extension and the parent brand along three scales from 1 (very dissimilar/very inconsistent/doesn't fit at all) to 7 (very similar/very consistent/fit very well). These ratings were averaged to form a composite index of perceptions of similarity ($\alpha = 0.96$). Then, participants reported their perceived risk associated with purchasing the extension along three scales ranging from 1 (not at all risky/not at all uncertain/very unlikely to regret) to 7 (very risky/very uncertain/very likely to regret), and participants' responses were averaged to form a composite index of perceptions of risk ($\alpha = 0.90$).

Participants' chronic regulatory focus and relational processing style were next assessed. Regulatory focus was inferred from responses to the 11-item measure developed by Higgins et al. (2001), consisting of items such as “Not being careful enough has gotten me into troubles at times,” “Do you often do well at different things that you try?,” etc. Relational processing style was inferred from responses to the 10-item measure of processing style employed by Choi et al. (2003), consisting of items such as “It's not possible to understand the pieces without considering the whole picture,” “Paying attention to the field is more important than paying attention to its elements,” etc. Finally, participants were debriefed, thanked, and dismissed.

3.2. Results

3.2.1. Manipulation checks

Participants' regulatory focus was calculated from the difference between their mean response to prevention items and their mean response to promotion items (Higgins, et al., 2001). As consistent with the literature and our theorizing, Korean participants were more prevention focused than Canadian participants ($M = 0.12$ vs. -0.77 , respectively, $F(1, 146) = 19.66$, $p < .001$). At the same time, Korean participants were more relational thinkers than Canadian participants ($M = 5.45$ vs. 5.20 , $F(1, 146) = 4.77$, $p < .05$).

In addition, the high-fit extension was judged to be more similar to the parent brand than the low-fit extension ($M = 4.47$ vs. 2.64 , $F(1, 144) = 51.94$, $p < .001$), and this difference was not influenced by culture ($F < 1$).

3.2.2. Extension evaluations

Initial analysis of variance (ANOVA) revealed a significant three-way interaction of culture, extension-parent fit and psychological distance on the extension evaluations ($F(1, 140) = 8.81$, $p < .005$). As expected, cultural differences were not apparent in participants' evaluations of the high-fit extension (see Table 2). Asian participants evaluated the high-fit extension as favorably as Westerners did ($M = 4.44$ vs. 4.33 ; $F < 1$) and this was true regardless of whether the extension was available immediately or in the distant future ($F < 1$).

However, an analysis of the evaluations of the low-fit extension yielded a significant interaction of culture and psychological distance ($F(1, 140) = 15.07$, $p < .001$). As hypothesized, Asians evaluated the low-fit extension more favorably than Westerners when the extension was available immediately ($M = 3.51$ vs. 2.83 , $F(1, 140) = 3.89$, $p = .05$), but evaluated the low-fit extension

Table 2

Experiment 1: Extension judgments as a function of extension-parent fit, psychological distance, and culture.

Psychological distance	High-fit extension		Low-fit extension	
	Close (immediate availability)	Distant (future availability)	Close (immediate availability)	Distant (future availability)
Evaluations				
Asians	4.59	4.29	3.51	2.48
Westerners	4.61	4.07	2.83	3.72
Perceptions of similarity				
Asians	4.60	4.65	3.30	2.20
Westerners	4.44	4.12	2.30	2.80
Perceptions of risk				
Asians	3.55	3.40	5.40	6.80
Westerners	3.88	4.12	5.25	5.33

less favorably than Westerners when the extension was available in the distant future ($M = 2.48$ vs. 3.72 , $F(1, 140) = 14.67$, $p < .001$).

3.2.3. Perceptions of extension-parent similarity

An ANOVA of the perceptions of extension-parent similarity confirmed our expectations, revealing a significant 3-way interaction of culture, extension-parent fit and psychological distance ($F(1, 140) = 3.85$, $p = .05$). Analyses of data at each level of extension-parent fit indicated that as expected, culture had little influence on the similarity perceptions of the high-fit extension. Asians and Westerners perceived the extension to be equally similar to its parent ($M = 4.63$ vs. 4.27 , $F(1, 140) = 2.22$, $p > .10$), and this was true regardless of psychological distance, that is, when the extensions were available ($F < 1$).

