Brand Licensing
Once you pop you can’t stop: When brand licensing goes too far

Bachelor thesis within Business Administration
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Bachelor Thesis in Business Administration

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Abstract

Purpose
The purpose of this study is to investigate consumer’s attitude towards licensed products in relation to the parent brand, with respect to perceived quality, likelihood to buy and associations’ transferability.

Background
Brand licensing has become one of an increasingly popular ways of stretching a brand into new product categories to reach more consumers in new markets. Despite the fact that brand licensing is less risky than building a brand from scratch, the odds that licensed products will fail are still high. That is why, it is interesting to investigate consumers’ attitudes towards brand licensing in fast moving consumer goods sector and see how perceived quality, likelihood to buy and transferability of parent brand associations will impact the licensing strategy.

Method
The authors will use quantitative approach; data will be gathered using self-administered questionnaires. Furthermore, the data will be analysed using SPSS, namely by employing Spearman’s correlation.

Conclusion
The results of this study indicate that perceived quality, likelihood to buy and associations of the parent brand have a positive impact on the licensed products only if there is a high degree of perceived fit between the two product categories. Consumers welcome new licensed product that is in the related product category, however, the consumers appear to be sceptical to the product that is outside of the core market of the parent brand.
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1 Introduction

In this section we are going to introduce the area of our study – brand licensing. In order to understand brand licensing we will first explain the reader the importance of branding itself. Later, we will introduce the concept of brand licensing and proceed with explaining its strategic importance. Afterwards, the problem and the purpose of this study will be discussed. At the end of the chapter, the reader can find the research questions as well as a list of definitions that are going to be used throughout the study.

1.1 Background

Branding has now become one of the most important red-hot topics for business. Whether it is a travel agency or an ice cream shop, it is the brand name that usually determines the success or a failure of the business. The success of a brand may instantly transform into a business success. This transformation may seem to be a simple thing, but it is quite tricky to determine what specifically makes a successful brand (Haig, 2004).

Branding is a very powerful tool when it comes to creating perceived differences among products in the same product category (Aaker, 1996). Through branding, marketers create value that will ultimately result in increased sales and financial profits for the company. Consider Starbucks, it provides seemingly the same type of products as any other coffee shop. However, the management of Starbucks managed to build the branding strategy in such a way that brand identity is built on reputation of providing not just coffee but the finest coffee in the world in an upscale and friendly atmosphere (Aaker, 1996). Figure 1-1 shows some of the brands that engage in brand licensing.

![Figure 1-1 Examples of companies who license their brands.](image)

In reality, the most valuable assets owned by the companies are not the tangible ones, such as production facilities and equipment, but intangible assets such as human capital, R&D expertise, marketing and most importantly – the brands themselves (Keller & Lehmann, 2003; Keller, 2008). This value was recognised by John Stuart, CEO of
Quaker Oats from 1922 to 1956, who famously said, “If this company were split up, I would give you the property, plant and equipment and I would take the brands and trademarks and I would fare better” (Madden, Fehle, & Fournier, 2002).

Nevertheless, a mere fact of just being different is not enough for the brands to stay on top of their game. Modern companies need to constantly reinvent their core competencies and stretch their brand into new product categories. David Taylor, one of the leading experts on brand extensions, points out that “after spending billions of dollars on creating, building and defending strong brands, it’s a payback time. These brands need to give birth to some beautiful and profitable offspring” (Taylor, 2004, p.preface).

1.1.1 The concept of brand licensing

Brand licensing has become one of an increasingly popular ways of creating such an offspring. The evidence is clear, back in 1987 just one out of ten brands on Fortune 500 list made use of brand licensing, in 2007, eight out of ten brands were involved in licensing (Feldman, He, Kraveltz, & Worsham, 2010). Coca-Cola started licensing its brand in 1980 and its licensing strategy has expanded to over 320 companies, with over 10,000 non-beverage items (Forbes, 2003).

If compared to brand extensions, brand licensing is a relatively inexpensive way of stretching a brand to new product categories and reaching more consumers in new markets. Licensing is a form of brand extension that enables one firm to use the name and logo of another firm in order to market and sell its own goods (Saqib & Manchanda, 2008). This is usually done contractually where one firm pays a fixed fee to another firm for the use of that logo. One brand (licensor) can earn additional profit by getting a royalty fee whilst the licensee is able to gain more market exposure and consequently improve sales (Saqib & Manchanda, 2008).

There are numerous reasons why companies choose strategy of brand licensing. Licensing gives an opportunity for those companies whose brands have high consumer demand to unlock brand’s previously unutilized potential and satisfy accumulated consumer demand (Daye & VanAuken, 2010). Right after Apple introduced the iPod an imminent need for Apple accessories was created; Apple could have chosen to produce and sell the accessories themselves but decided that these products were not of core interest to their company and chosen to satisfy this need through licensing instead. Licensing the iPod brand gave the opportunity for many companies to manufacture different types of accessories to improve the listening experience and make iPod more user friendly. Examples of such accessories include the Bose Sound System that enables to dock your iPod, other products play your music from iPod to your car stereo and iPod holding devices that allow users “to take their music with them” when they are out jogging (Daye & VanAuken, 2010). All of the licensees selling these accessories pay for using Apple’s brand name and logo.
Apart from the numerous benefits for licensors, the licensees also benefit to a great extent. Licensors lease the rights to use a specific trademark and logo which is to be included into licensees’ merchandise, but usually they do not share any ownership. Licensing gives the licensees significant benefits they previously did not possess, in particular, they are granted access to major national and global brands, and granted the right to use logos and trademarks which are associated with those brands (Daye & VanAuken, 2010). As a result, the brand brings a new marketing power to the licensee’s products. The process of building a brand from scratch might take years, a great deal of financial investment and luck. The company which buys the rights to license a brand gets an instant access to all the positive aspects of the brand and has a right to make use of image building that was invested in the brand (Daye & VanAuken, 2010). Previous research has suggested that new products launched with a famous brand name are less likely to fail (Milewicz & Herbig, 1994). The licensee can also use the reputation of the licensed brand, which ultimately translates into “halo-effect”. This effect implies that the licensee can capitalize on established reputation of the licensor and take advantage of the instant recognition of the brand (Milewicz & Herbig, 1994). As a result, such “halo” effect often leads to “numerous intangible and immeasurable benefits such as returned calls, an agreement to meet, or simply the benefit of the doubt” (Daye & VanAuken, 2010).

When considering the marketing price, most of the licensing agreements are done in partnership with a company which has necessary expertise and channel relationships needed to produce and launch a licensed product (DelVecchio & Smith, 2005). Ralph Lauren, for example, licenses its brand name and logo to an independent producer of paint which results in a new product – Ralph Lauren house paint (Ralph Lauren Home, 2011; Taylor, 2004). One of the main challenges in negotiating such licensing deals is agreeing upon the licensing fee which has to be paid by the licensee to licensor. These fees must be realistic and reflect the profit expected to be generated by the partnering firm (DelVecchio & Smith, 2005).

Therefore, by using an already established brand name, a company can reap huge profits without much effort. Just in 2009 alone, licensed brands generated worldwide sales of over $192 billion (Feldman et al., 2010). Management of the major national and global companies are realising the benefits of brand licensing and include it in their strategic development plans. Two decades ago, brand licensing was used as a mere promotional tool, not being used to its full potential. However, since brand licensing has been elevated and evolved into a multibillion business, the situation has changed drastically (Feldman et al., 2010).

### 1.1.2 Leveraging core competencies through brand licensing

Branding itself is not enough in today’s fiercely competitive environment; a firm must be able to clearly identify itself from the competition by a distinct set of features. These features can be called a firm’s core competencies (Prahald & Hamel, 1990). Firms that specialise in something that they can excel at are more likely to attract new consumers
Brand licensing – Once you pop, you can’t stop

and make their offering stand out from others. Brand licensing allows firms to leverage firm’s core competencies through increasing its offering to different product categories, expanding the consumer base to other previously unreachable markets and selling the rights to use the brand to another company. Additionally, recognising a well-established brand reduces consumer risk when purchasing a product (DelVecchio & Smith, 2005).

In the process of brand extension, brand assets are licensed in the product categories that are usually distinct from core competencies of the brand owner (licensor), but somehow have a connection to the consumer base. Let us take Ferrari as an example; its core competence is high end, powerful sport vehicles known for its design, luxury and exclusivity. By licensing Ferrari’s name to other product categories, Ferrari intends to transfer its original core competencies to new noncore products. An example of such business proposition would be Ferrari’s merchandise line. Ferrari offers high performance exclusive luxury bicycles, mobile phones, laptop computers as well as clothing and children’s toys (Ferrari Store, 2011). Brand licensing has allowed Ferrari to offer products unrelated to its original core competencies generating income of $1.5 billion in 2008 (Battersby & Grimes, 2010).

Furthermore, brand licensing can be an effective tool for using core competencies in order to create added value and meet new consumer needs. However, this requires a careful extension of the brand’s core competencies without diluting the brand (Gilmour, 2001). Hence, leveraging core competencies through licensing requires creating a product which is differentiated but genuinely relevant. Consider the Calvin Klein brand; apart from its core products such as designer clothing and shoes, the company now licenses its brand into fragrances and eyewear products (Aaker, 1996).

Nonetheless, stretching the brand beyond its core competencies range can be risky. In his book “Brand stretch”, David Taylor argues that one of the biggest and best examples of such a risk is Richard Branson and his Virgin brand (Taylor, 2004). While most of the textbooks portray him and his brand as a flagship of leveraging core competencies, when digging a little bit deeper one may find a different side of the story. Taylor suggests that one of the main reasons why Virgin’s performance was not so great is a misinterpretation of what type of brand Virgin represents and the best way of stretching it (Taylor, 2004).

1.2 Problem discussion

Despite the fact that sale figures of licensed products suggest that licensing improves consumers’ quality perception, there is insignificant systematic research which would investigate consumers’ quality and value perception of licensing. From the academic standpoint, research done on brand licensing is still preliminary (Saqib & Manchanda, 2008). Most of the research focuses on general issues concerning brand extensions. As a result, the subject of brand licensing, which is a form of brand extension, has been overlooked. In order to assess the impact of brand extensions many academics refer to research which measures consumers’ attitudes and quality perceptions of the extended
products and have found that there is a relationship between brand extensions and consumer attitudes (Simonin & Ruth, 1998; Rao, Qu & Rukert, 1999; Voss & Gammoh, 2004). However, there is a distinct lack of research which deals with licensing of brands in fast moving consumer goods sector. That is why, there is a need to fill in the gap within existing research in this sector and determine new implications for companies that are undertaking the strategy of brand licensing.

Despite the fact that brand licensing is less risky than building a brand from scratch, the odds that licensed products will fail are still high. Taylor (2004, p.3) suggests that one of the main reasons of poor performance of licensed products is “brand ego tripping: being too big for your brand boots and underestimating the challenge of creating a truly compelling and credible extension”. Brand ego tripping results in creation of products that are aimed at meeting the internal needs of the business and its management rather than external needs of consumers (Taylor, 2004). Hence, by extending their brand too far, the management of major global brands risk to license their products in the categories which may negatively impact the parent brand. Moreover, if consumers perceive the fit between the parent brand the licensed product as low, leveraging of the parent brand will decrease and there will be a high likelihood of potential negative effects (Czella, 2003).

Consequently, when purchasing a product which is licensed by brands in a new product class, the consumer might feel confused about which associations about the parent brand the licensed product conveys. What is more, the parent brand may carry damaging product class associations to the licensed products (Sunde & Brodie, 1993). Thus, consumers may not be willing to purchase the licensed product due to low perceived quality or lack of perceived fit between the parent brand and the licensed product (Aaker & Keller, 1990).

All of these issues may negatively impact the parent brand and reduce parent brand’s equity. Moreover, the issue of brand licensing within the fast moving consumer goods sector calls upon certain managerial implications which have not been previously pointed out. These implications have a practical importance for companies pursuing the strategy of brand licensing and will help them to better predict the success or failure of the licensing deal.

1.3 Purpose

The purpose of this study is to investigate consumers’ attitude towards licensed products in relation to the parent brand, with respect to perceived quality, likelihood to buy and associations’ transferability.

1.3.1 Clarification of purpose

According to Sattler, Hartmann and Völckner (2003), brand licensing has been extensively used in the food, fashion and apparel industries (cited in Weidmann & Ludewig, 2008). We have decided to focus on non-durable products such as fast moving
consumer goods which are purchased frequently and require a relatively low involvement (Paul, 2006). The product category of chips has been chosen because our target population can relate to chips and has had some previous experience in its purchase and consumption.

A real, well known and high quality parent brand was needed so respondents could produce associations and provide evaluations of brand quality. For the purpose of this study, we have chosen the Pringles brand. The reason for our choice is that this is an internationally recognised brand with high level of awareness among consumers, sold in more than 140 countries with packaging done in 37 languages (P&G, 2011). Pringles brand has not been heavily extended before, unlike other brands in this product category; namely Estrella chips and OLW chips that already produce popcorn, dip mixes, nuts and salted sticks among others (Pringles, 2011; Estrella, 2011; OLW, 2005). Furthermore, we found Pringles to be appropriate for our study because it is a non-Swedish brand. Therefore, we were able to reduce the country of origin bias among the participants, as it has been academically proven that “home” brands tend to get a more favourable evaluation (Maheswaran, 1994).

Our study is focused on the subject of brand licensing and involves a parent brand and licensed products. Therefore, we have made up two hypothetical licensed products. One of the products is related to Pringles core product – chips and the second one is not related. The reason for such approach is that we would like to see whether the category of products would affect the transferability of associations, perceived quality, and likelihood to purchase from a parent brand’s core product - chips onto the licensed products.

Our first licensed product is Pringles dip, which is related to the core product of Pringles brand – chips. In Sweden, dip is commonly viewed as a complimentary product to chips. Swedish brands such as OLW and Estrella have already extended their product line into dip for chips. Therefore, dip was considered as a suitable licensed product related to chips.

The second licensed product is Pringles branded backpack, which is unrelated to the core product of Pringles brand. During the choice of the unrelated product, we almost had limitless options; however, according to literature on brand extensions, the product would still have to be believable in consumer’s mind (Aaker & Keller, 1990). Backpack was deemed distinct from the core product of Pringles, but still something that would be believable. A backpack is also an object that almost everyone has experience of using.

Moreover, the respondents were not provided with any further information regarding the hypothetical products licensed by Pringles. This was because we would like to focus our attention specifically on how the perceived quality of Pringles chips affects the attitude towards the dip and the backpack.
1.4 Research Questions

The following research questions have been formulated to allow us answer the purpose of our study:

1. How will the perceived quality of the parent brand affect perceived quality of the two licensed products?
2. What brand associations will be transferred from the parent brand to the two licensed products?
3. How will the attitude towards the parent brand affect the attitude towards the two licensed products?

1.5 Perspective

This study is conducted from a managerial point of view. The aim is to see to what extend parent brand associations can be transferred to two unrelated licensed products and how perceived quality of the parent brand will affect the perceived quality of the two licensed products. Managerial implications will be given at the end of this thesis.

1.6 Definitions

Some of the most important definitions used throughout this study are included in this subsection to help the reader understand this thesis.

Attitude – “A learned predisposition to respond in a consistently favourable or unfavourable way to some aspect of the individual’s environment” (Burns & Burns, 2008, p.468)

Brand – “is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors” (Kotler & Keller, 2009, p.783).

Brand associations – “all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node” (Kotler & Keller, 2009, p.783).

Brand licensing – “creates contractual arrangements whereby firms can use the names, logos, characters and so forth of other brands to market their own brands for some fixed fee” (Keller, 2008, p.301).

Core competencies – “Core competences is a bundle of skills and technologies that enables a company to provide a particular benefit to customers” (Hamel & Prahalad, 1994, p.219).

Fit – “Fit occurs when the functional values of the core brand can be applied to the new product category” (Bass, 2004, p.33)
Parent brand – “An existing brand that gives birth to a brand extension” (Keller, 2008, p.491).

Product class – “A group of products within the product family that are recognized as having a certain functional coherence” (Koschnick, 1995, p.463).

1.7 Disposition

To help the reader understand how this thesis is structured, a section-by-section illustration is presented in Figure 1-2.

- **Introduction**
  - The reader is introduced to the topic by presenting background, then the problem of the study is presented and finally the purpose and the research questions of the thesis are defined.

