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The Influence of Corporate Messages on the Product Portfolio

The authors examine factors that change the influence of corporate messages for forming judgments about products in the company's portfolio (i.e., transfer). Corporate messages transferred more than a product message onto other products in the company's portfolio. However, a product message had more influence than corporate messages for that product. Moreover, a corporate ability (quality) message transferred more to the portfolio than did a corporate social responsibility message. Finally, a competitive product message that preceded a company product message and was positioned similarly to a company product lessened corporate message diagnosticity, reducing transfer. However, this occurred only for a product in the same category but not for a product in a different one. The authors discuss the implications of these findings for corporate brand and product brand managers and suggest directions for further research.

Although corporate messages can create an image that encompasses many aspects of the company (Drumwright 1996; Johnson and Zinkhan 1990), they may also transfer to consumers' judgments about the products the company markets (Duncan and Moriarty 1998; Gurhan-Canli and Batra 2004; Hatch and Schultz 2001; Raju and Dhar 1999). In this article, the term "transfer" refers to the influence of corporate messages on product beliefs and attitudes. Corporate messages transfer to product characteristics (Brown and Dacin 1997), price perceptions (Creyer and Ross 1996), perceived product values and evaluations (Goldberg and Hartwick 1990), brand beliefs and attitudes (Sheinin and Biehal 1999), product purchase intentions (Sen and Bhattacharya 2001), and product choices (Creyer and Ross 1996).

These studies establish corporate transfer to a single product but not to multiple products in a company's portfolio. Companies such as Toyota, 3M, and DuPont market portfolios of products across many categories while sending corporate messages to customer targets. For example, Toyota's "Made in the USA" corporate message communicates the company's commitment to domestic manufacturing. Toyota's corporate brand and product managers need to know which products will be influenced by the corporate

message and whether all products will be influenced similarly. They also need to know whether corporate messages compared with single-product messages add value to a portfolio. Managers should not infer that corporate transfer to one product will generalize for several products, because products differ in many ways; for example, some products may be clearly differentiated from competitors, whereas others may not be. This may differentially influence the nature and extent of corporate transfer. In summary, a single product may be representative of a corporate positioning and therefore influenced by it. However, when the processing context becomes more complex, as in a multiproduct portfolio, corporate transfer across the portfolio is less obvious. We are unaware of any research that examines how changes in the corporate-message-processing context influence multiple product judgments.

Such changes are the focus of this research. In Study 1, we examine differences in corporate message content. In doing so, we extend the work of Brown and Dacin (1997), who find that corporate social responsibility (CSR) and corporate ability (CA) associations influence evaluations of a single product but through qualitatively different processes. In Study 1, we examine the effect of corporate message content on transfer and test whether Brown and Dacin's finding applies to multiple products. The study also compares corporate and product messages and explicitly measures the belief and attitudinal bases of corporate transfer. In Study 2, we examine the effect of changes in a product's competitive environment on corporate transfer. Competitive messages have been found to have a consistently negative impact on consumers' product information processing (Burke and Srull 1988; Keller 1987; Kent and Allen 1994), but their impact on corporate transfer is not understood.

Therefore, both studies investigate corporate transfer to multiple products in a company's portfolio in a more complex message-processing context than previous research. To develop hypotheses and interpret the results, we use the accessibility–diagnosticity framework (Feldman and Lynch 1988). This framework proposes that the probability that a

piece of information is used to make a judgment reflects its (1) accessibility, or the ease with which it can be retrieved from memory; (2) diagnosticity, or the ability to make the judgment based on that information alone; and (3) accessibility and diagnosticity relative to other information. When consumers have several diagnostic information sources, selecting and using one lessens the use of others (Lynch, Marmorstein, and Weigold 1988). Thus, for corporate messages to influence products, they must be accessible when consumers think about product information, diagnostic in evaluating the product, and more accessible and diagnostic relative to other product information sources. In both studies, we vary the relative diagnosticity of corporate messages for making judgments about products in a portfolio. Study 1 examines the differential diagnosticity of different types of corporate messages and of corporate versus product messages. Study 2 varies the competitive message environment and traces its impact on corporate message diagnosticity for judging products in the company's portfolio. In the next section, we describe the theory and results of Study 1. Then, we present the theory and results of Study 2. We conclude with theoretical and managerial implications and suggestions for further research.

Study 1

Theoretical Framework

The diagnosticity of corporate versus product messages. Consider a company that uses a corporate message to position the corporate brand. The company also communicates messages for several products in its portfolio, but for simplicity, we consider just two, Products A and B. We make three assumptions. First, we assume that Products A and B are in unrelated product categories. Second, we assume that the company employs a "branded-house" strategy (Aaker and Joachimsthaler 2000), such that messages for Products A and B contain corporate retrieval cues (e.g., the corporate name or logo). Third, we assume that consumers encounter the corporate message before the product messages, thus establishing an accessible corporate memory trace before they evaluate the company's products.

When consumers evaluate a product, they search accessible knowledge in memory for diagnostic information about it (Lynch, Marmorstein, and Weigold 1988). According to the accessibility–diagnosticity framework, consumers use this knowledge in conjunction with externally available information to make judgments (Lynch and Srull 1982). In a portfolio context, potentially diagnostic knowledge includes corporate messages and product messages linked with the corporate name. Therefore, consumers have several accessible inputs when they evaluate Product A (i.e., corporate, Product A, and Product B messages).

How do consumers choose from multiple information sources? Consumers are "cognitive misers"; they use just enough information to solve the task and do not consider all accessible and diagnostic knowledge sources because information search is costly (Fiske and Taylor 1991). Furthermore, Feldman and Lynch (1988) propose that when two or more inputs are available, increasing the diagnosticity of

one relative to the others lessens the use of the others (Lynch, Marmorstein, and Weigold 1987). An important influence of relative diagnosticity is the number of overlapping associations between two concepts (i.e., the extent to which they contain shared knowledge). Research shows that more overlapping associations enhance knowledge transfer between concepts by increasing the relative accessibility and diagnosticity of one when evaluating the other (Ahluwalia and Gurhan-Canli 2000; Keller 1987). Therefore, because Product B is in an unrelated product category (i.e., shares few associations), it is unlikely to be diagnostic for evaluating Product A. However, in a branded-house context, knowledge formed from the corporate message should have overlapping associations with Product A's messages and contain beliefs that are diagnostic for evaluating Product A (Brown and Dacin 1997; Keller 1987). Thus, corporate message associations should be more accessible and diagnostic in evaluating Product A than those of Product B and should be used to a greater extent. Conversely, Product B's messages should be more diagnostic than the corporate message in evaluating Product B—high message overlap is likely between Product B messages and existing Product B knowledge—but not for other, unrelated products in the portfolio, for which overlap is low. Thus:

> H_{1a}: A corporate message is more diagnostic than a product message for forming judgments about other products in the portfolio.
>
> H_{1b}: A product message is more diagnostic than a corporate message for forming judgments about the product.

The diagnosticity of CA versus CSR messages. Corporate ability messages are positioned on product-relevant dimensions, such as quality and service orientation. Corporate social responsibility messages are positioned on less-product-relevant dimensions, such as social responsibility and ethical orientation (Brown and Dacin 1997; Sen and Bhattacharya 2001). Both CA and CSR messages are diagnostic for judging products insofar as consumers use them to infer unknown product characteristics (Brown and Dacin 1997), though the effect on purchase intentions may be moderated by support for the CSR domain (Sen and Bhattacharya 2001).

