Reciprocal transfer of brand identity and image associations arising from higher education brand extensions

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\textbf{A B S T R A C T}

The purpose of this study is to discuss the concepts of brand identity and brand image from a brand extension perspective in the higher education sector. It addresses how consumers identify and transfer the parent university’s brand identity into the extended brand image of an international satellite branch, and further explores the underlying causes of the backward reciprocal transfer from the extension to parent brand. The interview results reveal that the identity–image linkage is influenced by consumers’ perceived congruence and legitimacy of the brand extension. Other than the impact of functional, symbolic, and self-image congruence between the parent brand and extension, the main factors of extension legitimacy are: regulative legitimacy, brand extension authenticity, desirable values to audiences, and cultural adaptation. The findings also suggest the importance of marketing exposure, exploitation avoidance, and resource transfer in enhancing the reciprocal influence of the extended brand image on the parent brand.

\section*{1. Introduction}

The drivers of globalization and the emergence of knowledge transfer are both leading to increased demands for internationally acceptable higher educational institutions. According to the Observatory on Borderless Higher Education statistics (2015), 162 universities were involved in cross-border extensions in international markets, nearly double the number of international university subsidiaries (82) in 2006. The number has increased to 279 in August 2015, with host institutions primarily from the United States, United Kingdom, and France (C-BERT, 2015). The question of how these universities manage their brand identity primarily from the United States, United Kingdom, and France.

A limited number of articles explicitly explore the development of brands in HE sectors. Existing research merely investigates the role of heritage (Bulotaite, 2003), the impacts of cognitive and affective brand attributes (Alwi & Kitchen, 2014), the emergence of brand identities (Lowrie, 2007) and brand architecture ‘harmonization’ of UK universities (Hemsley-Brown & Goonawardana, 2007) within the field of university branding. There is a lack of literature relating to how universities manage their brand identity–image link in international markets. A university can, through its branding strategies and communication messages, seek to convey its proposed brand identity to customers. However, customers will use their own interpretations and may respond differently (Nandan, 2005). The congruence between the identity and image thus becomes a critical challenge for universities since a consistent brand concept is often used for an extended market. According to institutional theory, international use of brand extensions should also achieve legitimacy in customers’ minds (Farrugia & Lane, 2012). This legitimacy is largely determined by different levels of congruence between the parent brand identity and the extended brand. A notably strong parent brand identity can boost the perceived image of the extended brand. However, in the literature some researchers, although limited, propose a possible backward reciprocal effect of the extension on the parent brand (Martinez & de Chernatony, 2004). In international HE markets, it is particular important to protect a strong global parent brand identity, as the brand extension strategy may sometimes dilute the parent brand image.

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On the whole, the literature pays little attention to how customers perceive the backward reciprocal transfer of associations from the extension to the parent brand identity in the HE sector. This research topic is at a pioneer stage, with much still needed both from an exploratory and a strategic perspective. The present research highlights the importance of the identity-image link in the brand extension area; documenting consumers' perceptions toward HE's extended brand image from an institutional perspective; and exploring the moderating forces on backward reciprocal transferring from extended brand image to parent brand identity.

2. Theoretical foundation

2.1. Brand identity and brand image

Brand identity is the internal desired image with which the company implies a promise to customers and includes a unique set of brand associations (Ghodeswar, 2008). A strong brand has a clear and specific brand identity, which is used to differentiate itself from competitors. Kapferer (1992) develops a brand identity ‘prism’ that recognizes six components of the brand identity: brand physique, reflection, relationship, personality, culture, and self-image. Melewar and Akel (2005) identify a four-subculture construct of university identity: communication and visual identity, behavior, corporate culture, and market conditions. Basic brand identity focuses on product attributes, services, performance, and store ambiance, while extended identity is more about providing brand texture and completeness, including brand personality and symbolic association (Ghodeswar, 2008). To be effective, a brand identity needs to know what the brand stands for and how to express that to customers. When organizations establish a strong brand identity and effectively communicate it to customers, a perceived brand image is formed.

In contrast to brand identity, which is established by the owner of the brand, brand image is created within the minds of customers (Aaker, 2004). Brand image is defined as a set of beliefs about a specific brand within the minds of target customers (ibid.). An image is created on the basis of subjective perceptions of brand associations that the consumers believe about the brand. These brand associations can be functional, symbolic, or rational (Aaker, 1996). Marketers strive to strengthen the connection between identity and image, specifically, to accurately convey the message of brand identity to customers. In an increasingly internationalized economy, leveraging a strong global brand identity through effective brand extension is crucial (Nandan, 2005). Marketers must be able to understand how the extension should best be combined and made consistent in order to create the optimal brand image in the minds of customers.