- **Theoretical Framework**
  - Relevant overview of the theory needed to fulfill the purpose is presented to the reader. Furthermore, hypotheses are derived from the theory to answer the research questions presented in the introduction.

- **Method**
  - Here the reader will be presented with the choice of method used to fulfill the purpose of the study. The reader is taken through the whole design process, analysis approach is presented as well. At the end, we will review the quality of chosen method.

- **Empirical Findings**
  - In this section the reader is presented with empirical data obtained during the data collection. Then using the statistics described in the method derived earlier hypotheses will be tested.

- **Analysis**
  - In this section the results are the theory presented in the theoretical framework.

- **Conclusions**
  - In this section we will answer the purpose of the study.

- **Discussion**
  - In this last section, managerial implications are going to be presented, using the information learned from the study. We will also critique our study and suggest future areas of research.

Figure 1-2 Thesis disposition.
2 Theoretical Framework

In this section, we will present theories relevant to brand licensing. We will start with explaining the theory of brand, followed by the theory of brand extensions and, subsequently, the brand licensing. Then we will cover the brand equity model and theory on reasons to buy. To conclude the theoretical framework, we will look into the theory of brand fit and attitude. Each section of the theoretical framework will start with an explanation how the chosen theory is related to the study and how it can help us to fulfil our purpose.

2.1 Choice of Theory

The theory presented in this section is mainly based on previous research done by the leaders in the brand management field – David Aaker and Kevin L. Keller as well as other prominent researchers. Because this study is centred on the problem of brand licensing, which is a form of brand extension, it is crucial to first explain the underlying concept of brand and brand extensions. These two theories will help us to better understand how brands create value and what are the possible outcomes of brand licensing. Furthermore, we will present a brand equity model developed by Aaker (1996) which looks into such issues as brand loyalty, brand awareness, perceived quality and brand associations. Likewise, the theory on consumers’ reasons to buy will provide us with understanding of the relationship between perceived quality of the parent brand and consumers’ willingness to purchase a product licensed by this brand. The brand fit model will explain why the match between the parent brand and the licensed product is important and what impact it has on consumer choices. Finally, a theory on attitude is presented so the reader can get a better understanding of consumer reaction towards the three products.

2.2 What is a Brand

“A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

- Jeff Bezos (Hof, 2004).

In order to grasp the concept of brand licensing, it is important to investigate the general concept of a brand. In our study, the brand theory will serve a role of the base for further elaboration. Hence, the overview of the brand theory will help us to understand why brand reputation is so important when implementing a brand licensing strategy.

The concept of brand is not a new one, it has been present for centuries. Brick makers in ancient Egypt used to put symbols on the bricks in order identify their products. The trademarks as we know it now have most likely evolved in the mediaeval times where trade guilds marked their products to assure the consumer that they are purchasing a quality product and give the producer legal protection in the exclusive market. Brand names, though, first appeared in the sixteenth century when whisky distillers started
shipping their goods in wooden barrels with producer’s name being “branded” on the barrel. Such type of branding was done not only to identify the producer but also to prevent the product from being substituted by a cheaper version of liquor (Farquhar, 1990).

Despite the fact that brands have had an important role in commerce for centuries, it was only in the twentieth century when the branding and brand associations became so significant to competition (Aaker, 1991). Over time, the concept of brands has evolved and has been given many different interpretations. According to Kotler and Keller (2009, p.783), “a brand is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors”. Following this definition, Kapferer (1997) suggested another interpretation of a brand which he identified not as a product but rather a meaning, attached to the product which identifies the good. A former CEO of Johnson & Johnson company – James Burke, refers to a brand as a “the capitalized value of trust between a company and its customers” (Quelch & Harding, 1996, p.106).

Hence, the brand communicates all the available information that provides the consumer with a symbolic meaning, a trademark, brand identity and what the brand stands for and what the consumer can expect in quality and value (Milewicz & Herbig, 1994). In turn, brand perception helps the purchaser in the recognition and decision making process. When the consumers are familiar with the brand they can evaluate it in terms of brand’s “personality” and consistency to comply with their needs.

One of the most important aspects of building a strong brand is to have a clear identity (Aaker, 1992). This requires a clear brand positioning in consumers’ mindset. The brand is also a communication tool, which communicates the attributes of a product and creates brand reputation (Aaker, 1992). Aaker (1992) also notes that typically, when given several choices, the consumer is more likely to purchase a brand with a strong reputation. Therefore, famous brands make use of this notion by licensing out their trademark and logo to other companies.

### 2.3 Brand Extensions

Brand licensing in unrelated categories is one of the most common forms of brand extensions (Aaker, 1996). Hence, it is essential in this study to first look at the general theory of brand extension and make a clear distinction between its different forms.

Brand extension is the term used when a company uses an established brand name to introduce a new product (Keller, 2008). Furthermore, Aaker argues that when launching a new product, the strategy of brand extension has been frequently used during the last three decades, as the use of an established strong brand name demands significantly less investments compared to creating a completely new brand. In addition, creation of a new brand has no guarantee for success, even despite heavy investment which makes it even more feasible to extend an existing brand (Aaker, 1991).
The term brand extension describes the different forms of extending a brand. Several definitions can be found in the literature. In order to provide a better structure for our study we have decided to divide different definitions and approaches of brand extension into three subcategories:

### Line Extension

“Existing brand name is used to enter a new market segment in the same product class” (Aaker & Keller, 1990, p.27). An example of line extension would be Coca-Cola extending its Coke to Diet Coke to address the needs of customers who want less calories in their drinks.

### Category Extension

“Applies an existing brand name to a product category that is new to the firm” (Farquhar, 1989, p.30). Virgin Group is a perfect example of this, it consists of a record label, transportation companies and even a telecommunication business (Virgin Group, 2011).

### Co-branding

“Involves two companies combining brands on a single product to enhance appeal and differentiation” (Taylor, 2004, p.97). Aston Martin has previously collaborated with Nokia to create a mobile phone (Aston Martin, 2009).

#### 2.3.1 The concept of brand licensing

As we have previously mentioned, licensing in unrelated categories is one of the most common ways of extending a brand, throughout this study we will refer to the term brand extension as a synonym to the term brand licensing.

Kevin Keller suggests a definition of brand licensing and defines is as a “contractual agreements whereby firms can use the names, logos, characters, and so forth of other brands to market their own brands for some fixed fee” (Keller, 2008, p.301). Keller (2008) writes that brand extensions through licensing have received increased attention during the last couple of decades due to its success. One of the fastest growing types of licensing is the corporate trademark licensing which refers to a brand’s name and logo being licensed to various products in often unrelated product categories (Keller, 2008). Because licensing is a form of external brand extension, companies can extend their brand without having to manufacture the new product (Weidmann & Ludewig, 2008).

Just as with any other type of brand extension, licensing is a cheap and a relatively easy way to enter new product categories (Taylor, 2004). Furthermore, licensing allows the parent brand to take advantage of manufacturer’s expertise. Parent brand also benefits in higher awareness from increased consumer exposure (Taylor, 2004).

However, in the process of licensing, quality control must not be overlooked as the quality has to be consistent across the parent brand and the licensed products. The licensed product must also add some kind of value to the parent brand, and go beyond what is called “logo slapping” (Taylor, 2004).
2.3.2 Possible outcomes of brand extensions

As we have previously discussed, the brand name is one of the most important business assets that can be leveraged when pursuing a growth strategy. However, brand licensing can have different outcomes, both positive and negative. Knowing these outcomes is crucial to this study. With the help of this theory we will be able to analyse the empirical findings in terms of outcomes of brand licensing strategy.

The field of brand extensions, has been well researched since the 1980’s. Many researchers have elaborated the pros and cons of brand extensions. A model developed by Aaker (1991) – “Results of Extending a Brand Name” (Figure 2-1) provides an overview of the advantages and disadvantages of brand extension strategy.

![Figure 2-1 Results of Extending a Brand Name.](Aaker, 1991, p.209)

The Good: What the brand name aids the extension

In this extension outcome possibility, quality and brand associations as well as already established brand name awareness are transferred from the parent brand. Thus, the consumer can base their purchasing decision on the associations of quality and other parent brand attributes even though they might lack information about the specific product (Ostrom & Iacobucci, 1995). Through these transferred associations, positioning of the new product is facilitated (Aaker, 1991).

More Good: The Extension enhances the brand name

The aim of brand extensions is to enhance and add value to the parent brand, however, this is not always the case (Aaker, 1991). By extending the brand name with a product in a new segment, the company can increase awareness of the brand to a larger share of population and to facilitate future purchase of the brand’s core product.
The Bad: The brand fails to help the extension

When a brand name is added to a product in a new product class to add credibility, recognition and quality associations, it may lead to an initial success (Aaker, 1991). However, an extended product can also evoke negative brand association. Some attributes that seem attractive in one product category may be found unattractive in another (Aaker, 1991). Nevertheless, one way of reducing negative associations may be done through collaboration with another brand which possesses suitable associations for the particular product class.

It has been previously found that when a company stretches its brand to an entire new and unrelated segment parent brand associations are less likely to be transferred. Therefore, when a parent company stretches its brand to unrelated product classes, often through a licensing agreement, the consumer tend to rely on the information about the quality of the product provided by the licensee (Aaker, 1991).

The Ugly: The brand name is damaged

Even a successful brand extension strategy can cause damage to the parent brand as a result of negative associations of the new product being transferred back to the parent brand (Aaker, 1991). Damage to the parent brand is done when the associations of new extension tend to be inconsistent with the parent brand. In addition, if the quality level of extended product does not live up to the parent brand’s quality level the brand image is further damaged (Aaker, 1991).

More Ugly: New brand name is forgone

When undertaking a brand extension, the company excludes the opportunity to create a new brand with its own personality which can be a profitable source, however, also more risky (Aaker, 1991).

Hence, a successful brand extension strategy has to be designed with caution and consideration of many aspects. In order to deliver a successful extension there must be a fit between the parent brand and the extension in terms of associations, attributes and overall quality perceptions (Aaker, 1991).
2.4 Brand Equity Model

Brand equity is defined as “a set of assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and or that firm’s customers” (Aaker, 1996, p.7).

In order to understand what kind of impact the parent brand can have on its licensed products, we are going to use the Brand Equity Model developed by David Aaker (Aaker, 1996). Brand equity consists of four main asset categories (Figure 2-2).

However, in our study we deliberately focus on only three assets categories which are the most relevant to our study, namely, brand awareness, perceived quality and brand associations. The reason for excluding brand loyalty is that we are not looking into repurchase behaviour. The three categories are important for answering the first and second research questions; How will the perceived quality of the parent brand affect perceived quality of the two licensed products? What brand associations will be transferred from the parent brand to the two licensed products?

![Brand Equity Model](image)

Figure 2-2 Brand Equity Model.

2.4.1 Brand awareness

Brand awareness is directly linked to brand associations – the more a consumer is brand aware the more brand associations will be present (Aaker, 1996). Brand awareness looks if a brand is present in consumer’s mind and how aware the consumer is to that particular brand (Aaker, 1996). According to Aaker (1996) there are different brand awareness levels:

- Brand Recognition – have you come across this brand before?

  The more consumers have been previously exposed to a brand the higher their recall level would be (Aaker, 1996). This is the broadest level of brand awareness. Here, the most important attributes of brand awareness are why
the brand differs from the competitors and what product class the brand represents (Aaker, 1996).

- **Brand Recall** – what brands from a particular product class can you recall?
  This type of awareness looks at the brands that are being recalled within a product category. Some brands are recognised, but not considered when it actually comes to the purchase (Aaker, 1996).

- **Top of mind brand** – the first brand remembered.
  A very desirable position of brand awareness. This is the first brand that comes in mind of a consumer shopping for a product (Aaker, 1996).

- **Dominant Brand** – the only brand remembered.
  When only brand within a product class is mentioned (Aaker, 1996).

Furthermore, from the economic point of view, spending money in order to make consumers more brand aware tends to have a positive effect on sales (Aaker, 1996). When consumers see a particular brand appearing on more than one occasion they realise that money is being spent on support of the brand; this commitment from the company can signal positive attributes of the product, thus, reducing consumer purchasing risk (Aaker, 1996).

### 2.4.2 Perceived quality

According to Aaker (1991), perceived quality can be defined as “the consumer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives” (Aaker, 1991, p.85).

In a study on consumer perceptions, Valerie Zeithaml defines perceived quality as “a global assessment of a consumer's judgment about the superiority or excellence of a product” (Zeithaml, 1988, p.22). After reviewing a set of articles, the author concludes that on the abstraction scale, perceived quality is put higher than any other attributes of a product (Zeithaml, 1988).

In his study, Aaker (1991), points out that perceived quality primarily represents consumer perception, therefore, it is not necessarily objectively determined. This happens partially because it involves judgments about what is important for the consumers involved in this process. An evaluation of the washing machines by an expert from the Consumer Report magazine may be considered completely unbiased and competent but an expert has to make certain judgments about such factors, as relative importance of product’s features and that do not necessarily match the features evaluated by the consumer (Aaker, 1991). In any case, consumers are very heterogeneous and their personalities, tastes, needs and preferences differ considerably (Aaker, 1991).

Another article by Gale and Buzzell (1989), further explains that during the buying process, perceived and actual qualities are equally important. Perceived quality does not
always convey the information if one product is actually better or worse than the other; it rather shows that consumers think that this product is better or worse than the comparable product. The authors also point out that high perceived quality enables companies to charge a higher price on a range of products under the same brand (Gale & Buzzell, 1989).

However, as Aaker (1991) notes, perceived quality is different from satisfaction. One of the reasons why the consumer may feel satisfied is due to low expectations about the performance of the product. Therefore, consumers’ high quality perception does not directly correspond to their low expectations. Likewise, high quality perception is different from the attitude; a positive attitude may be formed because a high quality product is relatively cheap. On a contrary, the consumer may have a negative attitude toward a high quality product which is overpriced (Aaker, 1991).

In the context of brand licensing, the impact of perceived quality of the product on attitude towards the licensed product tends to be positive (Aaker & Keller, 1990). In case a specific brand has a high perceived quality association, the licensed product will undoubtedly benefit from this; on contrary, if the brand is associated with low quality, the extension of this brand will most likely suffer (Aaker & Keller, 1990). Guided by this notion, we can construct research hypotheses to help answer research question two, which investigates how perceived quality of the parent brand will affect the evaluation of perceived quality of the two licensed products. A hypothesis is a stated statement that either can be approved or disapproved (Zikmund & Babin, 2010). As the theory states, the licensed products are likely to have the high quality of the parent brand transferred to them, so the hypotheses can be stated as follows:

\[ H_1 = \text{Perceived quality of Pringles chips is positively related to perceived quality of Pringles dip.} \]

\[ H_2 = \text{Perceived quality of Pringles chips is positively related to perceived quality of Pringles backpack.} \]

### 2.4.3 Brand associations

According to Aaker (1991), anything that is linked in memory to a brand is an association with that brand. It can be an image, logo, a jingle or any other subject. Furthermore, associations differ in strengths; the more consumers are exposed to these associations the more likely they are going to be associated with that particular brand. When implementing their marketing strategy, brand marketers hope that their brand would carry some strong positive associations. These associations can serve as differentiation points to deter the brand from competitors’ products. Aaker (1991) argues that positive associations can be supportive as they are transferred to the licensed products.

Brand image is another concept described by David Aaker and consists of a set of associations for a particular brand (Aaker, 1991). The associations are grouped together
and represent different aspects of a brand. For example, it could be a group of associations regarding the quality of a certain product or what type of a brand it represents. Sometimes brands can be associated with a whole product range (Aaker, 1991).

Furthermore, in his later book, Aaker defines the concept of brand identity used for managing the associations of a brand. This is the identity of how the marketers want the brand to be perceived and the associations formed with a particular brand (Aaker, 1996).

From managerial standpoint, brand associations are a part of brand identity and reflect how the company wants the brand to be perceived in consumer’s mind. Hence, brand associations can be altered or new ones added to consumers’ minds (Aaker, 1996). This theory is important to us, as it will assist us to answer our second research question, which looks at parent brand associations’ transferability.

2.5 Reason to Buy

The theory on reason to buy, as a part of the model of Value of Perceived Quality is of a particular interest to us (Figure 2-3). We have deliberately eliminated other elements of this model since they either repeat what has already been covered previously or not relevant to the study. Hence, the theory on reason to buy will help us to explain why consumers make certain purchasing choices when it comes to licensed products.