Corporate ability messages should be more diagnostic than CSR messages for forming product beliefs. Consumers make inferences when evaluating products (Broniarczyk and Alba 1994; Dick, Chakravarti, and Biehal 1990), but it should be more difficult for them to infer product performance from CSR than from CA messages because the former are less correlated with product attributes. For example, Brown and Dacin (1997) find that CSR is unrelated to product attribute associations and evaluations, though it is related to corporate evaluation and, thus, product evaluation. Because CSR messages are not strongly associated with product attributes, corporate transfer should be relatively lower (Ahluwalia and Gurhan-Canli 2000).

Conversely, CA messages, which are positioned on product-relevant attributes, should be more diagnostic for forming product beliefs than should CSR messages. A company's quality associations should be strongly linked in consumers' minds with beliefs about product quality, mak-

ing the former more diagnostic for evaluating them. In addition, consumers can use quality associations to infer performance on other attributes. Brown and Dacin's (1997) findings support this reasoning; that is, CA associations influence both corporate evaluation and product sophistication, and in turn, both influence product evaluations, though the sophistication relationship is stronger. Brown and Dacin conclude (p. 80) that "a reputation based on a company's abilities may have a greater impact on both specific product attribute perceptions and the overall corporate evaluation than a reputation for social responsibility." Therefore, we predict the following:

> H_2: CA messages are more diagnostic for forming product beliefs across the portfolio than are CSR messages.

Method

Design, stimuli, and message manipulations. Study 1 is a single-factor between-subjects design with four message levels (CSR, CA, product, and control). We communicated messages with carefully designed advertisements. We conducted two pretests. In the first (n = 42), participants evaluated potential product categories, and in the second (n = 30), they evaluated potential corporate names and identified product category attributes. On the basis of these pretests, we designed four full-page advertisements for a hypothetical financial services company (branded Atlantic Finance Company). Each advertisement had identical execution and element locations; listed from top to bottom, these are corporate name and logo, headline, message copy, common copy, and corporate name and logo again (see Appendix A). The purpose of the common copy was to establish a control condition against which we could measure the relative contribution of each message. The only difference among the advertisements was the message copy.

The CSR message described the company in terms of its ethical conduct, employee integrity, and charity and community efforts. The CA message described the company in terms of its customer service and quality. The product message described the company's Visa credit card in terms of convenience, ATM usage, and branded alliances. Each of these three messages had a similar word count. Finally, the control message contained only the common copy, which provided additional information about the credit card product. Guided again by pretests, we defined a three-product portfolio that consisted of a Visa credit card, insurance, and financial planners. Participants never received any attribute-specific information about insurance and financial planners.

Participants and procedure. Undergraduate students (n = 173) at a mid-Atlantic university participated in exchange for extra course credit. They were randomly assigned to conditions and were tested in groups of approximately 20. A booklet described the purpose of the experiment and contained the measures.

Participants first read that the study was about evaluating advertisements and products and then read that they would see an advertisement in test marketing. The experimenter used an overhead projector to expose participants for a set time to one of the four advertisements and asked them to look at them carefully ("much as you would if the advertisement interested you"). Next, participants completed company attitude measures. Then, they completed beliefs and attitude measures for each of the three products in the company's portfolio. Product beliefs were presented in two random orders. Next, participants completed potential covariate measures of category familiarity, knowledge, usage, and corporate name awareness and knowledge (order and covariate effects were not significant). Finally, participants gave demographic information and guessed the purpose of the research (none were correct).

Measures. The key measures were Visa credit card, insurance, and financial-planner beliefs and attitudes. We also used a measure of Atlantic Finance Company attitude to examine a competing explanation of the results. The seven-point belief scales had "likely/unlikely" endpoints, which we randomly reversed. Appendix B contains measurement items and reliabilities (each $\alpha > .78$).

Results

The diagnosticity of corporate versus product messages. H_{1a} predicts that a corporate message will be more diagnostic than a product message for forming judgments about other products in the portfolio. Recall that insurance and financial planners are the other products. Support for the hypothesis requires that corporate messages, pooled both across corporate condition and by condition, lead to higher beliefs and more positive attitudes for the insurance and financial-planner products than does a product message (for cell sizes, means, and standard deviations, see Table 1).

Consistent with H_{1a}, beliefs about other products in the portfolio (Table 1) were more positive when participants were exposed to a corporate message than to a product message. A 2 (message: corporate [CSR and CA pooled] and product) $\times$ 1 multivariate analysis of variance (MANOVA) with insurance and financial-planner beliefs and attitudes as dependent variables was significant ($F_{4, 135} = 5.42$, $p < .001$). The pooled beliefs were higher after a corporate message (M = 5.08) than after a product message (M = 4.48; $t_{139} = 3.65$, $p < .001$), and the pooled attitudes were more positive (M = 4.62 versus M = 3.84; $t_{139} = 4.26$, $p < .0001$).

For insurance, a 2 (message: corporate and product) $\times$ 1 MANOVA with insurance beliefs and attitudes as dependent variables was significant ($F_{2, 138} = 10.71$, $p < .0001$). Beliefs about insurance were higher after a corporate message (M = 4.73) than a product message (M = 4.08; $t_{140} = 3.28$, $p < .01$). By corporate condition, the difference was directional only after the CSR message (M = 4.41; $t_{90} = 1.49$, $p < .15$) and significant only after the CA message (M = 5.06; $t_{88} = 4.27$, $p < .0001$). As further confirmation, insurance beliefs were higher after a corporate message than after the control (M = 3.76; $t_{130} = 4.16$, $p < .0001$), but after a product message, they did not differ ($p > .30$). By condition, both were higher (CSR: M = 4.41; $t_{80} = 2.47$, $p < .05$; CA: M = 5.06; $t_{78} = 4.73$, $p < .0001$). We replicated all preceding belief results for attitude, except that the CSR (M = 4.41) versus product message (M = 3.73) comparison was also significant ($t_{90} = 3.15$, $p < .01$).

For financial planners, a 2 (message: corporate and product) $\times$ 1 MANOVA with financial-planner beliefs and attitudes as dependent variables was significant ($F_{2, 137} =$

TABLE 1
Study 1: Means and Standard Deviations by Condition

	Condition			
Measure by Product	CSR Message (n = 52)	CA Message (n = 50)	Product Message (n = 40)	Control (n = 31)
Beliefs				
Insurance	4.41 (.92)	5.06 (.98)	4.08 (1.17)	3.76 (1.47)
Financial planner	5.26 (.96)	5.60 (1.01)	4.87 (.94)	4.72 (1.29)
Visa credit card	4.05 (.91)	4.16 (1.13)	5.86 (.83)	3.90 (1.04)
Attitudes				
Insurance	4.41 (1.09)	4.71 (.97)	3.73 (.95)	3.98 (1.16)
Financial planner	4.61 (1.10)	4.76 (1.15)	3.96 (1.24)	4.10 (1.22)
Visa credit card	4.29 (1.14)	4.56 (1.20)	5.34 (1.05)	4.45 (1.32)

6.97, $p < .01$). Beliefs about financial planners were higher after a corporate message (M = 5.43) than after a product message (M = 4.87; $t_{139} = 3.06$, $p < .01$). By corporate condition, the difference was significant after both the CSR and the CA messages (CSR: M = 5.26; $t_{89} = 1.96$, $p < .05$; CA: M = 5.60; $t_{88} = 3.52$, $p < .001$). As further confirmation, after a corporate message, financial-planner beliefs were higher than the control (M = 4.72; $t_{129} = 3.21$, $p < .001$), but after a product message, they did not differ ($p > .50$). By condition, both were higher (CSR: M = 5.26; $t_{79} = 2.17$, $p < .05$; CA: M = 5.60; $t_{78} = 3.41$, $p < .001$). We replicated all preceding belief results for attitude.