On the other hand, when the extension-parent fit was low, a significant interaction of culture and psychological distance emerged ($F(1, 140) = 7.43$, $p < .005$). As theorized, Asians perceived the low-fit extension to be more similar to its parent than Westerners did when the extension was available immediately ($M = 3.30$ vs. 2.30 , $F(1, 140) = 4.36$, $p < .05$). This was consistent with the implications of cultural differences in thinking style. However, Asians and Westerners did not show a significant difference in their similarity perceptions of the low-fit extension when the extension was available in the distant future ($M = 2.20$ vs. 2.80 , $F(1, 140) = 3.08$, $p = .08$).

3.2.4. Perceptions of risk

An analysis of the risk perceptions yielded a marginally significant interaction of culture, extension-parent fit and psychological distance ($F(1, 140) = 3.70$, $p = .056$). Specifically, as shown in Table 2, Asian participants tended to perceive less risk about purchasing the high-fit extension than did Western participants ($M = 3.48$ vs. 4.00 , $F(1, 140) = 5.16$, $p < .05$), but this difference did not depend on psychological distance ($F < 1$). In contrast, a significant interaction of culture and psychological distance emerged on the perceptions of risk for the low-fit extension ($F(1, 140) = 6.39$, $p < .05$). As consistent with our theorizing, Asians perceived a greater risk about purchasing the low-fit extension than Westerners did when the extension was available in the distant future ($M = 6.80$ vs. 5.33 , $F(1, 140) = 16.67$, $p < .001$), which was consistent with the implications of cultural difference in regulatory focus. On the other hand, the two cultures did not differ in risk perceptions when the extension was available immediately ($M = 5.40$ vs. 5.25 , $F < 1$).

3.2.5. Mediation analyses

According to our theorizing, the interactive effect of culture and extension-parent fit on participants' extension evaluations is mediated by participants' perceptions of extension-parent similarity when the extension is psychologically close and construed at a concrete level, while such effect is mediated by their perceptions of risk when the extension is psychologically distant and construed at an abstract level. Thus, we adopted a moderated mediation paradigm to examine how the mediating effects of similarity perceptions and risk perceptions on extension evaluations were moderated by the extension-parent fit and psychological distance. We expected that the perceptions of extension-parent similarity would mediate the observed effect when the low-fit extension was available immediately, while the perceptions of risk would mediate the effect when the low-fit extension was available in the distant future.

These processes were tested using Model 9 of the PROCESS macro in SPSS (Hayes, 2013) with 5000 bootstrap samples. As consistent with our expectations, the indirect effects of similarity perceptions ($\beta = 0.32$, $t(144) = 4.90$, $p = .000$) and risk perceptions ($\beta = -0.17$, $t(144) = -2.52$, $p < .05$) were significant, while the direct effect of culture on the extension evaluations was not significant ($p > .10$). Further analyses provided support for our hypotheses. Specifically, the estimate of the indirect effect of similarity perceptions was significantly different from zero ($\beta = 0.17$, $SE = 0.14$, $95\% CI = [0.06, 0.51]$) only when the low-fit extension was available immediately, but it was not significant in the other moderating conditions. In addition, the estimate of the indirect effect of risk perceptions was significant ($\beta = -0.18$, $SE = 0.09$, $95\% CI = [-0.42, -0.05]$) when the low-fit extension was available in the distant future, but was not significant in the other moderating conditions.

3.2.6. Post-test of construal level of an extension

We theorize that when an extension is psychologically close and construed at a concrete level, Asians would evaluate the extension more favorably than do Westerners, while when the extension is psychologically distant and construed at an abstract level, Asians would evaluate it less favorably than do Westerners. Even though the psychological distance was directly manipulated by using temporal availability of an extension (i.e., immediate vs. future availability), whether the extension was construed at a concrete versus abstract level was not tested in the experiment. Thus, to ascertain the effectiveness of the psychological distance and construal level manipulations, a post-test with 80 participants from the same respondent pool (40 in each country, respectively) was conducted using the same psychological distance manipulations noted above. Prior research suggests that the situational manipulation of psychological distance to an event would lead to a differential representation of the event (i.e., concrete vs. abstract construal) and also influence responses to the Behavioral Identification Form (BIF; Agrawal & Wan, 2009; Liberman, Trope, & Stephan, 2007; Vallacher & Wegner, 1987). In the post-test, after the psychological distance manipulation, participants were asked to write down what they thought about the extension, followed by the 25-item BIF questions. Two judges ($r = 0.89$) categorized the thoughts as concrete, abstract, or other, and as an index of thought construal level, we subtracted the number of concrete thoughts from the number of abstract thoughts and divided the difference by the total number of thoughts for each participant (Cacioppo, von Hippel, & Ernst, 1997), such that higher values indicate more abstract construal level. As consistent with the theorizing, participants in the future availability condition construed the extension in more abstract