The model of *Value of Perceived Quality* indicates several contributors to perceived quality. For the purpose of our study, we are going to focus on only one of them - reason to buy. Aaker (1991) points out that perceived quality of the brand is one of the prior reasons to buy, thus, influencing the set of brands considered to be purchased.

![Figure 2-3 Value of Perceived Quality Model. (Aaker, 1996, p.9).](image-url)
According to Aaker (1991) the majority of consumers do not have all the necessary information prior to purchase then the perceived quality becomes the reason to buy.

In general, consumers seek to reduce the costs and time of information gathering and reduce the perceived risk when making a purchase decision (Erdem & Swait, 1998). According to the authors, the intensity of this information gathering process will depend on the product class and its characteristics. When consumers lack the information required about a specific product they tend to rely on the perceived quality of the brand (Erdem & Swait, 1998). The perceived quality is based on previous experience of the brand and the brand signals communicated by the company. However, the brand signals which are communicated must be clearly perceived and appear credible to enhance the perceived quality (Erdem & Swait, 1998).

As for the perceived risk, as Ostrom and Iacobucci (1995) point out, consumers consider a familiar brand to be more reliable than an unfamiliar brand. The consumers believe that an established brand is less likely to communicate false marketing messages than an unknown brand. Therefore, consumers tend to buy a product by well-known brands since it carries less risk. This implies that companies can charge a premium price for well-known brands with high perceived quality (Ostrom & Iacobucci, 1995).

2.6 Brand Fit

Brand fit is an important element of this study, it will help us to explain why the match between the parent brand and the licensed product is important and what kind of effect it has on consumers.

In order to better understand the development of consumers’ evaluation of brand licensing, academic researchers have implemented the “categorization” approach (Keller, 2008). Categorization approach looks at the consumers’ evaluation of brand licensing as a two-step process. First, consumers examine if there is a match between their previous knowledge about the parent brand and what they believe to be true about the licensed product. Secondly, if this match is strong enough they might transfer their existing attitudes about the parent brand onto the licensed product (Keller, 2008).

Hence, any type of association that is present in consumers’ memory can serve as a basis of fit. According to Keller (2008), most of researchers in the field of brand management adopt the belief that consumers’ judgement of similarity is a relationship between shared associations between the parent brand and the product category that is being licensed. In particular, the more common and fewer associations exist, the greater will be the perception of overall similarity, whether it is based on product or non-product related attributes and benefits (McInnis, Nakamoto, & Mani, 1992). In order to demonstrate how fit does not necessarily need to be based on product related associations Park, Milberg and Lawson (1991) had differentiated between “product feature similarity” and “brand concept consistency”. These researchers describe brand concepts as “brand unique image associations” that arise as a particular combination of
attributes, benefits, and the marketing efforts used to translate these attributes into higher order meanings, such as high status.

Brand concept consistency mainly measures how well the extended product is accommodated within the concept of the brand. Park et al. (1991) also distinguish between functional oriented brands and prestige oriented brands and conclude that when the prestige, for example, becomes the basis of fit a brand has much more potential for extension than if it is based on other attributes, such as functionality.

Aaker and Keller (1990) found two types of relationships between product classes which were related to the acceptance of extension concepts: transferability of skills, assets and complementarity. The former implies that the brand is believed to have necessary skills and assets which are needed in order to make an extension. The latter refers to situation when the company not only has an expertise and knowledge in producing one type of product, but also in producing products in the a different category which is complementary and has a close association with the parent brand.

In another study, Broniarczyk and Alba (1994) showed that a perceived lack of fit between the parent brand’s product category and the extended product category could be compensated if most important parent brand associations were salient and relevant to the extended product category (Broniarczyk & Alba, 1994). Bijmolt, DeSarbo, Pieters, and Wedel (1998) conclude that fit represents more than just a set of characteristic or mutual brand associations between the parent brand and the licensed product category. Researchers point out the importance of taking a wider approach on categorisation and fit. For instance, Bridges, Keller and Sood (2000) discuss the concept of “category coherence”. According to the authors, the members of coherent categories must “hang together” and “make sense”.

Furthermore, fit can be based on the functional attributes related to the brand functionality, as well as on intangible attributes that relate to the prestige of the product (Aaker, 1991). In their study Park et al. (1991), found that when prestige, for example, becomes the basis of fit a brand has much more potential for extension or licensing than if it is based on other attributes, such as functionality.

Muthukrishnan and Weitz (1990) demonstrated that knowledgeable consumers are more inclined to use technical and manufacturing features to evaluate fit, in particular, consumers will consider similarities in terms of technology, design and materials used in the manufacturing process. Specifically, their study experimentally demonstrated that less knowledgeable consumers are more prone to using “superficial” and “perceptual” considerations, namely, size, colour, shape and usage when considering fit between the parent brand and the licensed product (Muthukrishnan & Weitz, 1990).

2.7 Attitude towards brands and products

The third research question deals with attitude towards products used in this study – chips, dip and backpack. In order to be able to answer it, we must first look into the
concept of attitude. According to Burns and Burns (2008, p. 468) attitude is “A learned predisposition to respond in a consistently favourable or unfavourable way to some aspect of the individual’s environment.” To put it simply, attitude is an opinion that forms either a positive or a negative point of view towards an object. According to the authors, three components comprise attitudes:

1. The belief – this component is concerned with what a person believes (Burns & Burns, 2008). A person might believe that Pringles is expensive or low quality; however, these beliefs do not have to be true, they can be false as well. These beliefs come from our personal experience, learning conditioning, expectation (Burns & Burns, 2008).

2. The affective component – this component deals with emotions, more notably, positive or negative feeling about a belief (Burns & Burns, 2008). For example, a consumer saying that they hate Pringles. The authors add that the evaluation of a belief can also change accordingly to the mood, meaning that under one circumstance, something would be considered good and bad under another one. Coffee is an example of this, such as you would not want to take it before going to bed, but if you believe it will keep you alert, you will take it during exam periods (Burns & Burns, 2008).

3. The behavioural component – deals with tendency of behaving in a certain way under certain conditions. For example, a consumer might drink “Heineken” beer at a nightclub to seem more sophisticated, but drink cheap “Kung” brand beer at home when no one is around.

Because, attitudes are based on self-report from a consumer, we are not going to be asking consumers directly what is their attitude towards Pringles products, as this would not provide us with reliable or valid results (Burns & Burns, 2008). We will ask it indirectly instead, two variables will be used to calculate the attitude towards a licensed product (Figure 2-4). According to Burns and Burns (2008), consumers with a positive attitude are more likely to buy that product. Additionally, perceived quality is also a belief towards a product, we think that the combination of the two will provide us with a good measure of attitude. To be able to find the respondent’s attitude towards Pringles products we would multiple the perceived quality of the product by the likelihood of trying that product to give us a more accurate attitude towards each product.

\[
\text{Attitude towards Pringles licensed dip} = \text{Perceived dip quality} \times \text{likelihood of buying the dip}
\]

Figure 2-4 Licensed product attitude.

Using this and previously described theory, we can now derive research hypotheses to help us answer the third research question, which deals with attitude towards licensed products:
H₃ = Attitude towards chips is positively related to attitude towards the licensed dip.

H₄ = Attitude towards chips is positively related to attitude towards the licensed backpack.

To conclude, attitudes are very significant to companies because consumers who have positive attitudes towards brands, products or companies are more likely to actually purchase it. Companies spend vast amounts of money to reinforce or change people’s attitudes towards a brand because it has direct influence on their purchasing decisions (Burns & Burns, 2008).

2.8 Summary of theory

The reviewed research in the field of brand management emphasises the strategic importance of brands and branding in general. One of the leading experts in brand management, David Aaker suggests that one of the most important aspects of building a strong brand is to have a clear identity (Aaker, 1992).

When brands decide to leverage their core competencies and extend their brand into new categories they implement the strategy of brand extension. Brand extension is a term referring to a company that uses an established brand name to introduce a new product (Keller, 2008). There are different forms of brand extensions, namely, line extension, category extension and co-branding. Brand licensing is a form of category extension and is used when an independent manufacturer takes advantage of a reputable, well-known brand to introduce its product to the market (Saqib & Manchanda, 2008). Just as with any other type of brand extensions, licensing is a cheap and a relatively easy way to enter new product categories (Taylor, 2004). However, brand licensing can have different outcomes, both positive and negative. Knowing about these outcomes is crucial for deriving managerial implications of brand licensing and predicting the potential success or failure of licensed products.

Brand equity model, developed by Aaker (1996), refers to impact the parent brand can have on its licensed products. In this study, we look at its three elements, in particular, brand awareness, perceived quality and brand associations. Brand awareness looks if the parent brand is present in consumers’ mind and how aware consumers are of that particular brand (Aaker, 1996). Perceived quality represents consumers’ evaluations of both parent brand and licensed product and refers to consumers’ judgements about the excellence of the product (Zeithaml, 1988). Brand associations represent anything that is linked in memory to a brand and can be anything from an image to logo or a jingle (Aaker, 1991). Aaker suggests that positive associations can be supportive in the process of brand licensing as some of these associations are transferred from the parent brand to the licensed product (Aaker, 1991).

The theory on reason to buy is linked to perceived quality and explains why consumers make certain purchasing choices when it comes to licensed products. Furthermore,
brand fit theory elaborates on importance of the match between the parent brand and the licensed product and what kind of effect it has on consumers. If there is a strong brand fit between the parent brand and the licensed product, consumers are likely to transfer their existing attitudes about the parent brand to the licensed product (Keller, 2008). Finally, theory on attitudes helps to further understand what consumers think about a particular product and how it can affect the licensing deal. Knowledge about existing attitudes is very important to firms since consumers who have positive attitudes towards licensed products are more likely to actually purchase them (Burns & Burns, 2008).
3 Method

The aim of this study is to analyse consumers’ attitudes towards two hypothetical products licensed by Pringles. We have employed quantitative approach and in this section we will present and discuss how the data collection design was determined. Questionnaire implementation, analyses techniques and quality of the chosen method will also be presented to the reader.

3.1 Quantitative Approach

Whilst conducting empirical research there are two possible research methods – quantitative and qualitative (Saunders, Lewis, & Thornhill, 2009). The underlying difference between the two types is that the quantitative approach focuses on obtaining a large sample that is then further analysed using statistical methods. On the contrary, qualitative approach enables the researcher to get a better understanding of the situation or a problem and is more descriptive in nature (Malhotra, 2004).

To illustrate this, one can use McGrath, Martin, and Kukla (1982) parable, which states that quantitative research is a picture with the bird’s eye of view, meanwhile the qualitative research shows all the details of the picture. A third way to differentiate between the two techniques is to refer to the quantitative approach as a synonym for data analysis that produces numerical data. Alternatively, qualitative techniques produce non-numerical data (Saunders et al., 2009).

Whether the quantitative or the qualitative method is the superior one has been previously discussed in the literature (Malhotra, 2004; Zikmund & Babin, 2010). According to Zikmund and Babin (2010), both methods have their advantages, but what is the most important is to match the right approach to the right research context. The qualitative approach is appropriate when the aim is to understand and describe consumers underlying reasons and motivations, meanwhile the quantitative approach seeks to quantify data (Malhotra, 2004). Furthermore, the qualitative approach is considered more subjective since the researchers are highly involved in the process (Zikmund & Babin, 2010). The quantitative approach is found to be more objective since the respondents provide the answers and the researchers are uninvolved (Zikmund & Babin, 2010).

The purpose of this study is to investigate consumer’s attitude towards licensed products in relation to the parent brand, with respect to perceived quality, likelihood to buy and associations’ transferability. Accordingly, the quantitative technique is appropriate to answer the purpose of this study as the aim is to describe existing attitudes and do not go into detail why these attitudes exist. The numerical nature of the technique allows for hypotheses testing and enables clear illustration of relationships in the form of charts, diagrams and statistics (Zikmund & Babin, 2010). The mentioned tools allow to discover relationships and trends within the data collected (Saunders et al., 2009).
3.2 The research “onion”

During the design of our research, we have used the “onion” approach developed by Saunders et al. (2009). The research onion categorises possible approaches, strategies and techniques available to conduct research. According to the approach, the researchers start with selecting a broad research approach and then further “peel” the other layers to design the data collection.

We will present the research approach and the research strategy used to fulfil the purpose followed by the time horizon as well as the data collection method. Furthermore, we will describe our choice of sample, approaches used during the analyses of empirical data and, finally, study’s method quality will be discussed.

3.3 Research Approach

When conducting research, there are two fundamental approaches that can be used to gather data – deductive and inductive approaches (Burns & Burns, 2008; Saunders et al., 2009). The main difference between the two is that the inductive approach works through building a theory and the deductive approach focuses on testing a theory or hypotheses (Saunders et al., 2009). When the inductive approach is used, the theory follows data unlike with the deductive approach (Burns & Burns, 2008). Our aim was to test hypotheses, hence, deductive approach was more relevant to fulfil the purpose of our study. In our study we tested if certain relationships between two licensed products and the parent brand would hold. As such, the deductive approach aims to find underlying relationships between variables. When employing the deductive approach, the researcher stays independent and objectively collects data using structured methodology (Saunders et al., 2009). This allows other researchers to replicate the study and increases study’s generalizability.

3.4 Research Strategy

“Surveys gather information to assess consumer knowledge and awareness of products, brands, or issues and to measure consumer attitudes and feelings”

(Zikmund & Babin, 2010, p.146)

We have used questionnaires to collect the results for our study. When gathering information, one can also use field studies, observations, interviews and focus groups (Saunders et al., 2009). Questionnaires helped us to answer the stated research questions as questionnaires are used to identify what people believe, attitudes towards variables and finding relationships between variables (Zikmund & Babin, 2010).

According to Zikmund and Babin (2010), there are two approaches to administering questionnaires – interactive or non-interactive approaches. The main difference between the two is that interactive approach allows for instant two way interaction. Self-administered questionnaires were used to collect the data. In a traditional sense, self-administered questionnaires use non-interactive approach, however, the researchers
were present when respondents answered the questionnaires and the respondents were explicitly told that they could ask for any clarifications they need.

When participants answer using self-administered questionnaires they are themselves responsible for reading and answering the questions (Zikmund & Babin, 2010). The main reason for using self-administered questionnaires is that it allowed us to give out several questionnaires at the same time, thus saving time. Alternatively, we could have administered the questionnaires through a personal interview, by asking the questions and then writing the answers. This does have the advantage of face to face exchange resulting in more effective communication (Zikmund & Babin, 2010). If the interviewer feels that the respondent does not fully understand the question, clarification can be provided. Moreover, clarification from the respondent can be asked if the answer is too vague, this is known as probing (Easterby-Smith, Thorpe, Jackson, & Lowe, 2008). However, there are some limitations to this way of administering questionnaires. Interviewer bias is one of the biggest disadvantages of personal interviews (Zikmund & Babin, 2010). Different interviewer techniques, age and even gender can have adverse effects on the answers (Zikmund & Babin, 2010). Conducting questionnaires using interviews are also more time consuming and do not allow to conduct it with more than one participant at a time. For the mentioned above reasons this method was deemed as not feasible for our study.

In general, questionnaires are a practical way of collecting data, as it is quick, easy and not as expensive as other methods of data collection (Zikmund & Babin, 2010). The data is standardised which allows for comparison between cases. Further, statistics can be used to analyse the data. However, no single method is perfectly suited for conducting any particular research. When collecting data with questionnaires, one of the biggest drawbacks is that respondents may not be willing to provide information, resulting in a low response rate (Malhotra, 2004).

### 3.4.1 Rejected data collection methods

Before moving on to the specific questionnaire design, we would like to specify why other data collection methods were decided not to be feasible options.

We have considered using focus groups to collect data needed to answer the purpose. However, in addition to this method being qualitative, there were several other reasons why this method was rejected. The main limitation of using focus groups is that it requires objective and well-trained moderators (Zikmund & Babin, 2010). If more than one moderator is used, then they have to perform the task equally across different groups. Because we were not trained in conducting focus groups, there was a high chance that it would not produce unbiased and valid responses. Moreover, focus groups are very difficult to moderate (Malhotra, 2004). Some focus group participants may dominate the session by giving their opinions and suppressing others (Zikmund & Babin, 2010). Finally, the costs were also considered, as the respondents would have to be compensated for their time.
Interviews were also considered as a way of collecting data to answer the study’s purpose. In depth interviews are considered an alternative to focus groups (Zikmund & Babin, 2010). Once again, the interviewer’s skill and training is vital to properly conducting interviews. The interviewer must not affect the respondent’s answers. Interviews have very similar limitations and disadvantages to focus groups (Malhotra, 2004). In addition, the data gathered is difficult and very time consuming to analyse.