H_{1b} predicts that product messages will be more diagnostic than a corporate message for forming judgments about the product. Support for this hypothesis requires that credit card beliefs and attitudes are higher with the product message than with the corporate messages. Consistent with H_{1b}, a 2 (message: corporate and product) × 1 MANOVA with Visa credit card beliefs and attitudes as dependent variables was significant ($F_{2, 138} = 49.28$, $p < .0001$). Credit card beliefs were higher after a product message (M = 5.86) than after a corporate message (M = 4.11; $t_{140} = 9.61$, $p < .0001$). As further confirmation, after a product message, credit card beliefs were higher than the control (M = 3.90; $t_{68} = 8.68$, $p < .0001$), but after a corporate message, they did not differ ($p > .40$).

The beliefs we discussed previously stemmed directly from the product message and were unique to the product. Therefore, these results may reflect method bias; because the beliefs sourced directly from the product message, they should be higher after a product message than after a corporate message. To bolster the analysis, we also examined beliefs about four attributes that were common across all three products (e.g., "[Product] offers good customer service," "[Product] offers high quality"). If we find the same results for inferential beliefs that did not source directly from the product message, this would strengthen support

for H_{1b}. Factor analyses of the common belief measures led to reliable scales for each product (each $\alpha > .83$). The results using common beliefs replicate those reported for unique beliefs and support H_{1b}. Finally, we replicated all belief results for credit card attitudes.[1]

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[1]An alternative explanation for these results is that they do not reflect corporate transfer but rather product-to-product "spillover" from the credit card to the two other products. Thus, lower evaluations arose because the two other products were perceived as fitting poorly with the credit card product, which was described in copy that was common to all conditions. Poor fit has been associated with brand devaluation (Aaker and Keller 1990). Although we had no fit measures to test this possibility directly, we ran regressions to measure the influence of Visa credit card attitudes on attitudes toward the two other products. The first, a moderated mediation analysis, regressed Visa credit card attitude, dummy (1 = the pooled CSR and CA conditions, 2 = the product condition), and the Visa credit card attitude × dummy interaction on pooled insurance and financial-planner attitudes. The interaction coefficient was not significant ($p > .50$), indicating that the influence of Visa credit card attitude did not vary across the experimental conditions. Then, we regressed attitudes toward Visa credit card and Atlantic Finance Company on pooled insurance and financial-planner attitudes, for the pooled CSR and CA conditions and the product message condition. Both regressions were significant (for pooled CSR and CA, $F_{2, 96} = 43.38$, $p < .0001$; for the product condition, $F_{2, 37} = 4.56$, $p < .05$). Visa credit card attitude was not a significant predictor in any condition (each $p > .10$)—that is, there was no spillover from it—whereas the Atlantic Finance Company attitude was significant in both cases (for pooled CSR and CA, $t_{96} = 7.14$, $p < .0001$; for product, $t_{37} = 2.34$, $p < .05$). Moreover, a comparison of pooled insurance and financial-planner means between the product message and the control conditions showed that neither beliefs (M = 4.48 versus control M = 4.24, $p > .30$) nor attitudes (M = 3.84 versus control M = 4.04, $p > .40$) differed significantly. This finding is important because it indicates that there was no product spillover to other products in the company portfolio (i.e., the product message was not diagnostic in the evaluation of other products in the portfolio).

The diagnosticity of CA versus CSR messages. H_2 predicts that CA messages will be more diagnostic for forming product beliefs across the portfolio than will CSR messages. This hypothesis implies that beliefs pooled across all three products in the portfolio and for individual products would be higher for CA than for CSR messages. A 2 (corporate message: CSR versus CA) $\times$ 1 MANOVA of pooled Visa credit card, insurance, and financial-planner beliefs was significant ($F_{3, 97} = 4.01$, $p < .01$). Consistent with H_2, pooled beliefs were higher after the CA message (M = 4.94) than after the CSR message (M = 4.57; $t_{99} = 2.80$, $p < .01$). By condition, corporate messages differed for insurance ($M_{CA} = 5.06$ versus $M_{CSR} = 4.41$; $t_{100} = 3.44$, $p < .001$), differed directionally for financial planners ($M_{CA} = 5.60$ versus $M_{CSR} = 5.26$; $t_{99} = 1.71$, $p < .09$), and did not differ for the credit card ($p > .60$).

Some additional results validate these findings. First, pooled product beliefs formed from CA (M = 4.94; $t_{77} = 4.15$, $p < .0001$) and CSR (M = 4.57; $t_{78} = 2.41$, $p < .05$) messages were higher than were control beliefs (M = 4.14). This finding shows that the CA message was more diagnostic both absolutely versus the control and relatively versus the CSR message, which was diagnostic itself. Second, the pooled and individual product attitudes for the two types of corporate messages did not differ (ps > .15), However, pooled attitudes formed from the CA message were more positive (M = 4.68) than the control (M = 4.18; $t_{78} = 2.47$, $p < .05$), whereas those formed from the CSR message (M = 4.43) were not ($p > .20$).

Discussion

Study 1 found that corporate messages were more diagnostic than product messages for the evaluation of other products in the portfolio (H_{1a}), whereas product messages were not diagnostic. However, product messages were more diagnostic than corporate messages for the product in question (H_{1b}). In addition, there were qualitative differences in corporate messages: CA messages were more diagnostic for forming product beliefs than were CSR messages (H_2), but not for attitudes. Moreover, comparisons with the control group showed that both CSR and CA messages were diagnostic for forming other product beliefs. This finding is important because it shows that the differential effect of CA versus CSR messages does not depend on a comparison to a nondiagnostic baseline message. However, there were no corporate message differences for the credit card product. This finding suggests that the common product information in each message is more diagnostic than corporate information for forming credit card evaluations. Finally, only the CA message led to a more positive attitude than the control across the portfolio, and additional analyses found no evidence of product-to-product spillover.

In summary, consistent with the accessibility–diagnosticity framework, Study 1 demonstrates that corporate messages can influence multiple products in a portfolio, whereas a product message shows no evidence of portfolio impact. Therefore, this study extends Brown and Dacin's (1997) findings by demonstrating the impact of qualitatively different corporate information on corporate message diagnosticity across an entire portfolio, not just a single product. We now examine the moderating effect of competitive messages on corporate transfer.

Study 2

Theoretical Framework

The diagnosticity of corporate versus competitive product messages. In practice, corporate messages appear in the presence of competitive product messages. Such messages may disrupt corporate transfer to the company's product portfolio. Research into competitive interference shows that competitive messages disrupt consumers' ability to retrieve and use product knowledge stored in memory. Competitive interference effects are robust and well documented. Keller (1987) finds that competitive interference reduced ad claim retrieval because of participants' confusion about which brand and which claims were associated with a particular advertisement. In a subsequent study, interference reduced cognitive response retrieval and ad evaluations, but this outcome was reversed by providing ad retrieval cues (Keller 1991). Kent and Allen (1994) find that competitive interference based on recall was lower for familiar than for unfamiliar brands. They argue that familiar brands have more distinctive memory traces than less familiar ones, which are grouped in consumers' minds under a general product category schema.

However, the adverse effects of competitive messages may extend beyond interference with product retrieval to consumers' inference making, an important aspect of information processing (Burke and Srull 1988). In particular, competitive messages may disrupt the inferential processes consumers use to relate concepts to one another. Such processes can have important evaluative implications. For example, corporate evaluations influence product judgments (Brown and Dacin 1997; Sheinin and Biehal 1999). As we argue subsequently, a competitive message may have an adverse impact if it is perceived as more diagnostic than a corporate message, thus reducing corporate transfer. Therefore, in a competitive message environment, an important consideration is which knowledge source, corporate or competitive, consumers perceive as more diagnostic when they evaluate a company's products.