terms ($M = 0.42$) than those in the near availability condition ($M = -0.01$, $F(1, 76) = 5.31$, $p < .05$), regardless of the culture ($F < 1$). In addition, an analysis of BIF scores revealed that participants in the future availability condition showed a significantly higher BIF score ($M = 0.58$) than those in the immediate availability condition ($M = 0.44$, $F(1, 76) = 9.25$, $p < .01$). These results confirm the effectiveness of our manipulations of psychological distance and construal level.

3.3. Discussion

The results of this experiment confirmed our hypotheses that when the extension was available immediately and construed at a concrete level, Asian participants evaluated the low-fit extension more favorably than Western participants did. Further, this difference was mediated by the perceptions of extension-parent similarity and not by the perceptions of risk, suggesting that the observed effect of culture is due to the cultural differences in thinking style. When the extension was available in the distant future, however, Asians evaluated the low-fit extension less favorably than Westerners did. In addition, this difference was mediated by the perceptions of risk and not by the perceptions of the extension's similarity to the parent, which supports our argument that cultural differences in regulatory focus predominantly influenced extension judgments in the future availability conditions.

4. Experiment 2

Experiment 2 aimed to provide a theoretical replication of the findings from experiment 1 by using a different target parent brand and an alternative manipulation of psychological distance. Specifically, the procedure was similar to that of experiment 1 except for a few modifications. First, data were collected online in U.S. and Korea. Second, this experiment used a new parent brand, Coca-Cola and employed only a low-fit extension of Coca-Cola. In addition, the psychological distance of the extension was manipulated by using the spatial distance of an extension product (i.e., to be introduced in a geographically near vs. distant market).

4.1. Method

4.1.1. Stimuli

The same procedure of pretests as in experiment 1 was used to select a new target parent brand and its low-fit extension product. A pretest with 60 participants from the same respondent pool as in the main experiment (30 in each country, respectively) revealed that Americans and Koreans made similar judgment of Coca-Cola in terms of favorableness ($M = 5.00$ vs. 4.83 by Americans and Koreans, respectively), familiarity ($M = 5.94$ vs. 6.17), reputation ($M = 6.77$ vs. 6.83), and breadth of brand ($M = 4.35$ vs. 3.97; $F < 1$, in all cases). Also, another pretest with 66 participants (34 in U.S. and 32 in Korea) identified "mountain bike (MTB)" as a low-fit extension of Coca-Cola ($M = 2.29$), which was judged significantly dissimilar to the parent brand ($t(65) = 8.37$, $p < .001$).

Another pretest with 41 participants (21 in U.S. and 20 in Korea) was conducted to identify geographically and psychologically near versus distant markets for participants. Based on participants' ratings of perceived geographical and psychological distance measures for potential markets in America and Asia, we selected "U.S. market" and "Korean market" as near and distant markets for U.S. participants (perceived geographical distance: $M = 2.05$ vs. 5.48, $t(20) = -7.13$, $p < .001$; perceived psychological distance: $M = 2.95$ vs. 5.15, $t(20) = -5.04$, $p < .001$). For Korean participants, "Korean market" and "Mexican market" were selected as near and distant market (perceived geographical distance: $M = 1.00$ vs. 6.00, $t(19) = -20.78$, $p < .001$; perceived psychological distance: $M = 2.40$ vs. 5.40, $t(19) = -12.65$, $p < .001$).¹

4.1.2. Participants and procedure

This experiment involved a 2 (culture: Asian vs. Western) by 2 (psychological distance: near vs. distant market) between-subject factorial design. Undergraduate students in U.S. and Korea were recruited online and completed the study online in exchange for monetary compensation. Participants in both countries were required to have been born and raised in their respective countries. Seventy-one participants in U.S. (55% female, $M = 25.41$ years, 73% Caucasian) were recruited through MTurk service and 60 participants in Korea (65% female, $M = 22.07$ years, 100% Korean) were recruited through university online community service.