### 3.4.2 Questionnaire structure

Questions can be designed to be either structured or unstructured (Malhotra, 2004). Our questionnaire is designed using both types and open ended questions, noncomparative scales – namely, the Likert scale and list type questions. The questionnaire was designed to only collect data that is required to answer the purpose. Open-ended questions allowed the respondents to list the associations towards Pringles and two hypothetical, licensed products using their own. This is an example of an unstructured question (Malhotra, 2004). Such type of questions produces more valid results, because the respondents are not forced to choose one of our predetermined answers (Malhotra, 2004). Furthermore, when using open-ended questions, cultural bias is reduced. This is because researchers may have different cultural opinions and provide selectable answers that are not representative of respondents’ true feelings (Kumar, 2000). List question is an example of a structured question, it offers respondents a pre-determined answer (Saunders et al., 2009). This type of questions was used to answer respondents’ age, gender and country of origin.

Noncomparative scale questions were used to measure respondents’ attitude towards the three products by evaluating one subject at a time (Malhotra, 2004). This was done using the Likert scale, when the respondents were provided with a statement, followed by five response options, indicating their level of approval of the sentence (DeVellis, 2003). DeVellis (2003) states that Likert scale is commonly used to measure attitudes and beliefs. One of the biggest advantages of using Likert scale is that the answers are not based on subjective opinions and the Likert scale provides the respondents with a homogenous scale (Burns & Burns, 2008). The respondents find it easy to understand Likert scale questions and it is one of the most common scales used in marketing research (Zikmund & Babin, 2010). According to DeVellis (2003), Likert scale can contain either odd or even number of responses. We have used a five point Likert scale; this is one of the most common ranges used by researchers (Burns & Burns, 2008; Zikmund & Babin, 2010).

Moreover, having fewer possible replies to a question, such as five, reduces the complexity of a question, which is particularly important in self-administered questionnaires, as they have to be easy and encouraging to answer to increase the response rate (Zikmund & Babin, 2010). The use of this range also allowed the respondents to stay somewhat neutral by choosing the middle option (DeVellis, 2003). When expressing a negative attitude respondents could choose either option one or two and provide a positive reaction by choosing four or five. We have also followed
guidelines by DeVellis (2003) who recommends wording the response options with equal distance between them, so this equality is apparent to respondents.

A total of 13 questions were asked, Table 3-1 represents these questions, what information was gathered from each question and what theory was used to analyse it. Wording the questions is one of the most critical parts of designing a questionnaire (Malhotra, 2004). The wording of the questions was carefully chosen to produce simple, not leading and unbiased questions. It was particular important to have the respondents understand the question in the same way as we do, to produce valid and reliable results (Zikmund & Babin, 2010). We have used techniques presented by Oppenheim (1992) to achieve clear and easy to understand questions: long, complex questions were avoided, no questions with double meaning were included and no leading questions were asked. According to these techniques, emotion and double meaning words should not be used in the wording of questions (Oppenheim, 1992).

Table 3-1 Questionnaire outline

<table>
<thead>
<tr>
<th>Nr</th>
<th>Question</th>
<th>Information gained</th>
<th>Theory used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demographics questions</td>
<td>Sample Characteristics</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>What is your age?</td>
<td>Respondents age</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>What is your gender?</td>
<td>Respondents sex</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>What country do you come from?</td>
<td>Country of origin of our respondents</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Pringles chips section</td>
<td>Chips information</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I believe the quality of Pringles chips to be</td>
<td>Respondent’s perceived quality of Pringles chips</td>
<td>Brand Equity - Perceived Quality</td>
</tr>
<tr>
<td>5</td>
<td>My level of awareness of Pringles brand is</td>
<td>Actual level of awareness of Pringles chips</td>
<td>Brand Equity - Brand Awareness</td>
</tr>
<tr>
<td>6</td>
<td>List at least five things that come to your mind when you think about Pringles chips:</td>
<td>Associations when think about Pringles chips. Will be used to compare with associations for licensed products</td>
<td>Brand Equity - Brand Associations</td>
</tr>
<tr>
<td>7</td>
<td>I am likely to buy Pringles chips</td>
<td>Actual purchase of Pringles chips</td>
<td>Reason to buy</td>
</tr>
<tr>
<td></td>
<td>Product one – Pringles dip</td>
<td>Information about the dip</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I believe that the quality of Pringles brand dip would be</td>
<td>Perceived quality of the dip</td>
<td>Brand Equity - Perceived Quality and Brand fit</td>
</tr>
<tr>
<td>9</td>
<td>List at least five things that come to your mind when you think about Pringles brand dip</td>
<td>Provides associations with the first hypothetical product</td>
<td>Brand Equity - Brand Associations and Brand fit</td>
</tr>
<tr>
<td>10</td>
<td>I am likely to buy the Pringles brand dip</td>
<td>How likely to actually purchase the dip</td>
<td>Reason to buy and Brand fit</td>
</tr>
<tr>
<td></td>
<td>Product two – Pringles backpack</td>
<td>Information about the backpack</td>
<td></td>
</tr>
</tbody>
</table>
Brand licensing – Once you pop, you can’t stop

I believe that the quality of Pringles brand backpack would be

Perceived quality of the backpack

Brand Equity - Perceived Quality and Brand fit

List at least five things that come to your mind when you think about Pringles brand backpack

Provides associations with the second hypothetical product

Brand Equity - Brand Associations and Brand fit

I am likely to buy the Pringles brand backpack

How likely the respondents to actually purchase the backpack

Reason to buy and Brand fit

3.4.3 Questionnaire administration

The questionnaires have been administered in person and over the internet using “Google Docs”. All respondents were briefed prior to filling in the questionnaire by means of a cover letter (Appendix A). It informed the respondents that all of the answers will be treated confidentially and that the data was being collected for a bachelor thesis. Previous research has shown that a cover letter can persuade the respondent to answer the survey (Saunders et al., 2009; Zikmund & Babin, 2010). Therefore, it was deemed important to have an individual cover letter. During the administration of questionnaires, we had followed ethical guidelines developed by Saunders et al. (2009). In particular, privacy of all participants was respected by making the questionnaire anonymous. All of the participants volunteered to answer with no compensation provided and were told that they can withdraw from answering at any time. Once the data from the questionnaires was transferred to SPSS, the forms were destroyed.

3.4.4 Questionnaire layout

The questionnaire was clearly divided into four sections: demographics, Pringles chips, Pringles dip and Pringles backpack. The last three sections were almost identical, except to the referral to the product. This was done to ensure the consistency of data collection.

Because self-administered questionnaires were used to gather data, it was particularly important to make the questionnaire look appealing and not long. Shorter questionnaires increase the number of replies and the dropout rate (Saunders et al., 2009). Grammar was carefully checked prior to administration for professionalism. The questionnaire was distributed on one A4 size page and all thirteen questions fit on one side (Appendix A). To reduce costs, the questionnaire was designed and printed in black and white. In order to increase readability and make the answers section stand out, questionnaires had grey shading. Using the introductory text, the participants were told that they would have to tick the most appropriate answer in the boxes provided.
“Page-by-page” layout was used for the questionnaire administered over the internet using “Google Docs”, each section was presented on a separate page. This significantly increases the skip patterns and the dropout rate (Zikmund & Babin, 2010). Moreover, the participants were required to answer every question, before they could proceed to the next page as every question is vital to answer the purpose of the study. The questions included in the online version of the questionnaire were identical to those distributed on campus. In both versions, the questions were grouped in sections described above.

3.4.5 Questionnaire translation

The questionnaire was originally written in English. However, as we conducted our research on a Swedish sample, not all individuals possess a very high proficiency in the English language. Therefore, it was important to provide a Swedish version of the questionnaire. The main reason for Swedish translation was to help the respondents understand the questions and avoid errors because of language misinterpretation (Saunders et al., 2009).

As a result, the questionnaire had to be translated and it was particular important to assure the questionnaire had the same meaning to all respondents so it could be answered as intended (Saunders et al., 2009). According to Usunier (1998), four factors require special attention when translating a questionnaire:

- Lexicon meaning – The exact meaning of individual words may differ between languages.
- Idiomatic – Group of words that has a meaning to the native speaker but does not make sense as individual words.
- Experiential meaning – The meaning of words and sentences may make sense to the respondent in one context but may not have an equivalent meaning in another context.
- Grammar and syntax – Grammar and order of words can be significantly different in different languages.

Usunier (1998) describes a further four specific techniques of translating a questionnaire:

- Direct translation – One person undertakes the translation. Easy and inexpensive to implement but has a high possibility for errors.
- Back-translation – The original questionnaire is translated which is then followed by a back-translation to the original language. A comparison between the two is made and any errors detected.
- Parallel translation – Two or more people independently translate the questionnaire and then the versions are compared to create the final version.
- Mixed techniques – A back-translation performed by two or more independent translators where the versions are compared and combined into the final version.
The direct translation method was excluded because of its high possibility of error. Moreover, mixed and back-translation require more than two native speakers in each language and therefore were excluded. Due to the limited resources, combined with our aim to minimize possible errors during the translation the parallel translation technique was chosen. Two independent native Swedish speakers translated the original English questionnaire into Swedish. The two versions were then compared and combined; this has resulted in the final Swedish version that was distributed in person as well as through “Google Docs” (Appendix A).

3.4.6 Pilot study

In order to see how well the questionnaire was designed and eliminate possible design problems, a pilot study was done prior to the actual research, this is also known as pretesting (Malhotra, 2004; Zikmund & Babin, 2010). It was important to conduct a pilot study because during this phase all aspects of the questionnaire were tested, including the wording, instructions to respondents, the difficulty of understanding the questionnaire and the appropriateness of the Likert scale. This reduced the risk of making the study flawed and ensured that we measured what we intended to measure (Zikmund & Babin, 2010). To increase validity and reliability of the pre-test, the respondents were drawn from the same target population as for the final questionnaire (Burns & Burns, 2008).

Five respondents were given the questionnaires and then asked to give feedback on the questions as they answered them, this is known as protocol analysis (Malhotra, 2004). This allowed us to understand how the respondents understand the questionnaire and if some aspects appear to be unclear. If the feedback was asked at the end of the questionnaire, some participants could forget some of the issues they have encountered. During the pre-test, we found that it was hard for the participants to come up with associations. By including “At least five”, we were able to give respondents an opportunity to think more about the associations they have with Pringles chips and two hypothetical licensed products.

3.5 Time Horizon

According to Saunders et al. (2009) when conducting research there are two possible time horizons – cross sectional or longitudinal studies. The main difference between the two designs is the length of time of data collection. Longitudinal studies record several snapshots of data over a longer period. We have implemented a cross sectional design which collects information from the sample only once (Malhotra, 2004). The reason for choosing cross sectional design is the limited timeframe available to us. Moreover, longitudinal studies aim to track changes in respondents answers (Burns & Burns, 2008). Because we are not looking to track changes in behaviour longitudinal research design was eliminated and cross sectional design picked as suitable for answering the purpose of our study.
The data collection took place in April 2011, specifically during weeks 15 and 16. Three researchers stood separately to each other along the Jönköping University campus – the library, all four schools and the student house were covered by the researchers during the data collection. During the two week period, an online survey was also available through “Google Docs”. Data collection on campus took place between the hours of 09:00 and 14:00 when many students are present on campus. The researchers were not present on campus during the weekends due to relatively small amount of students present during that time. It took around five minutes for the respondents to fill in the questionnaire and there were very few requests for help from the respondents.

3.6 Data Collection Methods

In the following subsection, we will introduce the sample selection method, the coding procedure as well as how we edited the questionnaire results to exclude ineligible cases.

3.6.1 Sample

It would take a lot of time and resources to obtain information from the census of Sweden on their opinion of brand licensing. Instead, a population of subjects who share certain criteria was determined from which the sample was picked. Sample is defined as a subgroup of target population used to obtain data for a study (Malhotra, 2004). Sampling allows generalising of the findings to the rest of the target population, as long as the sample used is representative (Burns & Burns, 2008).

Target population is defined as objects that hold the desired information that the researcher is looking for (Malhotra, 2004). The target population used of this study is young people aged 18-25 of Swedish origin. Using the characteristics of our target population, we collected data from a sample of people on campus of Jönköping University (Figure 3-1).

![Sample representation](image)

Figure 3-1 Sample representation.
According to researchers, there are two fundamental approaches to sampling – probability sampling or non-probability sampling (Saunders et al., 2009; Malhotra, 2004). Probability sampling refers to sampling based on statistical information. On contrary, non-probability sampling is performed when statistical data is not required to pick the sample (Saunders et al., 2009). Due to the lack of resources available to us, we have chosen non-probability sampling. By using this technique, we could consciously select the participants for our study. However, there are drawbacks of non-probability sampling. One of them is when participants are selected for the sample, the results cannot be statistically predicted for the rest of the population (Saunders et al., 2009).

Due to the lack of resources, we had adopted convenience sampling. This is when respondents are picked in a way that is the most accessible for the researchers (Saunders et al., 2009). We have let our fellow students know that we are researching brand licensing and needed their participation. The ones who have replied were able to fill in the survey, either electronically or on paper. This sampling method was relevant to our study because we wanted to observe a homogeneous group for more accurate and comparable results. This type of sampling does have several drawbacks, such as due to its nature, the sample’s representation is low (Malhotra, 2004). For example, we cannot generalise the results of our study to other countries or even cities in Sweden as our choice of sample is unique to Jönköping University. However, our study can serve as an important starting point for other researchers using a more structured sample (Saunders et al., 2009). Administering surveys personally allowed to have high control over the sample, this was particularly important for the reliability of our study (Malhotra, 2004).

Jönköping University campus was deemed a good place to access the target population as the median age of Business School students is 22.7 years and within our target range of 18-25 (JIBS, 2010). Statistics for three other schools were not publically available, so for the purpose of this study we have taken the median age of JIBS as representative for all four schools.

3.6.2 Coding

Before data could be analysed using a software package, it first had to be coded using numbers. This subsection will explain how the coding procedure was done.

Quantitative data can be divided into two major groups – numerical and categorical (Saunders et al., 2009). Numerical data measures values numerically as quantities (Berman Brown & Saunders, 2008). Categorical data is defined as data whose values cannot be measured numerically but can be ranked or categorised into groups according to its characteristics (Berman Brown & Saunders, 2008).

Numerical data collected from list and non-comparable questions can be easily translated into a predetermined corresponding numbers. For example, male and female replies can be coded as “1” and “2” respectively. The same type of coding procedure can be applied to Likert scale questions. “Agree” would be denoted as “1” and “Strongly Agree” as “5” with all of the values in between receiving a corresponding
numerical value. However, categorical data collected from open-ended questions cannot be coded as easily. Therefore, it demands another coding process as explained below.

There were three open-ended questions where the respondents provided up to five product associations. Open-ended questions could not be coded prior to data collection and can result in hundreds of possible responses (Saunders et al., 2009). After all of the data was collected, the answers were categorised according to a developed coding scheme, called the codebook (Saunders et al., 2009; Pallant, 2001). Product associations were categorised into groups after perceived similarity. The categorisation was performed individually by three researchers by looking through the provided answers and determining common themes. The results were then compared to each other. This was done to avoid observer bias and increase the reliability of the study (Saunders et al., 2009). As a result, 36 different categories were assigned (Appendix B). Categorisation of associations allowed us to conduct statistical analysis in a software package, which is explained further on in this chapter.

3.6.3 Survey editing

Before the data can be added to a statistical package, it has to be screened for errors (Oppenheim, 1992). This is known as survey editing and it is a process of detecting incomplete or irrelevant responses from respondents (Malhotra, 2004). By excluding these cases we can increase the accuracy of our results. Oppenheim (1992) recommends running range checks to see if any values appear to be out of possible values. For example, if a Likert question has a numerical value higher than five, then we know it is inaccurate, since only five possible options were available. Such surveys were discarded and not included in the final data set. Surveys that have not been answered fully were also discarded. Surveys that had the questions with associations left out (question 7, 10, 13) were also treated as incomplete. This is due to the high importance of these questions for research question two.

However, despite the fact that the questions asked for at least five associations, we still accepted answers with at least two replies. Due to the nature of self-administered questionnaires, some responses were unreadable. The responses that were not distinguishable were also deemed as illegible. Additionally, rating and list questions with more than one selected answer were chosen to be unusable and excluded from the final data set.