A key consideration should be the sequence in which consumers encounter competitive and product messages. Different message sequences influence the disruptive nature of intervening information relative to a target (Burke and Srull 1988). We examine two sequences of four messages: corporate, the company's Product A, a direct competitor to Product A, and the company's Product B from a category that is unrelated to Product A. In both sequences, consumers always first encounter the corporate message. In a before-message sequence, the competitor-to-A message comes between the corporate message and Product A's message (corporate message $\rightarrow$ competitor-to-A message $\rightarrow$ Product A $\rightarrow$ Product B). In an after-message sequence, the competitor-to-A message comes after the corporate message and Product A's message (corporate message $\rightarrow$ Product A $\rightarrow$ competitor-to-A message $\rightarrow$ Product B). These sequences have different implications for the relative diag-

nosticity of the corporate versus the competitor-to-A product messages for evaluating Product A (i.e., corporate transfer).

In the before-message sequence, the competitor-to-A message should influence the diagnosticity of the corporate message to Product A, but such influence should be moderated by the positioning similarity between the competitor-to-A message and Product A. A lower-similarity positioning for a competitor-to-A message has few shared or overlapping associations with Product A, making it easy for consumers to distinguish it from Product A (Meyers-Levy and Tybout 1989; Sujan and Bettman 1989). Because lower-similarity competitor-to-A message knowledge is less accessible and diagnostic in processing Product A, other potentially accessible and diagnostic inputs are more likely to be used (Feldman and Lynch 1988; Lynch, Marmorstein, and Weigold 1988).

In the current context, the corporate message is the other input because Product B is in an unrelated product category and therefore is less diagnostic. Thus, we expect that consumers will use accessible corporate message knowledge that they integrate with the product message. The integrated representation will reflect corporate transfer and be accessible for subsequent product judgments. In summary, we expect that there will be little to no disruption of transfer when a lower-similarity competitive message is encountered before the company's product message.

In contrast, higher similarity between two objects enhances knowledge transfer between them (Martin and Stewart 2001). High message similarity may arise from ad execution (Kent and Allen 1994); the media used (Unnava and Sirdeshmukh 1994); message content, appeals, or positioning (Kent and Allen 1994); or the product categories being used (Keller 1987). Several researchers report high-similarity effects; for example, Burke and Srull (1988) find that high competitive message similarity caused confusion about the properties of recalled brands, thus reducing cued retrieval.

A competitor-to-A message will disrupt corporate transfer to Product A when consumers encounter a highly similar competitive message before the company's product message. Such a message positioning shares many diagnostic product associations with Product A. Therefore, processing the Product A message will activate representations of the competitor-to-A message, resulting in overlapping memory traces and making it more difficult to distinguish between the two products (Burke and Srull 1988). Consumers will try to understand how the products differ and allocate their limited cognitive resources to differentiating and categorizing them. Consequently, the competitor-to-A message becomes highly accessible and diagnostic in processing Product A (Keller 1991), providing a context for interpreting the latter. According to the accessibility–diagnosticity framework, in this situation, other accessible and diagnostic inputs, such as the previously encountered corporate message, are less likely to be used (Feldman and Lynch 1988; Lynch, Marmorstein, and Weigold 1988).

In the after-message sequence, the competitor-to-A message should not reduce the diagnosticity of the corporate message for judging Product A, regardless of position-ing similarity. The Product A message follows the corporate message, which provides an evaluative context for judging it. Consequently, cued and accessible corporate message knowledge is relevant and diagnostic, and consumers integrate it with the product message. A unitized, elaborated representation is then stored in memory and is accessible when the consumer retrieves product knowledge to make a judgment (Meyers-Levy 1991). Thus, the subsequent competitive message does not reduce transfer.

Finally, the competitor-to-A message shares few, if any, associations with Product B and therefore is not diagnostic. The only association that Product B messages share with Product A is the use of the company's name or logo. Therefore, consumers can readily distinguish Product B from Product A, regardless of the competitor-to-A message exposure sequence and level of positioning similarity with Product A. This implies that Product A and the competitor-to-A message should be relatively inaccessible and nondiagnostic when consumers evaluate Product B. It also suggests that accessible corporate knowledge is the most diagnostic input and that the competitor-to-A message should not reduce transfer to Product B. Thus:

H₃: Corporate transfer depends on competitive message sequence and positioning similarity against a product in the portfolio. Specifically,

a. When the competitor message is encountered before a product message in the same category, it will reduce transfer when positioning similarity is high versus low.

b. When the competitor message is encountered after a product message in the same category, it will not reduce transfer regardless of positioning similarity.

H₄: A competitive message positioned against a product in the portfolio does not reduce transfer to other, unrelated products in the portfolio, regardless of message sequence and positioning similarity.

Method

Design, stimuli, and manipulations. The study was a 2 (competitive positioning similarity: high, low) × 2 (competitive message sequence: before or after the company's product message) between-subjects design with two control groups. Guided by pretests similar to those in Study 1, we designed five messages and advertisements to communicate them (see Appendix C). The company message described a hypothetical company (branded Tredegar International) in the lodging and restaurant industry by its ethical conduct, employee integrity, and charity and community efforts. We also created messages for two products in Tredegar's portfolio, a hotel (branded Dearborn) and a restaurant (branded Harvey's), and one competitive hotel product (branded Wabash). Pretests showed that none of the brand names were known or evoked any particular associations. The Dearborn and Harvey's advertisements used copy and visual imagery—pictures from magazines of the interior of a hotel room and a restaurant, respectively—to convey an upscale image. These advertisements had similar information quantity and used the headline of the company advertisement. They also contained the same retrieval cues (i.e., the company name, logo, and slogan).

The similarity manipulation varied the positioning of the competitive hotel. For the high-similarity condition, Wabash's competitive positioning was upscale, and for the low-similarity condition, it was midlevel. Message positioning was augmented with a picture of an upscale or midlevel hotel room. We pretested all images and positionings to ensure construct validity. The sequence manipulation varied when participants encountered the competitive Wabash Hotel message. The before-message sequence was Tredegar International → Wabash Hotel competitor → Dearborn Hotel → Harvey's Restaurant. The after-message sequence was Tredegar International → Dearborn Hotel → Wabash Hotel competitor → Harvey's Restaurant. Control 1 participants saw neither the corporate nor the competitive message, and Control 2 participants saw the Tredegar International message but not the competitive message.

In summary, Study 2 manipulates the relative diagnosticity of a corporate (Tredegar) and a competitive (Wabash) hotel message for making judgments about the Dearborn Hotel and Harvey's Restaurant. Specifically, the study examines how the Wabash competitive message alters transfer of the corporate message to two company products. When Dearborn and Wabash are positioned similarly and Wabash precedes Dearborn, consumers will focus on comparing the two, lessening reliance on the previously seen Tredegar corporate message and therefore reducing transfer.

Participants and procedure. Undergraduate students (n = 301) at a mid-Atlantic university participated in the experiment in exchange for extra course credit. Participants were tested in groups of approximately 25 and were randomly assigned to conditions. Participants first received a booklet that described the experiment and gave directions for answering questions (Figure 1). Instructions indicated that the study was about evaluating advertisements and products. Next, participants read that they would see some advertisements in test marketing. Then, using a projector, the experimenter showed the Tredegar International message (Control 1 participants did not see this message). Participants then recorded their Tredegar attitudes. Afterward, participants saw the Dearborn and the competitive Wabash messages and received the message sequence and positioning similarity manipulations. Control 1 and 2 participants saw only Dearborn's message. Participants then recorded their Dearborn beliefs and attitudes. Next, they answered questions about the similarity between the two hotels (seven items). Finally, all participants saw the Harvey's Restaurant message and recorded their beliefs and attitudes. They then completed potential covariate questions (i.e., service category familiarity, knowledge and usage, and corporate name awareness and knowledge). None were significant in analyses of covariance against key dependent measures. Participants also reported demographic information and tried to guess the purpose of the research (none were correct).