The procedure and measures were identical to those employed in experiment 1 with three exceptions. First, participants received only the low-fit extension of Coca-Cola (i.e., Coca-Cola mountain bike). Second, participants in U.S. were told that Coca-Cola was seriously considering introducing new Coca-Cola mountain bike either in U.S. market including their own area (*near market* condition) or in Korean market (*distant market* condition). For Korean participants, the market was replaced by Korean market for the near market condition and Mexican market for the distant market condition, respectively. Third, after completing extension judgments and disposition measures on regulatory focus and thinking style, participants answered a few more filtering questions as this experiment was conducted online. As an attention check, participants were asked to check which extension product they evaluated and the data of those who failed this check ($n = 4$) were omitted. In addition to their age, participants were also asked how many years they had been living in their country and if these two numbers did not match, the data were excluded ($n = 3$) as participants were required to be born and grow up in their country. Lastly, among

¹ Korean participants perceived U.S. market to be geographically distant from Korea ($M = 5.95$), but to be psychologically close ($M = 3.25$, $t(19) = -7.58$, $p < .001$). So Mexican market was selected as the psychologically distant market.

American participants, the data of those whose ethnicity was Asian ($n = 5$) were omitted. The data of 9 U.S. participants in total (with 3 overlaps over the filters) were omitted and removal of these participants did not change the pattern of results. No data were omitted from the Korean participants. Thus a final sample size was 122 (62 Americans and 60 Koreans).

4.2. Results

4.2.1. Manipulation checks

As expected, an analysis of participants' disposition in term of regulatory focus revealed a significant main effect of culture, showing that Korean participants were more prevention focused than American participants ($M = 0.40$ vs. -0.79 , respectively, $F(1, 118) = 43.67, p < .001$). In addition, as consistent with the literature, Korean participants were more relational thinkers than American participants ($M = 5.23$ vs. $4.82, F(1, 118) = 7.34, p < .01$).

4.2.2. Extension evaluations

An ANOVA revealed a significant interaction of culture and psychological distance on the evaluations of the low-fit extension ($F(1, 118) = 8.86, p < .005$). As hypothesized and consistent with the findings of experiment 1, Asians evaluated the low-fit extension more favorably than Westerners when the extension was to be introduced in the near market ($M = 4.29$ vs. $3.63, F(1, 118) = 5.56, p < .05$). In contrast, Asian participants' evaluations of the low-fit extension was marginally less favorable than Western participants' when the extension was to be introduced in the distant market ($M = 3.72$ vs. $4.26, F(1, 118) = 3.46, p = .06$) (see Table 3).

Analyses of the perceptions of extension-parent similarity and the perceptions of risk showed the same pattern of findings as in experiment 1. An ANOVA on the perceptions of extension-parent similarity revealed a significant interaction of culture and psychological distance ($F(1, 118) = 5.74, p < .05$). Asian participants perceived the low-fit extension to be more similar to its parent than Western participants did when the extension was to be introduced in the near market ($M = 3.04$ vs. $2.06, F(1, 118) = 7.94, p < .01$). However, Asians and Westerners did not differ in their similarity perceptions of the low-fit extension when the extension was to be introduced in the distant market ($F < 1$).

An analysis of the risk perceptions also yielded a significant interaction of culture and psychological distance ($F(1, 118) = 6.74, p < .05$). Specifically, Asians and Westerners did not differ in their perceptions of risk about purchasing the low-fit extension when the extension was to be introduced in the near market ($M = 3.92$ vs. $4.40, p > .10$). On the other hand, as consistent with our expectations, Asians' perceptions of risk about the low-fit extension were significantly higher than Westerners' when the extension was to be introduced in the distant market ($M = 5.00$ vs. $4.28, F(1, 118) = 4.84, p < .05$).

4.2.3. Mediation analyses

To test mechanisms underlying the effects of culture on the extension evaluations, mediation analyses using Model 7 of the PROCESS macro in SPSS (Hayes, 2013) with 5000 bootstrap samples were conducted. We used culture as the independent variable, psychological distance as the moderator, the perceptions of extension-parent similarity and perceptions of risk as the mediators, and the extension evaluations as the dependent variable.