Four cases were discarded and the collected data added up to 120 valid cases and was distributed as shown below:

- On campus version – 60 responses
- Online version - 60 responses

3.7 Analysis Approach

In order to accomplish our purpose we would first have to analyse raw data. This subsection will present the statistical approaches used during the analysis of empirical data.
3.7.1 Types of statistical analysis

According to McClave, Benson, and Sincich (2011) business statistics provides tools for summarising, organising, analysing and interpreting data. Consequently, statistics are needed to achieve the purpose of this study. There are two main types of statistics that can be used to analyse data – descriptive and inferential statistics (McClave et al., 2011). Descriptive statistics is used to summarise and present large amounts of data, whilst inferential statistics is used for hypotheses testing and interpretation of data (Groebner, Shannon, Fry & Smith, 2011).

3.7.2 Descriptive statistics

Descriptive statistics was used to see patterns that normally would not be seen in the masses of raw data. This was done by presenting data using different statistical techniques (Burns & Burns, 2008). Zikmund and Babin (2010) suggest the following descriptive techniques for nominal and ordinal data – frequency tables, percentages, bar charts as well as the mode. Frequency tables are used to represent large amounts of data in a way that is manageable for the reader to understand, the total value in each category is given to the reader (Burns & Burns, 2008). Bar charts are another common technique used to represent categorical data and were used to graphically represent answers to Likert type questions. The height of each bar represents the corresponding value number (McClave et al., 2011).

We have also used the mode and the median to measure the central tendency for some questions. The mode is used to identify the value that is mentioned the most (Groebner et al., 2011). Mode would be used on the Likert scale questions to see what attitude people have towards the products. We were not able to use the mean as it is not a representative way of finding out the central tendency in Likert scale questions. This is because mean can take continuous values, for example, 3.68. In this case we do not know what option is the most popular – three or four, as this value is in between the two numbers. We also describe the skewness of the data. Skewness shows how the data is distributed – if the answers have the tendency towards higher or lower values (Burns & Burns, 2008). It is useful in overseeing the general shape of the distribution of the replies. When describing the skewness of data, we state the mean value to give the reader a starting point of where the majority of data is lying – either to the left or to the right of the mean.

3.7.3 Inferential statistics

Inferential statistics was used to predict the behaviour of target population using the assumptions based on the sample (Burns & Burns, 2008). It is particularly useful in finding relationships between variables and was used to see how perceived quality of chips affects the evaluation of quality of the two licensed products. There are two main type of tests used in inferential statistics – parametric or nonparametric tests. Nonparametric techniques are used for samples where ranked values are present, such as with Likert scales. Contrary, parametric tests require data with interval scales where
difference between two values can be calculated. Before we can continue, the reader must first be explained the levels of measurement available when collecting data. By knowing what type of data is collected, we could identify what statistical tests were available for analysis.

Ordinal level measurement was used on Likert scale type questions. Ordinal level ranks variables (Reinard, 2006). Interval level of measurement assumes that there is the same numerical distance between one and two, as with three and four (Reinard, 2006). Reinard (2006) and other academic scholars state that there is a difference of opinions, whether a five point Likert scale provides equal numerical difference among the response options. Therefore, for the purpose of statistical analysis we have assumed that Likert type questions provide us with ordinal data, which simply ranks the response options. For example, two is better than one, but we do not know by how much exactly. In our research, we have also used nominal level of data measurement when numerical values are used as reference to variables (Reinard, 2006). The type of data collected from each question can be seen in Table 3-2.

Table 3-2 Level of data collected

<table>
<thead>
<tr>
<th>Nr</th>
<th>Question</th>
<th>Data level</th>
<th>Type of statistics used to analyse</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demographics questions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>What is your age?</td>
<td>Nominal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>2</td>
<td>What is your gender?</td>
<td>Nominal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>3</td>
<td>What country do you come from?</td>
<td>Nominal</td>
<td>Descriptive</td>
</tr>
<tr>
<td></td>
<td>Pringles chips section</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I believe the quality of Pringles chips to be</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
<tr>
<td>5</td>
<td>My level of awareness of Pringles brands is</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
<tr>
<td>6</td>
<td>List at least five things that come to your mind when you think about Pringles chips:</td>
<td>Nominal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>7</td>
<td>I am likely to buy Pringles brand chips</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
<tr>
<td></td>
<td>Product one – Pringles dip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I believe that the quality of Pringles brand dip would be</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
<tr>
<td>9</td>
<td>List at least five things that come to your mind when you think about Pringles brand dip</td>
<td>Nominal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>10</td>
<td>I am likely to buy the Pringles brand dip</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
<tr>
<td></td>
<td>Product two – Pringles backpack</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>I believe that the quality of Pringles brand backpack would be</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
<tr>
<td>12</td>
<td>List at least five things that come to your mind when you think about Pringles brand backpack</td>
<td>Nominal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>13</td>
<td>I am likely to buy the Pringles brand backpack</td>
<td>Ordinal</td>
<td>Inferential</td>
</tr>
</tbody>
</table>
Whether one can use parametric or nonparametric tests depends on the type of variables available to the researchers. A variable can either be continuous – take almost any value for example height, time or weight. Alternatively, it can be a discrete variable taking a countable number (McClave et al., 2011). Parametric statistics requires the use of at least one continuous measure and interval data, which, as explained earlier, Likert scale is not (Reinard, 2006). Therefore, non-parametric tests were chosen to achieve the purpose of this study.

3.7.4 Correlation

Correlation looks at relationships between two variables (Reinard, 2006). It looks if there is a change in values of one variable when the other variable changes. Therefore, correlation analysis helped us to answer research questions one, three and four. Correlation coefficient can take values between –1 and +1. A direct relationship is denoted by a positive sign before the correlation value and shows that as one variable increases, so does the other (Reinard, 2006). An inverse relationship occurs when correlation value is preceded by the negative sign and implies that as one value increases the other decreases (Reinard, 2006). In order to interpret correlation coefficient values, we have adapted guidelines by Burns and Burns (2008) (Appendix C).

We have appraised several other statistical methods, namely regression analysis – which aims to predict values (Burns & Burns, 2008; Saunders et al., 2009). It was viewed as inappropriate to answer the purpose of our study, as we would violate the statistical assumptions needed to use regression analysis. Additionally, the aim of this study is not to predict the level of attitude towards a licensed product but to see if there is a relationship.

3.7.5 Spearman’s rank order correlation

Spearman’s rank correlation is used when variables are measured on ordinal level that is appropriate for our data (Reinard, 2006). It considers two sets of ranks and looks how the sets are related. Below is the formula used to calculate it:

\[ r_s = 1 - \frac{6 \times \sum D^2}{n(n^2 - 1)} \]

\( D^2 \) is the difference between the ranks of the two variables
\( n \) is the number of events in the sample

Spearman’s rank order correlation is appropriate to answer the purpose of this study as it indicates the direction and strength of a relationship between two variables (Burns & Burns, 2008).

3.7.6 Hypotheses testing

Using described earlier theory, we have derived four directional hypotheses that assist us to answer the research questions. A hypothesis is an assumption that researchers are
Brand licensing – Once you pop, you can’t stop

able to prove or disapprove (Burns & Burns, 2008). A directional hypothesis is also known as a one tailed hypothesis, because we are stating the direction of the relationship, this is important to know when conducting the correlation tests (Reinard, 2006). A hypothesis provides two possible outcomes – either variables are not related, which is denoted by H0 and called the null hypothesis (Burns & Burns, 2008). The second outcome is that variables are in fact related and this is denoted by H1 and called the alternate hypothesis.

When testing hypotheses statistically, we are able to see if the relationship between two variables only occurs randomly. The alternate hypothesis (H1) denotes that the relationship did not just occur by random. We always assume that H0 is true and try to prove otherwise using statistical tests (Burns & Burns, 2008; Reinard, 2006).

In order to be more time efficient, we used computer software that allowed us to conduct statistical analysis on the raw data. There are many statistical packages available to researchers for conducting statistical analyses (Burns & Burns, 2008). One of the most commonly used statistical packages in business is SPSS; it stands for Statistical Package for the Social Sciences (Zikmund & Babin, 2010). SPSS allows researchers to conduct statistical analyses on large amounts of data and explore possible relationships between variables, therefore, it was deemed suitable to answering the purpose of our study (Zikmund & Babin, 2010). We have chosen SPSS because of its availability to us and it allowed easy access to descriptive and inferential statistics. Another important advantage is the ability to display labels instead of codes, which makes it easier to work with large amounts of variables. These reasons made us choose SPSS over other software packages, namely Microsoft Excel.

To summarise, statistics helped us to answer the purpose of the study as it allowed us to see if certain relationships were true. Below is a summary of how we conducted the analysis:

1. State the alternate and null hypotheses.
2. Run the Spearman’s rank correlation test.
3. See if the result is statistically significant.
4. Explain the correlation value in relation to the hypotheses
5. Accept or reject the null hypothesis.
6. Provide reasons for relationships or lack thereof.

### 3.8 Method Quality

Choice of research design is of high importance to ensure the credibility of the study (Saunders et al., 2009). The following part will address how the research has been conducted to achieve valid and reliable results, in addition, study’s generalizability will be discussed.
3.8.1 Reliability

Reliability of a study states to what extent the chosen data collection technique or analysis procedure will result in consistent findings (Saunders et al., 2009). Consistent findings are achieved if the same results are found, by performing the study on another occasion or by other researchers (Easterby-Smith et al., 2008). Reliable results are also said to be if there is transparency of how the raw data is interpreted (Easterby-Smith et al., 2008).

These issues were addressed by having as clear study design structure as possible. We paid attention to small details of the design and presented every aspect of the design and administration process. Times when the study was conducted are presented to the reader, as well as the questionnaire itself and its design stages. Moreover, we tried to clearly present the way of how the empirical findings were analysed, in order to answer the purpose of this study.

We would like to present further issues that could reduce the reliability of a study. According to Robson (2002), there are four identifiable threats that can hinder the reliability of a study:

1. Subject or participant error – states the importance of choice of time for an observation. The results of an observation can significantly differ from one occasion to another one taken at a different time due to different participant mood (Saunders et al., 2009). To avoid subject or participant error our questionnaire was distributed at different times during the time span of two weeks. The online questionnaire could have been filled at a time convenient to the respondents.

2. Subject or participant bias – this occurs when respondents answer questions as they think they are expected to answer (Saunders et al., 2009). This error typically occurs when a respondent feels insecure to give out their true thoughts on the subject. To minimise the risk this error and receive as accurate data as possible, the questionnaire was made anonymous. Additionally, the wording of questions was chosen to be as clear as possible, so the meaning understood by respondents is the same as our understanding (Saunders et al., 2009). A pilot study was done before the main data collection to assure that wording is correct and the questionnaire is clear.

3. Observer error – this refers to the possibility of different responses depending on which observer is undertaking the data collection (Saunders et al., 2009). For example, different observers may ask or provide the respondents with different amount of information. In our study there were three observers conducting the data collection. To minimise the likelihood of observer error a standardised cover letter was given out to the respondents containing questionnaire related instructions, it was also available to respondents filling in the online survey.

4. Observer bias – this occurs when collected information gets interpreted (Saunders et al., 2009). A highly structured questionnaire was used in this study,
the majority of the questions required an answer on the Likert scale – 7/10 questions (excluding the demographics questions). The answers were easily coded into numbers and transferred into SPSS package without a great risk for biased interpretation. However, the open-ended questions where the respondents were asked to state five associations to the respective products were subject to a higher risk of observer bias. This is because the answers could have been interpreted in more than one way. To overcome this issue, the interpretation was first performed by all three observers independently. The categorised groups of associations were then compared. This measure method allowed to increase the accuracy and make coding as unbiased as possible.

3.8.2 Validity

The validity of a study examines the chosen research methods and makes sure that data collection correctly represents and describes what it was intended to measure (Easterby-Smith et al., 2008; Saunders et al., 2009). The validity consists of internal and external validity. According to Easterby-Smith et al. (2008, p.329) “the internal validity assures that results are true and conclusions are correct through elimination of systematic sources of potential bias”. External validity, however, discusses if the relationships and patterns discovered in the collected data will hold under different circumstances or context (Easterby-Smith et al., 2008). In essence, validity checks if the findings are actually what they appear to be (Saunders et al., 2009).

As questionnaires were used as the main data collection tool, internal validity is important. The questionnaire has to be developed in such way that it possesses enough stable variables (Easterby-Smith et al., 2008). This can be examined through reliability measures as discussed earlier. The pre-testing phase gave valuable insight and resulted in modifications to the questionnaire.

The translation of the questionnaire from English to Swedish language was another validity issue that we have encountered during the study. The translation was considered necessary to receive accurate answers and prevent risk of dropouts and incomplete answers from participants with lower English language proficiency. This was addressed by performing parallel translation technique which reduces the amount of grammatical and meaning errors.

The validity of secondary data also had to be questioned (Saunders et al., 2009). In order to assure reliable and valid sources, we have used peer reviewed literature from prominent researchers.

3.8.3 Generalizability

A study with good generalizability makes it possible to apply the results gained from the sample to the rest of the target population (Malhotra, 2004). Generalizability can also be referred as external validity (Saunders et al., 2009). A generalizable study is when the findings of the study can be applied to another setting (Saunders et al., 2009).
The target population in this study consists of young people age 18-25 of Swedish origin. The sample data was collected on Jönköping University campus or distributed to students online using the self-selection sampling technique. The technique was chosen due to the limited resources even though we knew that likelihood of representing the target population was low. The sample consisted of a homogeneous group of 120 students, 61% males and 39% females, in the 18-25 age group of Swedish origin. However, it should be emphasised that the sample did not represent the population due to inclusion of only those respondents who are students and currently lived in Jönköping. To conclude, the study can only be generalised to other mid-sized universities. Thus, our findings can be a starting point for further studies in this field.
4 Empirical Findings

In this part of the thesis, we will present the results of our study. The questions that reflect specific relations are grouped together. We will first present the demographics of our study, followed by level of Pringles awareness among the respondents. Perceived quality will then be presented, where the first and second hypotheses will be tested. This is going to be followed by likelihood to buy and associations for all three products. Lastly, we will present our findings on the attitudes towards each of the products.

4.1 Study Demographics

The questionnaire was distributed among 120 people originating from Sweden on Jönköping University campus. All 120 respondents represented the age group of 18-25. The reasoning behind such a homogeneous age group is that it was deliberately selected. This implies that any conclusions and recommendations derived from this study will be relevant only for this age group. Considering this, the obtained results of the study can be interpreted only in the context of Jönköping University.

As for gender distribution, out of 120 respondents, 73 are male and 47 are female. Gender distribution has no significant impact on our study. However, the inclusion of both men and women is important since it enables us to get an unbiased and representative sample.

4.2 Level of Awareness

Question 5: My level of awareness of Pringles brand is.

During the determination of which brand we should use, we concluded that the chosen brand should have a high level of awareness among consumers. This is because the more consumer is brand aware, the more brand associations will be present (Aaker, 1996). In order to be able to confirm that our actual respondents were aware of Pringles, this question was included. The results show that only one person out of 120 rated their awareness as very low. According to the mode of four, the majority of respondents judged their awareness as “High”. The values are skewed to the right of the scale, with skew value of −0.313. This means that the distribution of answers tends to be to the right of the scale, with most respondents saying their awareness of Pringles is either “High” or “Very High”.

4.3 Perceived quality

Question 4: I believe the quality of Pringles chips to be.

By using the mode we can conclude that the perceived quality of Pringles chips is believed to be ‘High’ among the respondents (See Figure 1 in Appendix C). The mean value for this question was 3.68, however the skew value of the distribution is −0.657 with values spread mostly to the right of the mean. This result is as expected and indicates that most people had a favourable perception of the quality of Pringles chips.
**Question 8:** I believe that the perceived quality of Pringles brand dip would be.

This is our first hypothetical licensed product that the respondents were asked to rate. The mode for this question is three, concluding that the respondents believed the quality of the dip to be “Reasonable” (See Figure 2 in Appendix C). This is further confirmed by the skew value that is now positive 0.024. This indicates that the majority of the answers were just to the left of the mean (3.28), indicating a lower perception of quality, relative to the chips. This is on par with the expected results as we had expected a good evaluation of quality but not to be as good as the original product.