Measures. The key measures were Dearborn Hotel and Harvey's Restaurant beliefs and attitudes. We also used a measure of Tredegar attitude to examine a competing explanation of the results. Furthermore, we included new measures, corporate-derived Dearborn and Harvey's beliefs, which constituted an added contribution of Study 2. They

sourced from the Tredegar corporate message, but we measured them in the product context (e.g., "Dearborn operates in an environmentally friendly manner"). Therefore, they directly reflect corporate transfer. Finally, we measured the manipulation check of competitive hotel similarity on seven items. The seven-point belief scales had "likely/unlikely" endpoints, which we randomly reversed. Appendix D contains measure items and reliabilities (each $\alpha > .79$).

Results

Manipulation checks. To check the similarity manipulation, we analyzed mean similarity factor scores in a 2 (competitive positioning similarity) × 2 (competitive message sequence) analysis of variance (ANOVA). Participants perceived higher similarity between the hotel and the competitive hotel in the high-similarity condition (M = 5.40) than in the low-similarity condition (M = 3.18; $t_{196} = 16.68$, $p < .0001$). No other effects were significant. To check whether the Tredegar message operated like the corporate messages used in Study 1, we compared the belief and attitude means of Dearborn Hotel and Harvey's Restaurant in the two control conditions (Table 2). All measures were higher in Control 2 (exposed to Tredegar International) than in Control 1 (not exposed, each $p < .05$). Thus, the corporate message enhanced participants' beliefs about and attitudes toward the multiple products in the company's portfolio, as in Study 1. Because this check is the sole purpose of Control 1, we do not use it anymore (i.e., subsequent references to the control condition refer only to Control 2).

Dearborn Hotel results. Table 2 contains individual cell sizes, means, and standard deviations. H_3 predicts that corporate transfer depends on competitive message sequence and positioning similarity against a product in the portfolio. In confirmation of H_3, a 2 (competitive positioning similarity) × 2 (competitive message sequence) MANOVA of Dearborn beliefs, corporate-derived beliefs, and attitude showed a two-way interaction ($F_{3, 192} = 3.34$, $p < .05$). We now explore this interaction in greater detail.

H_{3a} predicts that when the competitor message is encountered before a product message in the same category, it will reduce transfer when positioning similarity is high versus low. In confirmation of H_{3a}, Dearborn beliefs were lower in the high-similarity than in the low-similarity condition (M = 5.55 versus M = 6.01; $t_{97} = 2.49$, $p < .05$), as were corporate-derived beliefs (M = 4.10 versus M = 4.68; $t_{98} = 2.88$, $p < .01$) and attitudes (M = 5.06 versus M = 5.45; $t_{99} = 2.02$, $p < .05$).

H_{3b} predicts that when the competitor message is encountered after a product message in the same category, it will not reduce transfer, regardless of positioning similarity. Knowledge formed from the corporate message is already integrated with the product message before the competitive message is encountered, and therefore the competitive message does not influence corporate transfer. In confirmation of H_{3b}, in the high-similarity versus the low-similarity condition, Dearborn beliefs and attitudes displayed no differences (each $p > .50$).

FIGURE 1
Study 2: Experimental Procedure
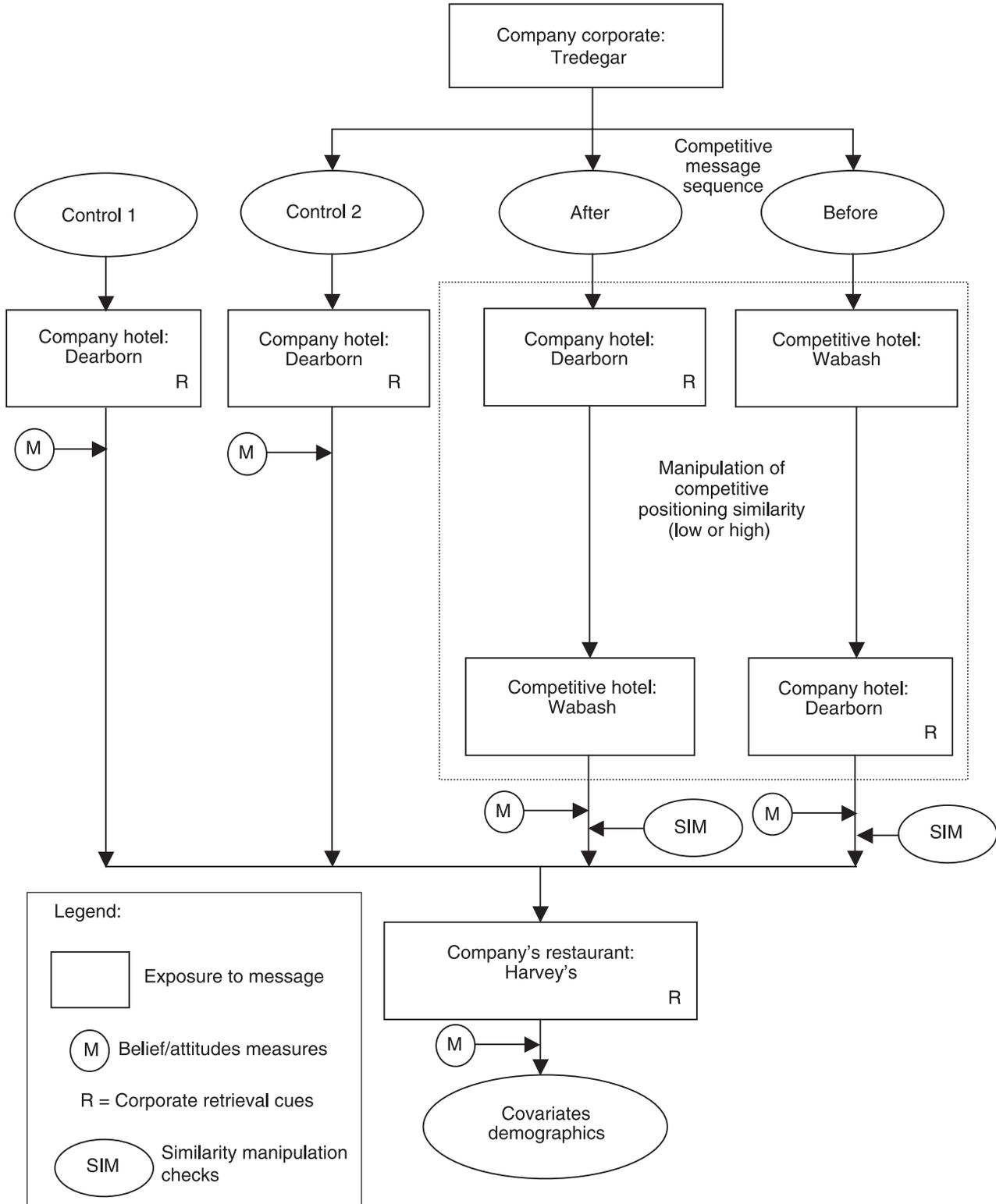
We expected Dearborn beliefs and attitudes to be the same across three experimental conditions: low similarity/before, low similarity/after, and high similarity/after. If this is the case, we could pool these data and compare the pooled means to the high-similarity/before means. A 3×1 MANOVA confirmed our expectations ($p > .30$); none of the individual 3×1 ANOVAs were significant (each $p > .20$; see Table 2). Furthermore, none of the three pooled