As consistent with our theorizing, mediation analyses revealed a significant indirect effect of the similarity perceptions ($\beta = 0.42, t(118) = 6.31, p = .000$) and a marginally significant indirect effect of the risk perceptions ($\beta = -0.12, t(118) = -1.89, p = .06$). Specifically, the estimate of the indirect effect of the perceptions of extension-parent similarity was significantly different from zero ($\beta = 0.41, SE = 0.16, 95\% CI = [0.14, 0.77]$) when the low-fit extension was to be introduced in the near market, but was not significant when it was to be introduced in the distant market ($95\% CI = [-0.43, 0.19]$). In contrast, the estimate of the indirect effect of the perceptions of risk about the extension was significantly different from zero ($\beta = -0.09, SE = 0.07, 95\% CI = [-0.30, -0.01]$) when the low-fit extension was to be introduced in the distant market, while it was not significant when the low-fit extension was to be introduced in the near market ($95\% CI = [-0.02, 0.30]$).

4.2.4. Post-test of construal level of an extension

To test the effectiveness of the psychological (i.e., geographical) distance and construal level manipulations, a post-test with 82 participants from the same respondent pool (41 in each country, respectively) was conducted using the same geographical

Table 3
Experiment 2: Low-fit extension judgments as a function of psychological distance and culture.

Psychological distance	Close (close market)	Distant (distant market)
Evaluations		
Asians	4.29	3.72
Westerners	3.63	4.26
Perceptions of similarity		
Asians	3.04	2.45
Westerners	2.06	2.67
Perceptions of risk		
Asians	3.92	5.00
Westerners	4.40	4.28

distance manipulations noted above and using the same measures as in experiment 1. As expected, analyses revealed a significant main effect of psychological distance manipulation for both thought construal level and BIF scores, regardless of cultures. Specifically, participants in the distant market condition represented the extension in more abstract terms ($M = 0.51$) than those in the near market condition ($M = -0.07$, $F(1, 70) = 4.56$, $p < .05$) and participants in the distant market condition had a higher BIF score ($M = 0.60$) than those in the near market condition ($M = 0.42$, $F(1, 78) = 14.97$, $p < .001$). These results confirm the effectiveness of our manipulations of geographical distance as psychological distance and construal level.

4.3. Discussion

The findings of experiment 2 provided a theoretical replication of experiment 1. By using a different dimension of psychological distance and a different parent brand, we demonstrated that when the extension was psychologically close (i.e., to be introduced in the near market), Asians, compared to Westerners, evaluated the low-fit extension more favorably, which was mediated by the perceptions of extension-parent similarity. In contrast, when the extension was psychologically distant (i.e., to be introduced in the distant market), Asians evaluated the low-fit extension less favorably than did Westerners, which was driven by the perceptions of risk about purchasing the low-fit extension.

5. Experiment 3

Experiments 1 and 2 demonstrated the diametrically opposite effects of culture on extension evaluations as a function of extension-parent fit and psychological distance. The present experiment replicated these effects and in addition, examined a possible contingency in their occurrence.

As noted above, individuals' thinking style plays an important role during the categorization stage by influencing their perceptions of extension-parent similarity. Particularly when Asians are more likely to engage in relational processing during categorization, as evident when an extension is psychologically close and construed at a concrete level, the impact of their prevention focus on the extension evaluations would be minimal. On the other hand, when Asians are less likely to engage in relational processing when an extension is psychologically distant and construed at an abstract level, Asians' prevention focus would come into play during the evaluation stage by influencing their perceptions of risk about the extension. Thus, the extent that Asians engage in relational processing during the categorization stage would determine the relative impact of Asians' prevention focus on extension evaluations. If this is true, factors that prevent individuals from engaging in relational processing in psychologically close conditions should lead the impact of differences in regulatory focus to be more apparent. This possibility was evaluated to provide further support for the relative impact of cultural differences in thinking style and regulatory focus.

Prior research suggests that relational processing, that is, the assessment of specific product features in relation to their context for extension-parent similarity judgments requires a cognitive effort (Ahluwalia, 2008). This implies that if individuals lack in cognitive resources to engage in relational processing under psychologically close and concrete construal conditions, the effects of cultural differences in thinking style would be eliminated, and accordingly the impact of cultural differences in regulatory focus may be more apparent. Consequently, the cultural differences in extension evaluations under psychologically close conditions should be similar to the differences observed under psychologically distant conditions.

To investigate this proposition, Experiment 3 added "high cognitive-load" conditions to the conditions employed in Experiment 1. In the high cognitive-load conditions, we asked participants to remember a 9-digit number while they made extension evaluations. Specifically, we expect that when participants evaluate an extension that is psychologically close (i.e., available immediately), inducing cognitive load would decrease Asian's ability to think about the extension's relational features and thus, eliminate the impact of cultural differences in thinking style on perceptions of extension-parent similarity. As there would be no beneficial effects of relational thinking on similarity perceptions during the categorization stage, we expect that the impact of cultural differences in regulatory focus (and thus in perceptions of risk) would become apparent, producing effects similar to those that would occur in psychologically distant conditions (i.e., future availability conditions).