**Question 11:** I believe that the perceived quality of Pringles brand backpack would be.

Pringles licensed backpack is the second hypothetical product that we used in our study. This time there is two modes – two and three (See Figure 3 in Appendix C). In addition, the median for the quality is two. The skew value is 0.278; this is a higher value than we saw in the rating of the dip. More respondents have answered with responses values that lie to the left of the mean, which is now calculated to be 2.48. These values confirm lower quality perception of the licensed backpack compared to both the dip and chips.

### 4.3.1 Hypothesis one

In this subsection, we are going to test our first hypothesis that looks at the relationship between perceived quality of Pringles chips and dip. In order to test this relationship, we conducted a one-tailed Spearman’s rank order correlation, which is denoted by \( r_s \). Spearman’s correlation can range between \(-1.0\) indicating a perfect negative correlation between two variables and \(1.00\) indicating a perfect positive correlation (Burns & Burns, 2008). We will test the null hypothesis to see if there is no relationship between perceived quality of the two products. If the relationship is more significant than just a random relationship then we can reject the null hypothesis.

\[ H_1 = \text{Perceived quality of Pringles chips is positively related to perceived quality of Pringles dip.} \]

\[ H_0 = \text{Perceived quality of Pringles chips is not related to perceived quality of Pringles dip.} \]

Table 4-1 Spearman’s rank correlation between perceived qualities

<table>
<thead>
<tr>
<th>Rank of Pringles Quality</th>
<th>Rank of Dip Quality</th>
<th>Correlation Coefficient</th>
<th>Sig. (1-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.458</td>
<td>.000</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rank of Backpack Quality</td>
<td>Correlation Coefficient</td>
<td>Sig. (1-tailed)</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.223</td>
<td>.007</td>
<td>120</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (1-tailed).**
After running the test in SPSS we were able to obtain $r_s$ value of 0.458 and $p<0.01$, $n=120$ (Table 4-1). This means that there is a probability of less than one percent that the relationship between perceived quality of chips and dip has occurred only by chance. The $n$ value of 120 shows that this test was conducted on answers of 120 respondents.

Judging by this calculation we can conclude that the relationship is significant and we can reject $H_0$. According to Burns and Burns (2008), a value of 0.458 indicates a moderate positive relationship between perceived quality of chips and dip (Appendix D). This shows that high perceived quality of chips is associated with high perceived quality of dip.

4.3.2 Hypothesis two

In this subsection, we are going to test our second hypothesis that looks at the relationship between perceived quality of Pringles chips and backpack. Once again, a one-tailed Spearman’s rank order correlation test was conducted. Following is our alternate and the null hypotheses ($H_2$ and $H_0$, respectively):

$H_2 = \text{Perceived quality of Pringles chips is positively related to perceived quality of Pringles backpack.}$

$H_0 = \text{Perceived quality of Pringles chips is not related to perceived quality of Pringles backpack.}$

From Table 4-1 on p.42, we can see that $r_s = 0.223$, $p<0.01$, $n=120$, once again, there is a probability of less than one percent that the relationship between perceived quality of chips and backpack has occurred only by chance with 120 respondents’ answers used during the test. Using the obtained values, we can conclude that the relationship is significant and we can reject the null hypothesis. Using Burns and Burns (2008) correlation table (Appendix D), we can imply that there is a low correlation between the two variables, indicating a weak relationship between perceived quality of chips and backpack. It should be noted, that this correlation is at the bottom range of low correlation values, bordering the random relationship value.

4.4 Likelihood to buy

Question 7: I am likely to buy Pringles chips.

In this section we are going to present empirical results concerning the likelihood of purchasing Pringles chips, dip and backpack. In order to make this presentation as clear and concise as possible, we will only present three most frequently mentioned answers.

Most of the respondents agree that there is likelihood they will buy Pringles chips, with 42 respondents choosing this answer (See Figure 4 in Appendix E). This is preceded by the answer “Not Sure” with 29 respondents choosing this option. Furthermore, 20 respondents have stated “Disagree” on whether they are likely to buy chips.
Question 10: I am likely to buy the Pringles brand dip.

In this question, the respondents are not sure if they are likely to buy Pringles branded dip, with 38 respondents choosing the answer “Not sure” (See Figure 5 in Appendix E). This answer is followed by “Disagree” with 34 respondents mentioning it. However, 24 respondents “Agree” that they are likely to buy Pringles branded dip.

Question 13: I am likely to buy the Pringles brand backpack.

From the results of this question, we can see that most of the respondents have chosen “Strongly Disagree” when asked if they will buy Pringles licensed backpack, with 66 respondents choosing this answer (See Figure 6 in Appendix E). This is followed by “Disagree” option that is mentioned by 33 respondents. The third most frequently mentioned answer was “Not Sure”, with 14 respondents respectively.

4.5  Brand associations

In this subsection, we are going to present the top five associations that the respondents have mentioned in the survey. We have only included top five associations because the respondents were only asked to present their first five associations for each product, so the most frequent ones are presented here. The full list of associations for each product is included in Appendix F. In total, we have received 1182 associations from 120 respondents.

Question 6: List at least five things that come to your mind when you think about Pringles brand chips.

Tables 4-2, 4-3 and 4-4 on p.44-45 show five most frequently mentioned associations for the parent brand’s product – Pringles chips and licensed products – Pringles dip and Pringles backpack.

Table 4-2 Categorised brand associations of Pringles chips

<table>
<thead>
<tr>
<th>Pringles Chips</th>
<th>Number Mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>63</td>
</tr>
<tr>
<td>Chips Shape/Texture</td>
<td>54</td>
</tr>
<tr>
<td>Tasty</td>
<td>47</td>
</tr>
<tr>
<td>Logo</td>
<td>35</td>
</tr>
<tr>
<td>Social Activities</td>
<td>29</td>
</tr>
</tbody>
</table>

A total of 488 associations were received.
**Question 9**: List at least five things that come to your mind when you think about Pringles brand dip.

Table 4-3 Categorised brand associations of Pringles dip

<table>
<thead>
<tr>
<th>Pringles Dip</th>
<th>Number Mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety of flavours</td>
<td>57</td>
</tr>
<tr>
<td>Tasty</td>
<td>42</td>
</tr>
<tr>
<td>Packaging</td>
<td>29</td>
</tr>
<tr>
<td>Texture of dip</td>
<td>23</td>
</tr>
<tr>
<td>Complimentary</td>
<td>19</td>
</tr>
</tbody>
</table>

A total of 351 associations were received.

**Question 12**: List at least five things that come to your mind when you think about Pringles brand backpack.

Table 4-4 Categorised brand associations of Pringles backpack

<table>
<thead>
<tr>
<th>Pringles Backpack</th>
<th>Number Mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unnecessary/Not Good</td>
<td>63</td>
</tr>
<tr>
<td>Marketing</td>
<td>32</td>
</tr>
<tr>
<td>Packaging</td>
<td>32</td>
</tr>
<tr>
<td>Low quality</td>
<td>35</td>
</tr>
<tr>
<td>Convenience</td>
<td>29</td>
</tr>
</tbody>
</table>

A total of 343 associations were received.

### 4.6 Attitudes towards products

Previously we had seen that there is a positive relationship between perceived quality of chips and licensed dip and backpack. The correlation between chips and the backpack was not as strong as we have seen with the dip.

In this subsection, we are going to see if there is positive relationship between the attitude towards chips and the two licensed products. To determine if there is a relationship, we are going to compute the Spearman’s rank correlation coefficient. Hypotheses three and four, deducted in the theory section are going to be tested here.

#### 4.6.1 Deriving a separate variable

To be able to address our third research question we had to derive a new variable – attitude towards each product. In our questionnaire, we had not directly asked the respondents what their attitude towards chips, dip and backpack were. This was done in order to get an unbiased opinion in regards to each product (See Theoretical Framework for more information). It has been previously shown that respondents tend to give their
untrue feelings (Burns & Burns, 2008). However, we are going to use a combination of two questions asked in the survey to derive the attitude variable.

In our study, attitude towards a product equals to respondent’s perception of the quality towards each product multiplied by how likely they are to purchase that product. The reasoning behind this is that even though consumers might see the product as high quality, they would not purchase it. Therefore, a combination of both would represent a more accurate attitude towards the product.

Furthermore, correlation tests on each of the products have confirmed that there is a positive correlation between perceived quality of the product and likelihood to purchase it. The results can be seen in Appendix G. The correlations between the two values are 0.422, 0.480 and 0.504 for chips, dip and backpack respectively. This shows a moderate correlation for all three products, indicating a moderate relationship (Appendix D).

This further shows that the two values would be a good indicator of attitude toward the products. Therefore, we can use the multiple of perceived quality and likelihood to buy as a valid measurement of respondent’s attitude towards the products used in this study.

4.6.2 Hypothesis three

In this subsection, we are going to be testing hypothesis three that looks at the relationship between attitudes towards chips and dip. In order to test the hypothesis, first a new variable was derived, as explained earlier. This was done for each of the products where relationships were tested. All of the variables were ranked and Spearman’s correlation coefficient derived. The results can be seen in Table 4-5 below.

Table 4-5 Spearman’s rank correlation of attitudes towards the products

<table>
<thead>
<tr>
<th>Rank of Chips</th>
<th>Rank of Dip Attitude</th>
<th>Correlation Coefficient</th>
<th>Sig. (1-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank of Backpack Attitude</td>
<td>Correlation Coefficient</td>
<td>0.345</td>
<td>.000</td>
<td>120</td>
</tr>
</tbody>
</table>

\[ H_3 = \text{Attitude towards chips is positively related to attitude towards the licensed dip.} \]
\[ H_0 = \text{Attitude towards chips is not related to attitude towards the licensed dip.} \]

As can be seen from Table 4-5, the correlation between attitude towards chips and dip is 0.543 and \( n=120, p<0.01 \). This implies that there is a positive correlation, because the value lies in the range of zero and one. Hence, as one value goes up the other one goes up as well. Moreover, as the value lies in the range of 0.40-0.70 it denotes that there is a moderate correlation between the attitudes towards the two products (Appendix D).
Thus, there is a moderate relationship between the attitudes. Because the correlation is significant at $p<0.01$, we can reject the null hypothesis. As a result, there is a positive relationship of attitudes towards chips and dip.

### 4.6.3 Hypothesis four

In this subsection we are going to be testing hypothesis four which, similarly, to hypothesis three looks at the relationship between attitudes towards chips and the backpack. In order to test the hypothesis, first a new variable was derived, as explained previously. This was done for each of the products where relationships were tested. All of the variables were ranked and Spearman’s correlation coefficient derived. The results can be seen in Table 4-5 on p.46.

$H_4 = \text{Attitude towards chips is positively related to attitude towards the licensed backpack.}$

$H_0 = \text{Attitude towards chips is not related to attitude towards the licensed backpack.}$

As can be seen from Table 4-5 on p. 46, Spearman’s rank correlation value between Pringles chips and Pringles backpack is 0.345 and $p<0.01$, $n=120$. $P<0.01$ indicates that less than one percent probability that the relationship between chips and backpack is due to chance alone. Once again, this denotes a positive relationship between the attitudes towards the two products, since the value is above zero. This denotes that if the attitude towards chips goes up the attitude towards the backpack will go up as well. Because the value is in the range of 0.20-0.40 it means that there is a low correlation and, subsequently, a weak relationship between the attitudes (Appendix D). The correlation is significant at $p<0.01$; we can reject the null hypothesis. As a result, even though the relationship between the two attitudes is weak, there is still a low positive relationship of attitudes towards chips and the backpack.
5 Analysis

In this part of the thesis we will analyse the results. We will apply the theoretical framework in order to explain the findings to the reader.

5.1 Perceived Quality

According to theory suggested by Aaker and Keller (1991), high perceived quality of parent brand is likely to be transferred to the licensed product. Empirical findings of this study indicate that respondents evaluated perceived quality of the parent brand’s product – Pringles chips as high. Such a high level of perceived quality is not surprising, in fact, it was anticipated due to the fact that Pringles is a well-known brand within fast moving consumer goods sector and charges higher price for its products. Moreover, many experimental studies show that consumers relate higher price of a product to higher quality (Monroe, 1973). That is why, a relatively higher price of Pringles chips may be one of the reasons why consumers believe that this product is of a high quality.

Furthermore, we examined the transferability of perceived quality whilst testing hypothesis one “Perceived quality of Pringles chips is positively related to perceived quality of Pringles dip”. We discovered that perceived quality of Pringles chips was positively related to the perceived quality of Pringles dip. Hence, the perceived quality was transferred from the parent brand to the licensed product, meaning that earlier presented theory by Aaker and Keller (1990) holds true. The relationship between the two products was found to be moderate positive. This implies that the higher the perceived quality of Pringles chips, the higher will be the perceived quality of Pringles dip.

This result has certain implications for both consumers and producers. Positive perceived quality indicates that consumers believe that Pringles brand has both skills and assets needed to stretch its brand into complementary product categories (Aaker & Keller, 1990). As pointed out by Olson (1977), even though brand licensing implies that Pringles dip will be produced by an independent manufacturer and not by the Pringles brand itself, empirical findings show that strong brand name will still communicate high quality (cited in Woodside, Sheth, & Bennet, 1977). Additionally, by applying Aaker’s (1991) model on possible outcomes of brand extensions we see that Pringles dip has “The Good” outcome. “The Good” refers to a situation when perceived quality is transferred from the parent brand to the licensed product and thereby the brand name can be of assistance when positioning in the new market (Aaker, 1991). This bring further implications for Pringles brand which can capitalize on its high perceived quality and expand its product line into not just one, but few complementary product categories.

As for the other licensed product – Pringles backpack, respondents evaluated its perceived quality as between low and reasonable. When testing hypothesis two “Perceived quality of Pringles chips is positively related to perceived quality of
Once you pop, you can’t stop

Pringles backpack” we found out that there is a low correlation between perceived quality of Pringles chips and Pringles backpack. This result indicates that contrary to previous result, perceived quality of parent brand was only partially transferred to the licensed product. The reason behind this may be because Pringles chips and backpack are in entirely unrelated product categories and respondents found it hard to believe that a backpack under Pringles brand name will be of a high quality. Additionally, brand assets of Pringles are licensed in the product category that is distinct from core competencies of the brand and has no connection to its main consumer base.

Low perceived quality of Pringles backpack can be an indication that stretching Pringles brand too far might cause negative quality perception by the consumers. Consumers perceive extensions in non-related product categories as not very reliable and not of a high quality, which causes a negative evaluation of the licensed product (Kirmani, Sood, & Bridges, 1999). Furthermore, low correlation between perceived quality of the parent brand and the licensed product is an indication that consumers believe that Pringles, as a brand which specialises in producing chips, has no necessary skills and capabilities to produce backpacks. When referring to Aaker’s (1991) model on possible outcomes of brand extensions we see that Pringles backpack falls into category “The Bad”, which refers to brand licensing outcome when the parent brand name fails to help the extension (Aaker, 1991). Nevertheless, one of the ways to reduce “The Bad” effect is through a collaboration with another brand which possesses suitable associations for that particular product class (Aaker, 1991). For Pringles brand this would mean pursuing the strategy of co-branding by finding a reputable company within the bags and accessories sector that would ensure sufficient quality and design of the licensed backpack.

To conclude, perceived quality of Pringles chips was transferred to the complimentary licensed product – Pringles dip, but not entirely for the licensed product in the unrelated product category – Pringles backpack. Pringles dip falls into Aaker’s outcome category “The Good” while the backpack is classified as “The Bad”. This result proves that high perceived quality of the parent brand is transferred to the licensed product as long as there is some kind of connection between the two. Moreover, the risk of inconsistent quality image is of particular concern for brand engaging in brand licensing compared to traditional product line extension, where the brand itself still is responsible for manufacturing. When licensing, the brands lease the rights of their trademark to another firm and they do not always have control over the quality of the product.

5.2 Likelihood to Buy

Empirical findings indicate that the majority of the respondents state that they are likely to buy Pringles chips. Such a result is an indication of the fact that high perceived quality of Pringles chips leads to high likelihood to purchase this product (Erdem & Swait, 1998). In addition, Pringles brand signals, such as logo and slogan, are clearly communicated and appear credible for consumers. Due to the fact that Pringles is a
famous brand, consumers believe that an established brand is less likely to communicate false marketing messages than an unknown brand (Ostrom & Iacobucci, 1995).