TABLE 2
Study 2: Means and Standard Deviations by Condition

Measure for Each Product in the Tredegar International Portfolio	Condition					
	Low Similarity/ Before (n = 44)	High Similarity/ Before (n = 56)	Low Similarity/ After (n = 50)	High Similarity/ After (n = 50)	Control 2[a] (n = 50)	Control 1[b] (n = 51)
Dearborn Hotel beliefs	6.01 (.82)	5.55 (.99)	6.15 (.90)	6.24 (1.04)	6.26 (.72)	5.59 (.99)
Corporate-derived Dearborn Hotel beliefs	4.68 (1.02)	4.10 (.97)	4.70 (.86)	4.50 (.88)	4.61 (.69)	4.17 (.49)
Attitude toward Dearborn Hotel	5.45 (.93)	5.06 (.98)	5.58 (1.07)	5.40 (1.34)	5.83 (.89)	4.59 (1.07)
Harvey's Restaurant beliefs	5.93 (.86)	5.73 (1.12)	5.83 (1.07)	5.99 (.85)	5.85 (1.08)	5.29 (1.19)
Corporate-derived Harvey's Restaurant beliefs	4.44 (.71)	4.62 (.76)	4.68 (.75)	4.63 (1.18)	4.41 (.71)	3.99 (.53)
Attitude toward Harvey's Restaurant	4.87 (1.55)	5.09 (1.40)	5.33 (1.10)	5.23 (1.65)	5.00 (1.27)	4.44 (1.19)

[a]Participants saw the Tredegar corporate message.
[b]Participants did not see the Tredegar corporate message.

measures differed from the respective control means (each $p > .40$), indicating no reduction in corporate transfer.

Next, we compared the pooled means with the high-similarity/before means. Dearborn beliefs were lower in the high-similarity/before condition (M = 5.55) than in the pooled conditions (M = 6.14; $t_{197} = 3.93$, $p < .0001$). This finding was replicated for Dearborn corporate-derived beliefs ($p < .001$) and attitudes ($p < .05$). Therefore, these results strongly confirm our previous results; that is, only the high-similarity/before condition reduced corporate transfer.[2]

In summary, these results confirm the conclusion that the differences predicted by the interaction hypothesis (H_3) are due to the competitive message disrupting corporate message transfer in the high-similarity/before condition. The other three conditions and the control condition showed clear evidence of corporate transfer.

Harvey's Restaurant results. H_4 predicts that a competitive message positioned against a product in the portfolio will not reduce transfer to other, unrelated products in the portfolio, regardless of message sequence and positioning similarity. In confirmation of H_4, the 2 × 2 MANOVA on

Harvey's beliefs, corporate-derived beliefs, and attitudes showed a nonsignificant two-way interaction ($p > .20$) and two nonsignificant main effects (each $p > .15$). None of the relevant pairwise comparisons of Harvey's measures were significant (each $p > .15$). In particular, Harvey's beliefs and attitudes in the high-similarity/before condition did not differ from the other three experimental conditions or the controls (i.e., corporate transfer always occurred).

Discussion

Consistent with our expectations, in Study 2, we found differential competitive impacts on corporate transfer across the product portfolio; transfer depended on competitive message sequence and positioning similarity against a product in the portfolio (H_3). A reduction in transfer occurred only for Dearborn Hotel beliefs and attitudes in the high-similarity/before condition when the competing advertisement was in the same product category (H_3). However, no reduction in transfer occurred with Harvey's Restaurant, the other product in the portfolio in an unrelated category (H_4). Thus, the adverse effects of the competitive message were limited to Dearborn Hotel, the category with the competitive product, and did not spill over to other products in the portfolio, as we predicted.

General Discussion

Despite significant expenditures on corporate messages that target customers, the empirically based understanding of corporate transfer is not well developed (Brown and Dacin 1997). The two studies we report herein make important contributions to the literature by demonstrating that corporate messages have broader effects than product messages across a product portfolio. However, corporate transfer depends on the type of corporate message and a product's competitive environment.

Study 1 showed that corporate messages were more diagnostic than a product message for evaluating other

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[2]To buttress these findings, a reviewer suggested that we run a moderated mediation analysis to determine whether the differential effects exhibited across the experimental conditions were directly attributable to attitude toward the company. We regressed attitude toward the company, dummy (1 = the high-similarity/ before condition, 2 = the other three conditions pooled), and the attitude toward the company × dummy interaction on attitude toward Dearborn Hotel. The regression was significant ($F_{3, 195} = 24.21$, $p < .0001$), as was the interaction ($F_{3, 195} = 8.84$, $p < .01$). This latter result shows that the effect of the company attitude on the hotel attitude differed between the high-similarity/before condition and the other three conditions. Specifically, in the pooled three experimental conditions, company attitude influenced hotel attitude ($F_{1, 140} = 65.37$, $p < .0001$), whereas in the high-similarity/before condition, it did not ($p > .25$).

products in the portfolio, whereas a product message was not diagnostic. However, a product message was more diagnostic than corporate messages for evaluating the product. In addition, we found qualitative differences in corporate transfer. Corporate ability messages were more diagnostic than CSR messages, leading to higher product beliefs and more positive product attitude. These findings are consistent with the accessibility–diagnosticity framework; that is, when consumers have multiple information sources available, they select the most diagnostic one and do not use other potentially diagnostic sources (Feldman and Lynch 1988). Therefore, Study 1 extends Brown and Dacin's (1997) findings by demonstrating that corporate transfer can occur across a product portfolio, but qualitative differences in the corporate message alter its nature and magnitude.

Study 2 used a processing environment in which two messages, corporate and competitive, were potentially diagnostic for product judgments. It found that declines in transfer occurred only when the competitive message was encountered before the company's product message and was positioned similarly. In this situation, the competitive message was more diagnostic, and consequently the corporate message was not used. In the other three experimental conditions, the corporate message was more diagnostic, and the competitive message was not used. As with Study 1, these findings are consistent with the accessibility–diagnosticity framework, which predicts that when consumers have multiple information sources, they select the most diagnostic source and do not use other potentially diagnostic ones (Feldman and Lynch 1988).

Study 2 also used a qualitatively different research context from previous research. Previous research examined a single-message context (Burke and Srull 1988; Kent and Allen 1994), in which the competitive message was the only nonproduct message and thus was always diagnostic. In contrast, Study 2 examined a multiple-message context, in which the competitive message was not the only nonproduct message and was differentially diagnostic. Therefore, Study 2 broadens the view of diagnosticity and demonstrates its importance in a more realistic and complex message environment.

Finally, Study 2 found that reductions in corporate transfer were limited by product category; specifically, corporate transfer from Tredegar International to Harvey's Restaurant was unaffected by Wabash's competitive hotel message. This finding is important because it reinforces the study's methodological validity; that is, participants perceived differences across products and categorized them appropriately, some as "belonging" to the company and some as not. Furthermore, the competitive message did not spill over into unrelated product categories, even when they were similarly positioned, suggesting that participants created separate memory representations for Dearborn and Harvey's. These findings are consistent with hierarchical categorization (see Meyers-Levy and Tybout 1989), in which corporate is superordinate and product is subordinate. Transfer would be more likely across hierarchy levels (e.g., from superordinate to subordinate) but not within levels (e.g., spillover from subordinate to subordinate). In sum-

mary, the two studies provide strong empirical support for the diagnosticity of corporate messages on product portfolio judgments (Aaker and Joachimsthaler 2000) and significantly extend prior work on single-product effects (Brown and Dacin 1997; Creyer and Ross 1996).

Managerial Implications

These results have important implications for both corporate brand managers and product managers. For corporate brand managers, the critical concern is deciding whether to use CSR or CA messages to influence consumers. Corporate ability messages may be better when the objective is to enhance portfolio positioning by capitalizing on their greater diagnosticity for forming product beliefs across the portfolio versus CSR messages (as in Study 1).