On the other hand, when participants evaluate an extension that is available in the distant future, as predicted before, cultural differences in thinking style would have little impact on extension evaluation and inducing cognitive load should also have little impact. Also cultural differences in regulatory focus and perceptions of risk would continue to be evident influencing extension evaluations. Thus, Asian participants should perceive a greater risk and evaluate the extension less favorably than Westerners, and this difference should not be appreciably affected by cognitive load.

In sum, we expect that when participants evaluate a low-fit extension under no cognitive load, Asian participants, compared to Western participants, would evaluate it more favorably when it is available immediately but less favorably when it is available in the distant future, replicating the results of previous experiments. When participants evaluate a low-fit extension under high cognitive load, however, Asians would evaluate it less favorably than Westerners, regardless of when the extension is available (i.e., psychological distance). These predictions were tested and confirmed in this experiment.

5.1. Method

5.1.1. Participants and design

Three hundred and five undergraduates (160 Canadians and 145 Koreans), who were born and grew up in each country, participated in the experiment to fulfill a course requirement. Participants evaluated either a high-fit or a low-fit extension of

Starbucks under either high or low cognitive load. In each case, the extension was either available immediately or available in the distant future. Thus, the experiment involved a 2 (cognitive load: high vs. low) \times 2 (culture: Asian vs. Western) \times 2 (extension-parent fit: high vs. low) \times 2 (psychological distance: immediate vs. future availability) between-subject factorial design.

5.1.2. Procedure

The experimental procedure was identical to that of experiment 1 with one exception. During participants' extension judgments, the cognitive load was manipulated. Participants in the *high cognitive-load* conditions were first told that (a) consumers often encounter a situation in which they are to make a judgment in a cognitively distracting situation, (b) we are interested in how consumers might make a judgment in such situation, (c) we would like to simulate such a situation by asking participants to consider a product while silently rehearsing a number to memorize it until the study ends, and (d) we would check to see if they remembered the number at the end of the study. With this preamble, they were then provided with a 9-digit number ("148,530,762") for memorization and then an extension product for judgment. After finishing their evaluations of the extension product, participants were asked to write down the 9-digit number under high cognitive load conditions and participants who remembered the number correctly were included for analyses. In contrast, participants in the *low cognitive-load* conditions were not given these instructions.

5.2. Results

We expected that when participants were under low cognitive load, the results of experiment 1 would be replicated. That is, Asian participants, compared to Westerners, would evaluate the low-fit extension more favorably in the immediate availability condition but would evaluate it less favorably in the future availability condition. On the other hand, when Asian participants were under high cognitive load, they would evaluate the low-fit extension less favorably than Westerners, regardless of the time of availability (i.e., psychological distance). These expectations were confirmed. An analysis of the extension evaluations as a function of culture, extension-parent fit, psychological distance, and cognitive load yielded a significant 4-way interaction of these variables ($F(1, 289) = 4.09, p < .05$). The implications of this interaction were diagnosed by separate analyses of data under each cognitive load condition (see Table 4).

Analyses of data in the low cognitive-load conditions yielded a significant 3-way interaction of culture, extension-parent fit and psychological distance, which was consistent to that observed in experiment 1 ($F(1, 289) = 8.09, p < .01$). Further analysis revealed a significant interaction of culture and psychological distance when the extension-parent fit was low ($F(1, 289) = 13.45, p < .001$). As expected, Asian participants evaluated the low-fit extension more favorably than Westerners when it was available immediately ($M = 3.59$ vs. $2.50, F(1, 289) = 7.11, p < .01$), but evaluated the low-fit extension less favorably than Westerners when it was available in the distant future ($M = 2.57$ vs. $3.45, F(1, 289) = 6.38, p < .01$). In contrast, culture had little influence on participants' evaluations of the high-fit extension ($F < 1$), as expected.