As for Pringles dip, most of the respondents answered that they are not sure if they are likely to purchase Pringles branded dip. As mentioned above, since the majority of consumers do not have all the necessary information prior to purchase perceived quality becomes the main reason to buy (Aaker, 1991). In case of Pringles dip, consumers find it hard to estimate how likely are they to buy this specific product due to the fact that they do not have previous experience consuming the product and lack information about it.

As for empirical findings on likelihood to buy Pringles backpack, we see that more than a half of respondents stated that they strongly disagree if they are likely to buy Pringles backpack. Again, this indicates that the respondents find it hard to relate to Pringles backpack due to the fact they have no previous experience with the product. The empirical findings presented earlier indicate that perceived quality of Pringles chips was not fully transferred to Pringles branded backpack. Hence, in this case, perceived quality did not trigger consumers’ willingness to purchase the licensed backpack.

Even though studies on purchase intent show that likelihood to purchase is better used as a short-term measure of consumers’ intentions, it is still an important indicator of the potential failure or success of the licensed product (Morwitz & Schmittlein, 1992). By extending its product line to unrelated product category, Pringles risks to create a product which will not be competitive with other similar products on the market.

5.3 Brand Associations

Tables 4-2, 4-3 and 4-4 on p. 44-45, show five most frequently mentioned associations Pringles chips, dip and backpack. An examination of these tables indicates that some associations of the parent brand were transferred to the licensed products. When applying the categorization approach, which regards consumers’ evaluation of brand licensing as a two-step process, we can see that consumers first examine if there is a match between what they already know about the parent brand and what they believe to be true about the licensed product. If this match is strong enough, the parent brand associations are transferred to the licensed products.

In particular, when comparing Pringles chips and Pringles dip associations, it is obvious that the match is strong. Most important brand associations are transferred from Pringles chips to the dip, in particular, packaging, taste and texture. Interestingly enough, some of the respondents even mention the complimentarily of the licensed product to the parent brand’s product, which indicates that there is a high perceived fit between those two products.

Some brand can be more elastic than others when stretching their product line as suggested by Taylor (2004). Additionally, brand which is strongly associated with specific attributes such as colour, taste or shape is less flexible to extend to new product
Brand licensing – Once you pop, you can’t stop

categories (Taylor, 2004). In our study, associations of taste, texture and packaging of the parent product chips were frequently mentioned. This indicates that Pringles dip could be accepted by the consumers as long as it is manufactured in accordance with chips associations in those three aspects. On contrary, a brand such as Coca Cola, strongly associated with the cola taste would experience some difficulty when expanding to any new product category for which the cola taste is not desired. Therefore, this implies that some attributes are attractive in some product classes but may be unattractive in other product classes (Aaker, 1991).

When comparing Pringles chips and Pringles backpack associations, we conclude that the match of associations is weak. Most important associations were not transferred, except for the packaging. This low transferability of associations indicates a low perceived fit between Pringles chips and Pringles backpack. However, research on brand licensing states that lack of fit between the parent brand’s product category and the extended product category could be compensated if most important parent brand associations were relevant to the extended product category (Broniarczyk & Alba, 1994). The empirical data indicates that the mentioned associations of Pringles chips are not relevant to the licensed backpack. Therefore, the lack of fit was not compensated. However, this results could be completely different for another brand outside the consumer goods sector. Ferrari’s licensed computer is an example when a brand stretches into an unrelated product class, but where the salient brand associations are still relevant to the new product category. Ferrari is commonly associated with design and power which makes sense in respect to a computer, even though such goods are unrelated to the core market of Ferrari.

What is more, completely different product categories of Pringles chips and backpack have resulted in a creation of negative associations towards Pringles branded backpack. This is a typical case of “The Bad” extension outcome, according to Aaker (1991), since negative associations are created and the brand name has failed to help the extension. In particular, associations like, unnecessary/not good, low quality and convenience reflect that consumers believe that Pringles brand does not possess necessary knowledge and expertise to produce backpacks which would be superior to similar products on the market.

5.4 Attitude

In our study, the attitude is retrieved as a separate variable which equals perceived quality of the product multiplied by likelihood to purchase it. Therefore, the attitude represents consumers’ overall evaluation of the product.

Whilst testing the hypothesis three, “Attitude towards chips is positively related to attitude towards the licensed dip” we found out that attitude towards Pringles chips is positively correlated to attitude towards the licensed dip. Positive correlation between consumers’ attitudes means that if the attitude towards Pringles chips goes up it will ultimately increase the attitude towards the dip.
In terms of brand licensing, positive correlation between attitudes shows that consumers relate parent brand’s product to the licensed product. Some studies indicate that evaluation of brand extension depends on degree of perceived fit between the parent brand and the extended product (Park et al., 1991). Since attitude towards the products is a summary of such an evaluation, it is possible to say that in case of Pringles chips and dip there is a fit between two product categories. This fit is based on both product feature similarity and brand concept consistency (Park et al., 1991). Therefore, Pringles chips and dip carry out similar product features and have a complimentary relationship between them. What is more, the licensed product is actually capable of accommodating Pringles brand concept. This implies that when licensed, Pringles branded dip has all the potential to win those consumers who have favourable attitudes towards the original product – Pringles chips.

A positive correlation between attitudes towards Pringles chips and dip indicates that the licensed product itself adds value to the parent brand and thereby Pringles brand goes beyond just “logo-slapping” (Taylor, 2004). Stretching into the new product category can increase the awareness of Pringles brand in general and, as a result, can increase the sales of both products (Aaker, 1991). Furthermore, positive correlation between attitudes towards Pringles chips and dip can be an indicator of potential success of the licensing strategy, since consumers with a positive attitude are more likely to buy that product (Burns & Burns, 2008). This, subsequently, will lead to reaching the ultimate goals of brand licensing – increased sales and more market exposure for both parent brand’s product and licensed product.

Whilst testing the hypothesis four, “Attitude towards chips is positively related to attitude towards the licensed backpack” we find that the attitude towards Pringles chips and Pringles backpack are positively correlated. However, the correlation is weak indicating the positive attitude is only partially transferred from the parent to the licensed product.

Similarly to the previous results, the underlying reason for the weak correlation between Pringles chips and backpack is the lack of fit between the two product categories. Consumers find it hard to believe that the parent brand’s product – chips and the licensed product – backpack would possess the same quality characteristics. In this case, due to the lack of fit, the extension cannot take advantage of the brand loyalty associated with the strong brand name (Aaker, 1991). However, according to Broniarczyk and Alba (1994), perceived lack of fit between the Pringles chips product category and the licensed Pringles backpack product category could be compensated. In cases where the most important parent brand associations are outstanding and relevant to the extended product category the brand stretch can still be successful (Broniarczyk & Alba, 1994). We saw that the perceived quality was partially transferred while likelihood to buy was not. As the correlation is low, we can assume that consumers do
not find the parent brand’s associations sufficiently relevant to the Pringles backpack product category.

This result is an implication that Pringles brand should extend their brand into those product categories where the attitude towards the product is the highest. Such product categories can be either complementary to the brand’s core product or have a close association with the parent brand (Aaker & Keller, 1990).

5.5 Modification of Aaker’s Model

By using Aaker’s (1991) model on Results of Extending a Brand Name p.12, as a starting point, we have created a Double-Edged Brand Licensing Model with an aim to incorporate the findings of this study as well as considerations for appropriate implementation of brand licensing (Figure 5-1).

![Figure 5-1 Double-Edged Brand Licensing Model.](image)

The new model includes the influential variables identified in this study, namely, perceived quality, likelihood to buy and transferability of associations, and aims to explain and predict possible outcomes of brand licensing.

5.6 Explanation of the model

The modified model (Figure 5-1) has the same outline as Aaker’s (1991) model on possible outlines of brand extensions, however, the new model indicates certain adaptations in respect to brand licensing for Pringles brand. The changes in the model are placed in the central part, while the unchanged elements are to the left and the right of the model.
The *Double-Edged Brand Licensing Model* includes the parent brand at the top of the model and the licensed product in the bottom. In between, the influential variables are outlined. Firstly, perceived quality and likelihood to buy - represent consumers’ attitude towards the parent brand and the licensed product. Secondly, transferability of parent brand’s associations refer to what extend parent brand’s associations are transferred to the licensed product.

The central element of the model is brand fit. In our study we found that brand fit is crucial for the transferability of the three variables. If the fit between the parent brand and the licensed product is strong, the licensed product is likely to fall into the categories named “The Good” and “The More Good”. On contrary, if the fit between the parent brand and the licensed product is weak, the licensed product will fall into the negative categories, namely, “The Bad”, “The Ugly” and “The More Ugly”.

To summarize, with help of the *Double-Edged Brand Licensing Model* this study aims to explain the relationship between the parent brand and the licensed product and highlight the importance of fit when it comes to possible outcomes of brand licensing. This model should be generalized with caution to other brands and sectors, however, it can serve as a guidance tool for companies undertaking the strategy of brand licensing.
6 Conclusions

In this part of the thesis, we will present and answer the stated research questions as well as conclude the results of our study.

The purpose of this study was to investigate consumers’ attitudes towards licensed products in relation to the parent brand, with respect to perceived quality, likelihood to buy and associations’ transferability. In order to fulfil the aim of the study the following research questions were stated:

1. How will the perceived quality of the parent brand affect perceived quality of the two licensed products?

The results of our study indicate that perceived quality of the parent brand had positively affected only one of the licensed products, namely Pringles dip. This can be explained by the fact that Pringles dip is in the complimentary product category to Pringles chips and, thus, it fits within the concept of the parent brand. In case of Pringles backpack, perceived quality of the parent brand was only partially transferred. This is an implication that Pringles backpack is distinct from core competencies of the brand and has no connection to the consumer base. Hence, perceived quality of the parent brand had significantly affected only one of the licensed products that had a basis of fit with the parent brand.

2. What brand associations will be transferred from the parent brand to the licensed products?

Most important brand associations were transferred from Pringles chips to Pringles dip, in particular, packaging, taste and texture. This implies that original associations of Pringles brand can be an asset for potential licensing deals in complementary product categories. As for Pringles backpack, most important associations were not transferred, except for the packaging. What is more, a distinct lack of fit between Pringles chips and backpack has resulted in creation of negative associations about Pringles backpack. In particular, associations like, unnecessary/not good, low quality and convenience indicate that, in this case, Pringles brand can become a liability for the backpack extension.

3. How will the attitude towards the parent brand affect the attitude towards the licensed products?

The data retrieved from empirical findings indicate that attitude towards Pringles chips is positively correlated to attitude towards the licensed dip. Furthermore, positive correlation between attitudes towards Pringles chips and dip can be an indicator of potential success of the licensing strategy, since consumers with a positive attitude are more likely to buy that product (Burns and Burns, 2008). As for the backpack, the correlation analysis indicates that attitude towards the parent brand is only partially transferred to the licensed product. As the correlation is low, we can assume that consumers do not find the parent brand’s associations sufficiently relevant to the Pringles backpack product category to motivate a transition of the positive attitude to any higher extent. In terms of brand licensing, such a result means that even though initial attitude towards the parent brand was positive, it will affect the licensed product
only if there is the brand is believed to have necessary skills and capabilities to produce the product (Aaker, Keller, 1990).

7 Discussion

In this section of our thesis we are going to bring up the managerial implications and critique of the study, as well as suggest areas for further research. We also would like to present some of the findings that were not central to the purpose of this research but, still, represent some significance.

7.1 Managerial Implications

Taking into consideration the results obtained from this study, we can formulate certain managerial implications for companies pursuing the strategy of brand licensing. Despite the fact that brand licensing appeals to be a lucrative brand extension strategy, firms should be cautious when extending their brands into similar or new product categories. When implementing a licensing strategy, it is important that companies consider previously accumulated academic research and take into account practical findings in this area. Being aware of possible outcomes of extending a brand to a new product category will enable the management of the companies to avoid common brand licensing pitfalls (Aaker, 1991).

One of the most important implications for the companies extending their brand is image coherence between the parent brand and the licensed product (Martinez & Pina, 2010). It is crucial that the brand communicates its essence to different markets and does not contradict with the licensed product. Hence, companies should concentrate their efforts on creating a set of coherent and strong brand associations aimed at benefiting the licensed product (Kim, 2003). This study further shows that when companies license products in unrelated product categories, parent brand associations can be damaging to the licensed product. By choosing a wrong product category to be licensed, firms are risking to create detrimental associations about the parent brand that can ultimately lead to consumer confusion, and in the long run, may be impossible to change (Ries & Trout, 1981).

Companies undertaking the strategy of brand licensing should focus their efforts on enhancing and forming brand equity. Furthermore, they should introduce licensed products that have a high fit with the parent brand. This is important due to the fact that strong brand equity of the parent brand will ultimately lead to more positive evaluations of the licensed product by consumers (Buil, Martinez, & de Chernatony, 2009). The results of this study also indicate that the level of fit between the parent brand and the licensed product is a crucial variable determining a future success or a failure of the licensed product. Because consumers favour licensed products that are relatively close to the core market of the parent brand, introducing a product that fits within the image...
of the brand will enable firms to improve consumers’ attitude towards the licensed product as well as final brand equity (Buil et al., 2009).

Quality control is another factor which should be considered by companies licensing their brands. Even though the licensed product is usually produced by an independent manufacturer, the management of the parent brand should still have a say when it comes to development of the product and its quality control. Previous academic research indicates that without proper quality control dishonest licensees can modify the quality of the licensed product without consumers being aware of it (Calboli, 2007). Some of the licensees might be only interested in short-term profit and decrease the quality of the licensed product in the long run. As a result, consumers will experience unexpected drops in quality of the product and will be deceived when trusting an established brand name when purchasing the licensed product (Calboli, 2007). Such deterioration in the quality of the licensed product may have a damaging effect on the parent brand and could restrict its future leverage.

7.2 Critique of the study

The study involved 120 respondents in the age of 18-25 years of a Swedish origin living in a midsized city in Sweden with approximately 100,000 habitants (Statistics Sweden, 2011). The data collection took place on campus of Jönköping’s University by using non-probability convenience sampling technique. The method and sample was determined with consideration of our limited financial resources as well as lack of time. The chosen data collection method can be considered as a disadvantage to our study since results gathered with the help of non-probability sampling, can not be statistically predicted to the rest of the population (Saunders et al., 2009). Convenience sample representation is also low; accordingly, generalisation can only be done to university campuses in mid sized cities in Sweden.

This study involved only fast moving consumer goods, which require low consumer involvement during a purchase. Whilst it was our aim to only focus on such goods, we believe it would have been an advantage to include other type of goods as well. This brings up the use of only one brand during the course of the study – Pringles. It should be said that the generalisation beyond this brand should be done with caution.

Finally, we were able to only use the Spearman’s rank correlation statistic. Even though, this technique tells us that the relationship does not just occur by random, and indicates the strength of that relationship, it does not tell us if one variable causes the other.
7.3 Other Findings
At the begging of this thesis, we have discussed the importance of brands and branding. We live in a branded world where almost every product carries a brand name. During the course of the study it has come to our attention, just how easily brand licensing can be implemented. It does not require any investment in machinery, distribution channels or any other attributes that are associated with launching a new product, since all of these actions are done by the licensee (Weidmann & Ludewig, 2008). As a result of this, we strongly believe that the consumers should be informed if a product is licensed and not produced by the original brand. In some cases, brand licensing can be deceiving to consumers if they expect a certain degree of quality from a product which is then not delivered by the licensor. Perhaps, companies that engage in licensing strategies should follow certain regulations, so consumers are protected against exploitation of a brand name. At least some sort of consumer education should be made, so consumers are aware of the techniques used by licensors. Additionally, in order to avoid consumer confusion we think that it should be stated on the products that they are manufactured by another entity.

As a side note, whilst analysing the associations of the Pringles brand, it was interesting to see that the respondents still associated Pringles with its old slogan – “Once you pop, you can’t stop”. None of the respondents have mentioned the new slogan – “Everything pops with Pringles”. Additionally, in regards to the backpack, quite a few respondents have mentioned that the backpack should be given out as a freebie instead of being sold as a product.

7.4 Suggestions for further research
Brand licensing is still a field with little thorough research (Saqib & Manchanda, 2008). There is a lot more research that could be done on different brands, industries and settings. We can recommend a future study that would cover a larger range of real brands involving mock licensed products. It would be interesting to see if consumers will evaluate the products differently if they can actually appraise the licensed products and know the price as well as the appearance.