This capability can be useful when products in the portfolio are similarly positioned. For example, BMW's products are all positioned on superior performance. In this context, CA messages may enhance individual product positions and thus provide communications efficiencies. Corporate ability messages may also be useful when the portfolio contains products with weak and less diagnostic positions. Here, corporate transfer may offset consumers' lack of differentiating product knowledge (see Brown and Dacin 1997). For example, in response to a loss of product differentiation and decline in sales, Levi's hopes that transfer from its CA message, "A Style for Every Story," can deliver a diagnostic belief-based positioning across its entire portfolio. However, such CA messages could make product positions less diagnostic. Consider DuPont, which markets many well-differentiated products to consumers. Its Lycra brand is positioned on fashion. Concurrently, DuPont targets its corporate message, "The Miracles of Science," to consumers. The risk is that consumers will think about all its products in the context of science, potentially undermining Lycra's positioning.

In contrast, CSR messages may work better when the objective is to maintain portfolio positioning. Corporate social responsibility messages may provide an affective "boost" without altering product beliefs. This can be useful when many products in the portfolio are dissimilarly positioned. The DuPont situation may favor CSR messages because they are less likely to undermine dissimilar and strong product positions and thus cause conflicts with product managers. Corporate social responsibility messages may also be useful when product positionings are strong and diagnostic. When the company is about to launch important new products, it typically relies on significant feature-based differentiation to succeed. For example, the Toyota Prius is strongly differentiated on outstanding gas mileage through hybrid technology. Concurrently, Toyota has run a CSR message positioned on "Made in the USA." This message is likely to be diagnostic at the product level but not as diagnostic as specific product messages. Therefore, the CSR message is less likely to jeopardize Prius's product positioning. When consumers become familiar with Prius, product attitudes formed from corporate transfer should readily shift to being formed by the product's positioning and differentiation. In this manner, CSR transfer can provide launch support until product messages kick in.

Finally, it is important for corporate brand managers to understand that corporate transfer may not occur equally across all products in the portfolio. As we found in Study 1, the same corporate message may influence Product A in one manner and Product B in another. For example, a well-known product may be less susceptible to transfer than an unknown or new product because strong, prior knowledge is more difficult to change than weak knowledge. This possibility may explain the differential product-level results in Study 1; that is, corporate messages exhibited less transfer to the credit card product than to insurance and financial planners. Recall that the common-element content (Appendix A) contained attributes for the credit card. Apparently, this content was more diagnostic for credit card belief and attitude determination than was the corporate message.

For product managers, the critical consideration is how to capitalize on corporate transfer onto their products. Product managers may have little say in the decision to use corporate messages that target consumers. In such cases, corporate messages provide a backdrop within which managers must decide how to design and deliver product messages (Biehal and Sheinin 1998). Our results suggest that they should consider three important, controllable influences on corporate transfer: the degree of product differentiation, the sequencing of product messages, and the use of corporate retrieval cues with product messaging.

Corporate transfer consistently occurred when the similarity of competitive product positioning was low (Study 2)—that is, when product differentiation was high. This suggests that product managers trying to maximize corporate transfer should maximize differentiation. In accordance with the accessibility–diagnosticity model, differentiation could serve to free up consumers' mental resources to focus on other relevant product information sources, such as corporate messages. Corporate transfer also occurred when a competitive product message was encountered after the corporate and product messages. This suggests that product managers trying to maximize corporate transfer need to know when corporate messages are scheduled so that they can place product messages as close as possible (see Sen and Bhattacharya 2001). In this way, they lessen the chance that competitive messages will precede product messages and thus reduce corporate transfer. Finally, although all our corporate messages contained corporate retrieval cues, in reality, product managers can vary their use to influence the level of corporate transfer. For example, product managers who use salient corporate retrieval cues in their product messages may get corporate transfer even when competitive messages are similar and encountered before the product messages.

Product managers' decisions may also pose potential risks for corporate brand managers when they result in product positionings that are inconsistent with a corporate message. For example, 3M's corporate message is positioned on innovation. Presumably, 3M hopes that consumers will first think "innovation" when they encounter any 3M product because of its branded-house approach (Aaker and Joachimsthaler 2000). Then, consumers will think about how that product is innovative. However, if the manager of a less innovative product, such as 3M's High-land brand, uses salient corporate retrieval cues in product messages, consumers may become confused, and the corporate positioning may become jeopardized.

This discussion implies that, in practice, corporate and product managers' decisions are closely intertwined. Consequently, companies need to develop effective organizational mechanisms for communication and cooperation. Corporate managers must understand the product portfolio, the role of various products in attaining corporate objectives, and how those products are positioned. In turn, product managers must understand consumers' corporate brand equity, particularly its content and how it influences their product judgments. This will require changing market research protocols to enable managers to tease out the contributions of corporate transfer on products. Finally, message scheduling needs to be carefully coordinated. Unfortunately, managing these concerns is typically the exception rather than the norm (Biehal and Sheinin 2001).

Limitations and Future Research Directions

The preceding discussion should be assessed with the studies' limitations in mind. In turn, these limitations suggest worthwhile areas for further research. For example, we used student samples, though careful pretesting helped maximize generalizability. Future work should consider more heterogeneous samples, including participants who are differentially loyal to the company and its products. We also used hypothetical company and product brand names. This approach is common in brand research (Brown and Dacin 1997) and reflects a concern with controlling for brand knowledge differences, but the disadvantage is weaker encoding of knowledge than with real brands. Using well-known company and product brands that vary in familiarity could lead to different levels of corporate transfer, depending on their relative accessibility and diagnosticity. Further research should attempt to understand the respective contributions of accessibility and diagnosticity to corporate transfer by taking process measures and using real company and product brands.

Another limitation was the use of a small portfolio of unfamiliar products in dissimilar categories. Although we found no evidence of product-to-product spillover, the properties of the company's product portfolio need more research attention. Recall that Study 1 found some differential transfer across the product portfolio, implying the potential presence of product heterogeneity. Many companies have well-known products that may be positioned similarly (e.g., Dell computers). Such products may constitute another diagnostic knowledge source for judging other, less familiar products in the portfolio (Dell flat-screen televisions), and thus product-to-product spillover may occur (Smith and Park 1992). Consequently, product messages may have similar influences as CA messages on other products marketed by the same firm if individual products are family branded and positioned similarly in their respective categories. However, if positioning fit in the product portfolio is lower, CA messages that can cut across the entire portfolio could be more potent than product messages.[3]

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[3]We thank a reviewer for this insight.

Examining the relative diagnosticity of consumers' corporate versus well-known product beliefs as a function of variations in portfolio positioning similarity should be another research priority.

Next, the placement of corporate messages in Study 2 limited our understanding of their effects. A reviewer suggested that corporate messages could "immunize" against competitive messages, thus protecting a differentiated position. Unfortunately, this possibility cannot be inferred from the study because participants always encountered a prior corporate message. To investigate the immunizing potential of corporate messages, further research should compare the presence or absence of prior corporate messages and the degree of product differentiation on transfer disruption that stems from competitive messages.

Finally, we examined differences between CSR and CA messages in a limited context. Although we found that CSR beliefs were relatively unimportant, in other situations, they may arise and have an influence, though one that is less enduring and weaker than CA beliefs. In addition, many other factors may moderate their relative influence on a product portfolio; research shows that the impact of a CSR message differs as consumers' support of that message changes (Sen and Bhattacharya 2001). A little-understood possibility pertains to the type of competitive message. Our study examined the adverse effect of a product-level competitive message on corporate transfer, but corporate-level competitive messages may also occur and operate similarly. If this is indeed the case, CSR and CA messages may differ in their long-term effectiveness and, thus, their susceptibility to competitive disruption. Thus, many worthwhile issues pertaining to corporate transfer need to be addressed.