When cognitive load was high, however, a significant 2-way interaction of culture and extension-parent fit emerged ($F(1, 289) = 6.99, p < .01$), and this did not depend on the psychological distance ($F < 1$). As expected, culture had little influence on evaluations of the high-fit extension ($F < 1$). In contrast, Asians evaluated the low-fit extension less favorably than Westerners ($M = 1.98$ vs. $3.25, F(1, 289) = 27.33, p < .01$) and this was true regardless of the psychological distance conditions (i.e., time of availability).

6. General discussion

Three experiments in the present research provide several important findings. First, the effect of cultural differences in thinking style and the effect of cultural differences in regulatory focus on consumers' evaluations of brand extensions are opposite in direction, suggesting that the extent that Asians engage in relational processing during the categorization stage would determine the relative impact of Asians' prevention focus on extension evaluations. Second, the relative impact of the two cultural dispositions depends on the psychological distance of the extension being judged such as temporal or spatial distance. Finally, the effects of culture are mediated by two different processes, perceptions of extension-parent similarity and perceptions of risk, which depends on how an extension is construed in consumers' mind.

Table 4

Experiment 3: Extension evaluations as a function of extension-parent fit, psychological distance, cognitive load, and culture.

Psychological distance	High-fit extension		Low-fit extension	
	Close (immediate availability)	Distant (future availability)	Close (immediate availability)	Distant (future availability)
Low cognitive load				
Asians	4.50	4.45	3.59	2.57
Westerners	4.45	4.33	2.50	3.45
High cognitive load				
Asians	4.00	4.25	1.68	2.23
Westerners	4.47	4.47	3.11	3.39

Specifically, when consumers consider a brand extension psychologically close and construe it at a concrete level, they are inclined to focus on the extension's concrete and specific features. In this case, Asians' disposition to engage in relational processing enables them to identify subtle relations and similarities that Westerners do not think about, leading them to judge a low-fit extension as more similar to the parent during categorization and thus decreasing their concern about the risk associated with making a purchase. Consequently, Asians evaluate the low-fit extension more favorably than Westerners do.

On the other hand, when an extension is psychologically distant and construed at an abstract level, consumers are inclined to focus on its global, categorical features (e.g., whether the extension and parent belong to the same product category) without considering its more specific attributes. In this case, Asians and Westerners are both likely to have similar perceptions of extension-parent fit, based on the global appraisal during categorization. However, Asians' prevention focus leads them to perceive the purchase of a low-fit extension to be riskier, leading them to evaluate it less favorably than Westerners do.

Experiments 1 and 2 provided direct evidence for cultural influences on extension evaluations and the two different processes that would underlie the observed effects of culture. Asians evaluated the low-fit extensions more favorably than Westerners when the extensions were either available immediately or to be introduced in the near market (i.e., psychologically close), and this effect was mediated by the perceptions of extension-parent similarity but not by the perceptions of risk. In contrast, Asians evaluated the low-fit extensions more favorably than Westerners when the extensions were either temporally or spatially distant, and this effect was driven by the perceptions of risk, not by the perceptions of extension-parent similarity. Experiment 3 provided further confirmation of our theorizing. Asians' identification of subtle relationships between a low-fit extension and its parent requires cognitive effort (Ahluwalia, 2008). Consequently, when Asians are unable to expend this effort, their tendency to perceive the low-fit extension as more similar to the parent than Westerners do may not be evident. Consistent with this reasoning, when the extension was available immediately, Asians, compared to Westerners, evaluated the low-fit extension more favorably in the absence of cognitive load but less favorably under high cognitive load. On the other hand, when the extension was available in the distant future, Asians evaluated the extension less favorably than Westerners did, regardless of the level of cognitive load, as theorized.

Drawing on the two-stage processing model of brand extension judgments, we suggest that individuals' thinking style plays an important role during categorization by influencing their perceptions of extension-parent similarity, while their regulatory focus influences the perceptions of risk associated with purchasing a new extension during evaluation. However, it may be speculated that as a promotion (vs. prevention) focus facilitates creative thoughts (Friedman & Förster, 2001) and it gets greater weight as temporal distance increases (Pennington & Roese, 2003), promotion-focused Westerners would likely perceive higher extension-parent similarity during categorization, particularly when an extension is represented as psychologically distant. This creativity account would result in the same directional effects of culture as our findings, such that Asians would evaluate an extension less favorably than Westerners, even though suggested processes are different. While in experiment 1, Westerners than Asians perceived marginally higher similarity of the low-fit extension when the extension was available in the distant future, our data and mediation analyses did not corroborate the creativity account. Given that the extension products in our experiments were identified by only brand name and product category without any product attributes, the creativity account and our findings in combination provide further support for our theorizing when the extension is construed at an abstract level. Under abstract construal conditions, both Asians and Westerners would represent an extension in its global, categorical terms only (i.e., whether the extension and the parent belong to the same category) without thinking about further features. In this case, both Asians' disposition to engage in relational processing and Westerners' disposition to think creatively are less likely to become salient. Consequently, Asians would evaluate the low-fit extension less favorably than Westerners because of their greater perceptions of risk.