In our study, the brand chosen as an example was Pringles. Pringles has not previously been heavily extended and consequently has strong brand associations to one single product category – chips. In future research it could, therefore, be interesting to conduct a study comprised of brands that have already been extended in several product categories and have strong brand associations.

Additionally, it would be interesting to see if the “Double-Edged Brand Licensing Model” (Figure 5-1, p.53) developed in our study will hold in other settings such as products with high consumer involvement during purchase.
References


Forbes, H. (2003, October 14). The very real benefits of licensing your intangible assets. There is an alternative to selling off non-core brands, as P&G, Coke and IBM have shown, writes Thayne Forbes. *The Financial Times*, p. 12.


Dear respondent,

This questionnaire is a part of three students’ Bachelor thesis in Marketing, studying at Jönköping International Business School and it investigates brand name licensing.

The questionnaire should only take a couple of minutes to complete and your opinion is very important for our study. Please follow the instructions on the next page. If you have any questions regarding the questionnaire please feel free to ask for our help. The answers you provide will be treated in the utmost confidence and you are not required to provide any information that can be used to identify you.

The answers from this and other questionnaires will be used to get a deeper understanding of brand licensing in our thesis. The results of the study will be published to Jönköping University’s Academic Archive On-line (DiVA).

We hope you will find completing the questionnaire enjoyable, after you are done, please return it to the person who handed it out to you.

Thank you for your help,

Kirill Dementev, Cecilia Emilsson and Yulia Lukyanchenko.
Please tell us some information about yourself by ticking ✔ the box that most accurately describes you.

1. What is your age?

<table>
<thead>
<tr>
<th></th>
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<th>26-34</th>
<th>35-48</th>
<th>49-62</th>
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2. What is your gender?

<table>
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<th>Female</th>
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</thead>
<tbody>
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<td></td>
<td>□</td>
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</table>

3. What country do you come from?

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<th>Sweden</th>
<th>Other</th>
</tr>
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</table>

The following questions refer to Pringles brand chips. Please tick the box ✔ that most accurately represents your view.

4. I believe the quality of Pringles chips to be:

<table>
<thead>
<tr>
<th></th>
<th>Very Low</th>
<th>Low</th>
<th>Reasonable</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

5. My level of awareness of Pringles brand is:

<table>
<thead>
<tr>
<th></th>
<th>Very Low</th>
<th>Low</th>
<th>Reasonable</th>
<th>High</th>
<th>Very High</th>
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<td></td>
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</tr>
</tbody>
</table>

6. List at least five things that come to your mind when you think about Pringles chips:

________________________
________________________
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________________________

7. I am likely to buy Pringles chips:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
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<tbody>
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<td>□</td>
</tr>
</tbody>
</table>

The following questions refer to two hypothetical products licensed by Pringles – a dip for chips and a backpack (rucksack). The products are Pringles branded and would be made by an independent manufacturer. Please tick the box ✔ that most accurately matches your view.

8. I believe that the quality of Pringles brand dip would be:

<table>
<thead>
<tr>
<th></th>
<th>Very Low</th>
<th>Low</th>
<th>Reasonable</th>
<th>High</th>
<th>Very High</th>
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<tr>
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</tr>
</tbody>
</table>

9. List at least five things that come to your mind when you think about Pringles brand dip:

________________________
________________________
________________________
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10. I am likely to buy the Pringles brand dip:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
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<td>□</td>
<td>□</td>
<td>□</td>
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</tbody>
</table>

11. I believe that the quality of Pringles brand backpack would be:

<table>
<thead>
<tr>
<th></th>
<th>Very Low</th>
<th>Low</th>
<th>Reasonable</th>
<th>High</th>
<th>Very High</th>
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<td>□</td>
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</tr>
</tbody>
</table>

12. List at least five things that come to your mind when you think about Pringles brand backpack:

________________________
________________________
________________________
________________________
________________________

13. I am likely to buy the Pringles brand backpack:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□</td>
<td>□</td>
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</tbody>
</table>

Thank you for completing the questionnaire.
Kära respondent,

Denna enkät är del av en Kandidatuppsats skriven av tre studenter på Handelshögskolan vid Högskolan i Jönköping och ämnar undersöka brand licensing, licensering av varumärkesnamn.

Din åsikt är av hög betydelse för vårt arbete och tar endast några minuter att fylla i. Var vänlig följ instruktionerna på nästa sida. Om du har några frågor angående enkäten var vänlig och fråga oss om hjälp.

De svar som du anger kommer att bli behandlade med yttersta förtroende och du behöver inte lämna några uppgifter som kan användas för att identifiera dig.

Uppgifterna ifrån denna och andra enkäter kommer att användas för att få en djupare förståelse av brand licensing. Resultaten av undersökningen kommer att bli publicerade online på Högskolan i Jönköpings Akademiska Arkiv (DiVA).

Vi hoppas att du kommer att uppskatta den hjälp dina svar ger oss! Var vänlig och ge dina svar till personen som gav enkäten till dig.

Tack för din medverkan,

Kirill Dementev, Cecilia Emilsson och Yulia Lukyanchenko
Var vänlig kryssa i den ruta med alternativet som bäst beskriver dig.

1. Ålder?
   - 18-25 □
   - 26-34 □
   - 35-48 □
   - 49-62 □
   - 62+ □

2. Kön?
   - Man □
   - Kvinna □

3. Nationalitet?
   - Svensk □
   - Annan □

Följande frågor refererar till Pringles brand chips. Var vänlig kryssa i rutan som bäst beskriver din åsikt.

4. Jag anser att den generella kvaliteten av Pringles chips är:
   - Mycket dålig □
   - Dålig □
   - Godkänd □
   - Bra □
   - Mycket bra □

5. Min kännedom om varumärket Pringles är:
   - Mycket dålig □
   - Dålig □
   - Godkänd □
   - Bra □
   - Mycket bra □

6. Ange minst fem saker du associar med Pringles chips:

7. Kommer du i framtiden att köpa Pringles chips?
   - Inte alls troligt □
   - Inte troligt □
   - Inte säker □
   - Troligt □
   - Mycket troligt □


8. Jag tror att kvaliteten av en Pringles dip skulle vara:
   - Mycket dålig □
   - Dålig □
   - Godkänd □
   - Bra □
   - Mycket bra □

9. Nämn fem saker du associerar med en Pringles dip:

10. Kommer du i framtiden köpa en Pringles dip?
    - Inte alls troligt □
    - Inte troligt □
    - Inte säker □
    - Troligt □
    - Mycket troligt □

11. Jag anser att kvaliteten av en Pringles ryggsäck skulle vara:
    - Mycket dålig □
    - Dålig □
    - Godkänd □
    - Bra □
    - Mycket bra □

12. Ange fem saker du associerar med en Pringles ryggsäck:

13. Kommer du i framtiden köpa en Pringles ryggsäck?
    - Inte alls troligt □
    - Inte troligt □
    - Inte säker □
    - Troligt □
    - Mycket troligt □

Tack för din medverkan.
## Appendix B – Coding Values

### Age

<table>
<thead>
<tr>
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<tr>
<td>4</td>
<td>49-62</td>
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<td>5</td>
<td>62+</td>
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### Gender

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### Country

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### Pringles Chips Quality

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<tr>
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<td>4</td>
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<tr>
<td>5</td>
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### Pringles Awareness

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<tr>
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<td>4</td>
<td>High</td>
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<td>Very High</td>
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### How likely to buy Pringles

<table>
<thead>
<tr>
<th>SPSS Value</th>
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<tbody>
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<td>2</td>
<td>Disagree</td>
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<tr>
<td>3</td>
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</tr>
<tr>
<td>4</td>
<td>Agree</td>
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<tr>
<td>5</td>
<td>Strongly Agree</td>
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</table>

### Dip Quality

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<tr>
<td>4</td>
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<td>5</td>
<td>Very High</td>
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### How likely to buy Dip

<table>
<thead>
<tr>
<th>SPSS Value</th>
<th>Label</th>
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<tbody>
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<td>Disagree</td>
</tr>
<tr>
<td>3</td>
<td>Not Sure</td>
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<tr>
<td>4</td>
<td>Agree</td>
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</table>
### Quality of Pringles Backpack

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<th>Label</th>
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<tbody>
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<tr>
<td>5</td>
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### How likely to buy Backpack

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<tr>
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<td>4</td>
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### Product Associations

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<td>Potato</td>
</tr>
<tr>
<td>3</td>
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<td>21</td>
<td>Complimentary</td>
</tr>
<tr>
<td>4</td>
<td>Slogan</td>
<td>22</td>
<td>Unnecessary/Not good</td>
</tr>
<tr>
<td>5</td>
<td>Fun</td>
<td>23</td>
<td>Regular</td>
</tr>
<tr>
<td>6</td>
<td>Social Activities</td>
<td>24</td>
<td>Convenience</td>
</tr>
<tr>
<td>7</td>
<td>Tasty</td>
<td>25</td>
<td>Marketing</td>
</tr>
<tr>
<td>8</td>
<td>Chips Shape/Texture</td>
<td>26</td>
<td>Texture of dip</td>
</tr>
<tr>
<td>9</td>
<td>Unhealthy</td>
<td>27</td>
<td>Low quality</td>
</tr>
<tr>
<td>10</td>
<td>Green</td>
<td>28</td>
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<td>31</td>
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<td>Variety of flavours</td>
<td>32</td>
<td>Original</td>
</tr>
<tr>
<td>15</td>
<td>Artificial</td>
<td>33</td>
<td>Other</td>
</tr>
<tr>
<td>16</td>
<td>Snacks</td>
<td>34</td>
<td>Yellow</td>
</tr>
<tr>
<td>17</td>
<td>Expensive</td>
<td>35</td>
<td>Black</td>
</tr>
<tr>
<td>18</td>
<td>American</td>
<td>36</td>
<td>Different from others</td>
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</tbody>
</table>
Appendix C – Bar Charts of Perceived Quality

Figure 1 Bar chart of perceived quality of chips.

Figure 2 Bar chart of perceived quality of dip.

Figure 3 Bar chart of perceived quality of backpack.
Appendix D – Spearman’s Rank Correlation Range

<table>
<thead>
<tr>
<th>Range</th>
<th>Correlation Description</th>
<th>Relationship Description</th>
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<td>0.90-1.00</td>
<td>Very high correlation</td>
<td>Very strong relationship</td>
</tr>
<tr>
<td>0.70-0.90</td>
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<td>Substantial relationship</td>
</tr>
<tr>
<td>0.40-0.70</td>
<td>Moderate correlation</td>
<td>Moderate relationship</td>
</tr>
<tr>
<td>0.20-0.40</td>
<td>Low correlation</td>
<td>Weak relationship</td>
</tr>
<tr>
<td>0.00-0.20</td>
<td>Slight correlation</td>
<td>Relationship so small as to be random</td>
</tr>
</tbody>
</table>

(Burns & Burns, 2008, p.346)
Appendix E – Bar Charts of Likelihood of Buying

Figure 4 Likelihood of buying chips bar chart.

Figure 5 Likelihood of buying dip bar chart.

Figure 6 Likelihood of buying backpack bar chart.
## Appendix F – Product Associations

### Chips Associations

<table>
<thead>
<tr>
<th>Category</th>
<th>Responses</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>63</td>
<td>12,9%</td>
<td></td>
</tr>
<tr>
<td>Logo</td>
<td>35</td>
<td>7,2%</td>
<td></td>
</tr>
<tr>
<td>TV Commercial</td>
<td>16</td>
<td>3,3%</td>
<td></td>
</tr>
<tr>
<td>Slogan</td>
<td>27</td>
<td>5,5%</td>
<td></td>
</tr>
<tr>
<td>Fun</td>
<td>20</td>
<td>4,1%</td>
<td></td>
</tr>
<tr>
<td>Social Activities</td>
<td>29</td>
<td>5,9%</td>
<td></td>
</tr>
<tr>
<td>Tasty</td>
<td>47</td>
<td>9,6%</td>
<td></td>
</tr>
<tr>
<td>Chips Shape/Texture</td>
<td>54</td>
<td>11,1%</td>
<td></td>
</tr>
<tr>
<td>Unhealthy</td>
<td>17</td>
<td>3,5%</td>
<td></td>
</tr>
<tr>
<td>Green</td>
<td>8</td>
<td>1,6%</td>
<td></td>
</tr>
<tr>
<td>Red</td>
<td>11</td>
<td>2,3%</td>
<td></td>
</tr>
<tr>
<td>Salty</td>
<td>25</td>
<td>5,1%</td>
<td></td>
</tr>
<tr>
<td>Well Known</td>
<td>8</td>
<td>1,6%</td>
<td></td>
</tr>
<tr>
<td>Variety of flavours</td>
<td>27</td>
<td>5,5%</td>
<td></td>
</tr>
<tr>
<td>Artificial</td>
<td>9</td>
<td>1,8%</td>
<td></td>
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<tr>
<td>Snacks</td>
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<td>2,3%</td>
<td></td>
</tr>
<tr>
<td>Expensive</td>
<td>15</td>
<td>3,1%</td>
<td></td>
</tr>
<tr>
<td>American</td>
<td>7</td>
<td>1,4%</td>
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</tr>
<tr>
<td>Travel</td>
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<tr>
<td>Potato</td>
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<tr>
<td>Unnecessary/Not good</td>
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<tr>
<td>Convenience</td>
<td>8</td>
<td>1,6%</td>
<td></td>
</tr>
<tr>
<td>Youth/Children</td>
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<tr>
<td>High Quality</td>
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<tr>
<td>Colourful</td>
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</tr>
<tr>
<td>Cheap</td>
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</tr>
<tr>
<td>Original</td>
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<td>0,4%</td>
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<tr>
<td>Other</td>
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<tr>
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<tr>
<td>Different from others</td>
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### Dip Associations

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<tr>
<td>Logo</td>
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<tr>
<td>Slogan</td>
<td>3</td>
<td>0,9%</td>
<td></td>
</tr>
<tr>
<td>Fun</td>
<td>2</td>
<td>0,6%</td>
<td></td>
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<tr>
<td>Social Activities</td>
<td>16</td>
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<tr>
<td>Tasty</td>
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<tr>
<td>Unhealthy</td>
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<td>Green</td>
<td>3</td>
<td>0,9%</td>
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<tr>
<td>Red</td>
<td>4</td>
<td>1,1%</td>
<td></td>
</tr>
<tr>
<td>Salty</td>
<td>12</td>
<td>3,4%</td>
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<td>Variety of flavours</td>
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<td>Unnecessary/Not good</td>
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<td>Colourful</td>
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### Backpack Associations

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<td>Social Activities</td>
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<td>Tasty</td>
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<td>Other</td>
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## Appendix G – Correlations for Deriving Attitude

**Spearman’s rank correlations**

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<th>Perceived Dip Quality</th>
<th>How Likely to Buy the Dip</th>
<th>Perceived Backpack Quality</th>
<th>How Likely to Buy the Backpack</th>
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</thead>
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<td>.422**</td>
<td>.458**</td>
<td>.281**</td>
<td>.223**</td>
<td>.095</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.</td>
<td>.000</td>
<td>.000</td>
<td>.001</td>
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<td>.151</td>
</tr>
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<td>120</td>
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<td>1.000</td>
<td>.270**</td>
<td>.552**</td>
<td>.277**</td>
<td>.348**</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.000</td>
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<td>.001</td>
<td>.000</td>
<td>.001</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Perceived Dip Quality Correlation Coefficient</td>
<td>.458**</td>
<td>.270**</td>
<td>1.000</td>
<td>.480*</td>
<td>.441**</td>
<td>.048</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.000</td>
<td>.001</td>
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<td>.000</td>
<td>.000</td>
<td>.303</td>
</tr>
<tr>
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<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
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<td>.552**</td>
<td>.480**</td>
<td>1.000</td>
<td>.417**</td>
<td>.387**</td>
</tr>
<tr>
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<td>.000</td>
<td>.000</td>
<td>.</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
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<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Perceived Backpack Quality Correlation Coefficient</td>
<td>.223**</td>
<td>.277**</td>
<td>.441**</td>
<td>.417**</td>
<td>1.000</td>
<td>.504**</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.007</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
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<tr>
<td>How Likely to Buy the Backpack Correlation Coefficient</td>
<td>.095</td>
<td>.348**</td>
<td>.048</td>
<td>.387**</td>
<td>.504**</td>
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<td>.151</td>
<td>.000</td>
<td>.303</td>
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<td>120</td>
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</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (1-tailed).**