Appendix A
Study 1 Stimuli

Common Elements in All Messages

- *Company name*: Atlantic Finance Company
- *Headline/slogan*: Join Our Financial Family
- *Subheadline*: Atlantic Financial is the leading supplier of financial services and planning for young people under 30.
- *Visual*: A small Visa credit card logo
- *Content*: Our Atlantic Visa card is designed with you in mind. The card offers a low 15.9% A.P.R. interest rate. Yet, you do not pay an annual fee and you receive a $5,000 credit line. In addition, you receive full collision insurance protection whenever you rent a car with the card, and total luggage loss and damage insurance whenever you purchase airline tickets with the card.
- *Execution*: Each advertisement had the foregoing elements laid out identically. The following information was also laid out identically.

CSR Message

Our mission is to be an ethical company, which conducts business with honesty and integrity. We were recently ranked in the Top 1% of U.S. companies in practicing ethical management and ethical business policies. We support our ethical standards by hiring only those people who pass strict standards of integrity. In addition, we are active in community development and support important charities. In fact, we give 5% of our total revenues to charities which benefit you, such as the U.S. Graduate School Scholarship Program and the Greater Washington Community Development Program. Our strategy has led to an annual growth rate in revenues of over 50% since 1990.

CA Message

The quality of our financial products, services, and customer service is unsurpassed in the industry. We were recently ranked #1 by *Consumer Reports* magazine for customer service quality, and in the Top 1% of U.S. Financial Services Companies in product quality by *Money* magazine. Our products and services are developed for people like you—young consumers just beginning your careers. Our service quality is maintained because we hire intelligent people your age who understand your financial questions, problems, and concerns. Our young staff is friendly, courteous, and treats you with respect. Our staff is trained to completely know all of our top-quality products and provide you with customized service.

Product Message

Our Atlantic Visa card is the ultimate in your convenience. The card is accepted at millions of retail stores, restaurants, and entertainment facilities worldwide. In addition, you can use the card at any ATM machine to withdraw cash or pay off your Visa charges. With the card, you can send or receive emergency cash at any bank or financial institution. Moreover, you get rewards for using our Atlantic Visa card, which you can redeem for cash, frequent flyer miles on any of ten major U.S. airlines, or free long distance calls. We most recently entered into Frequent Buyer agreements with the major national retailers Sports Authority, Best Buy, and Barnes & Noble Booksellers. The more you buy there with the card, the more free merchandise you will receive.

Control Message

The control contained only the common elements we described previously.

Appendix B
Study 1 Measures

Attitude Toward the Atlantic Finance Company and Each of Its Products (αs > .89).

- "Like/dislike" (reverse scored)
- "Bad/good"
- "Positive/negative" (reverse scored)

Credit Card Product Beliefs (α = .79)

- Convenient
- Used at ATM machines
- Build frequent flyer miles (reverse scored)
- Free long-distance calls
- Retail store discounts

Insurance Product Beliefs (α = .79)

- Low premiums
- Immediate compensation by claims adjusters
- Protect property and possessions

Financial-Planner Product Beliefs (α = .89)

- Certified
- Offer investment advice
- Help me plan financial future (reverse scored)
- Well trained (reverse scored)

Appendix C
Study 2 Stimuli

Common Elements in All Messages
- *Company name*: Tredegar International
- *Headline/slogan*: Feel at Home Away from Home
- *Symbol*: Globe

Corporate Message

Text. Tredegar International is a leader in the global travel industry. We also pride ourselves on our leadership in environmental responsibility and ethical business practices. Our travel services and properties are recognized for their aggressive recycling efforts by the U.S. Environmental Protection Agency. In addition, we received an Achievement Award from the Equal Opportunity Employment Commission for the diversity in our workforce. From college recruiting to upper management, our diversity is clear. We also treat our workforce well. Our employee salary and benefits package is 33% above industry norms. Our employees treat you well because we treat them well. Our 25% annual growth rate this decade to over $5 billion in global revenues is due to the hard work of our employees. When you visit one of our restaurants, resorts, hotels, or conference centers, you can be assured of a premium quality experience backed by world-wide ethical responsibility.

Visual. Two upscale-looking people relaxing in Venice.

Dearborn Hotel (a Tredegar International Product) Message

Text. Our famous Dearborn hotels have every feature and facility you need to make your stay most enjoyable and relaxing. Each room comes with a Jacuzzi, ten movie channels at no extra charge, and king size beds with premium mattresses. As if that is not enough, our hotels contain a boutique shopping arcade, a fully-equipped exercise club and pool, and a state-of-the-art game room. At Dearborn, you get everything you want from a hotel.

Visual. An upscale hotel room.

Wabash Hotel (the Competitive Product) Message

High-similarity text. Wabash Hotels are specially designed for people who enjoy life to the fullest. At all of our hotels, you'll find the staff is highly trained, ready to anticipate and meet your every need. Whether you desire a massage, need clothes laundered overnight, or require food cooked a special way, our employees will be there for you with a smile and a helping hand. At Wabash hotels, we work hard for your loyalty.

High-similarity visual. An upscale hotel room (a different room than the visual for Dearborn).

Low-similarity text. Wabash hotels are specially designed for the budget traveler. At all of our hotels, you'll find inexpensive rooms which provide the basic comforts. We know most of you don't care about fancy drapes and expensive linens when you travel. You want a comfortable room that is affordable. After all, a hotel is just somewhere you visit not somewhere you live. At Wabash hotels, you get the best value in the travel industry.

Low-similarity visual. A modest hotel room.

Harvey's Restaurant (a Tredegar International Product) Message

Text. At Harvey's, our chefs constantly search the world for new menu ideas so you can always experience something new. Feeling less adventurous? You can always rely on our regular menu favorites. Zagat's Restaurant Guide consistently ranks our restaurants among the best across the U.S. in menu diversity. At Harvey's, you get a new dining experience every time, but with the same food quality you demand and in the same atmosphere that always meets your highest expectations.

Visual. An upscale restaurant.

Appendix D
Study 2 Measures

Positioning Similarity Manipulation Check (α = .84)

- The look of the two hotel rooms was similar.
- The two hotels would look similar on the outside.
- The two hotels would offer similar levels of customer service.
- The two hotels would have similar features. (reverse scored)
- The two hotels would have an exercise room of similar quality.
- The images of the two hotels would be similar.
- Overall, the two hotels were similar.

Attitude Toward Tredegar International, Dearborn Hotel, and Harvey's Restaurant, as Measured in Study 1 (αs > .86)

Corporate-Derived Dearborn Hotel Beliefs (α = .82)

- Dearborn hotels are consistent with my ethical values.
- The workforce at Dearborn hotels is diverse.
- Dearborn employees are well compensated. (reverse scored)
- Dearborn hotels operate in an environmentally friendly manner.
- Dearborn hotels are successful in terms of profits.

Dearborn Hotel Beliefs (α = .83)

- Dearborn hotel rooms come equipped with a large variety of luxury features.

- Dearborn hotel rooms come with high-quality mattresses.
- Dearborn hotels include a fully-equipped exercise club. (reverse scored)
- Dearborn hotel rooms come with a Jacuzzi.
- Dearborn hotel rooms come with free premium movie channels.
- Dearborn hotels include a fully equipped exercise club. (reverse scored)
- Dearborn hotels include a state-of-the-art game room.

Corporate-Derived Harvey's Restaurant Beliefs (α = .80)

- Same as corporate-derived Dearborn beliefs.

Harvey's Restaurant Beliefs (α = .87)

- Harvey's restaurant serves a large variety of dishes.
- Harvey's offers many daily specials.
- Harvey's is ranked highly on menu diversity. (reverse scored)

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