Related to this, one might also speculate that as the importance of prevention focus remains constant over time (Pennington & Roese, 2003), Asians' evaluations under psychologically close conditions would be influenced by both their prevention focus and their disposition to engage in relational thinking. However, mediation analyses in experiments 1 and 2 provided no evidence that this was true. This could indicate that Asians' tendency to deliberate on specific product features in relation to their contexts and to perceive a greater similarity between an extension and its parent during categorization sufficiently overrides the impact of Asians' prevention focus on their perceptions of risk associated with making a purchase during evaluation. Experiment 3 further supports this theorizing, indicating that preventing consumers from engaging in this cognitive deliberation led them to perceive the low-fit extension as equally dissimilar to the parent as Westerners did but to perceive a greater risk about the extension. Consequently, they evaluated the extension less favorably than Westerners, as they did when the extensions were available in the distant future.

Our research is also subject to limitations that may merit future inquiry. In our experiments, participants were not given explicit information about specific product attributes and had to rely upon their general knowledge about the types of products they considered. However, providing specific product attributes may result in different directions of cultural influences, particularly when an extension is construed as psychologically distant and abstract. In fact, Ahluwalia (2008, Experiment 3) found that when an extension product that was described by a number of specific attributes was considered for future consumption, participants who were motivated to make accurate judgments estimated the extension as more similar to its parent. They evaluated it more favorably if they were induced to think interdependently (relationally) than if they were induced to think independently. However, when participants' motivation was low, this difference was not apparent. To the extent that Asians are generally more interdependent (relational) thinkers than Westerners, these results suggest that providing specific information about the extension and increasing the motivation to think carefully about it might reverse the cultural difference in extension evaluations that we observed in the psychologically distant conditions.

In addition, our research focused on cultural differences in two chronic dispositional dimensions, thinking style and regulatory focus. Cultural differences can vary along many dimensions and the relative salience of these dimensions can depend on the situation at hand. Other dimensions than the ones we considered in this study may be important, including collectivism-individualism (Triandis, 1995), power distance (Hofstede, 1980), interdependence-independence (Markus & Kitayama, 1991), masculinity-femininity (Nelson, Brunel, Supphellen, & Manchanda, 2006) and tightness-looseness (Triandis, 1994). Cultural variations along these dimensions could also have implications for consumer judgments, and their relative salience might be determined by situational and individual difference factors other than the ones we considered here. An examination of these possibilities could be of both theoretical and empirical importance.

In conclusion, this research makes several contributions to the literature. First, our findings contribute to the brand extension literature by investigating directionally opposite effects of culture on brand extension evaluations. Our research resolves the equivocal effects of thinking style and regulatory focus by demonstrating that the relative impacts of these two cultural dimensions depend on how an extension is psychologically construed in consumers' mind. We further provide empirical evidence that the opposite effects of culture are driven by different underlying processes. As such, our research also adds to the culture literature by examining the combined effects of the two dimensions of cultural differences and boundary conditions for the effects. In addition, our cognitive load conditions provide new insights about the influence of thinking style on cognitive domains by showing that cognitive load can also influence the locus of attention of relational processors (Choi, Koo, & Choi, 2007), not just the attributions of causality (Lieberman, Jarcho, & Obayashi, 2005).

The potential implications of our findings for marketing strategy are also worth noting. When companies announce their new products under their brand name, they may find it worthwhile to consider the location (i.e., market) and point in time at which the product will become available as well as the cultural background of the consumers they wish to target. For example, companies who wish to market low-fit extensions to Asian consumers may wish to delay announcing the products until they are immediately available in their own markets. On the other hand, if they wish to market the products to Western consumers, they may be better off announcing the product well in advance of their availability or introducing them in distant markets first. Because the initial evaluations that consumers form of an extension can have a considerable influence on their later evaluations of it (Kim, Park, & Wyer Jr., 2009), these possibilities are worth considering.

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