2.2. Brand extension

Brand extension can be defined as “the use of established brand names to enter new product categories or classes” (cite appears in Fu, Saunders and Qu, 2009, p. 217). The dominant research relating to brand extension is from Aaker and Keller (1990), who find that consumers’ attitudes toward brand extension are positively influenced by the parent brand quality, the fit between product categories, and the degree of difficulty in designing and making a product in the extension category. A consensus exists in the relevant literature that consumers’ evaluation of a brand extension is significantly influenced by psychological and functional congruence, which is the match or mismatch between the product, the brand extension, and a consumer’s self (Festinger, 1964). Studies have applied different criteria to classify the dimensions of congruence. For example, Ahn, Ekinci, and Li (2013) suggest that congruence in the tourism context should be classified as self-congruence (match/mismatch between the perceived image of a product or brand and an individual self-image) and functional congruence (match/mismatch between perceived product functional attributes and an individual’s expected functional attributes). Furthermore, Carter and Curry (2013) adopt a two-dimensional definition comprising functional congruence (functional and physical overlap between parent and extension), and image congruence (whether an extension has similarities with global brand concept feelings and associations).

Consumers increasingly desire and value congruence in the evaluations of brand extensions. This evaluation of the market expansion leads consumers to question the legitimacy of the brand extension’s value. In the most thorough examination of legitimacy within the field of marketing to date, institutional theory is used to determine the legitimacy (e.g. Grayson, Johnson, & Chen, 2008). Based on institutional theory, researchers argue that consumers view legitimacy in various ways, depending on the goals of institutions and under which circumstances (Grayson et al., 2008; Handelman & Arnold, 1999). As defined by Suchman (1995), “legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p. 574). There are three main types of legitimacy identified in prior research (Suchman, 1995): (1) regulative/pragmatic: being sanctioned by explicit rules or policies (e.g. legalization); (2) normative: congruence between the social values associated with or implied by actors and the norms of acceptable behavior in the larger social system; and (3) cultural-cognitive: the degree of fit with existing cognitive and cultural schemas. Prior research (e.g. Scaraboto & Fischer, 2012) suggests that legitimizing the brand extension validates the brand image as a rightful heir of the parent brand. Thus, legitimacy would help marketers to change markets and gain consumer acceptance and develop favorable customer attitudes.

2.3. Backward reciprocal effect

In addition to investigating the drivers of brand extension, researchers have also investigated the consequences of brand extension. In particular, studies have highlighted the ‘reciprocal effects’ of brand extension. ‘Reciprocal effects’ refer to the “fact that attitude toward the extension may dilute or enhance the consumer’s original attitude toward the parent brand or the extension category” (Fu et al., 2009, p. 219). The associative network theory explains how evaluations of one stimulus are transferred to another when these two stimuli are consistent, and brand association in consumer memory is a critical component of brand-related effects (Aaker, 1996; Völckner, Sattler, & Kaufmann, 2008). Previous research has highlighted the forward reciprocal effects in different product categories, various characteristics of parent brands, and different countries (Pina, Riley, & Lomax, 2013). These studies indicate that the forward spillover effect is influenced by parent brand attitude (Völckner et al., 2008), parent brand image (Iversen & Hem, 2011), brand ‘globalness’ or ‘localness’ (Steenkamp & De Jong, 2010), country-of-origin of a global brand (Kim & Chung, 1997), and an individual’s cognitive process (Monga & Roeder, 2010). However, very little research has addressed the effects of brand extension on its parent brand. To date, only a few scholars have investigated the impact of extended products on the parent brand with objective data, such as the sales of a parent brand’s success (Swaminathan, Fox, & Reddy, 2001). Knapp, Hennig-Thurau, and Mathys (2014) showed that a parent brand increases its financial performance when the extension generates higher sales and/or the marketing support is stronger. These, however, are of less relevance in the context of our study with its focus on internationalized higher education institutions. In international markets, it is particularly critical to choose branding strategies.
that protect strong and beneficial brand associations. Therefore, understanding the factors that influence the forward and backward reciprocal transfers of associations from a parent brand to an extension is important to better manage global university branding subsequent to extension strategies.

2.4. Higher education branding and the lack of research

Numerous studies have examined the image and reputation of higher education institutions, but the notion of branding has barely made its mark on higher education literature (Chapleo, 2010; Hemsley-Brown & Goonawardana, 2007). Khanna, Jacob, and Yadav (2014) state that the concept of successful brands in the higher education context needs further discussion and dissemination. A university brand refers to “a manifestation of the institution’s features that distinguish it from others, reflect its capacity to satisfy students’ needs, engender trust in its ability to deliver a certain type and level of higher education, and help potential recruits to make wise enrollment decisions” (Ali-Choudhury, Bennett, & Savani, 2009, p. 14). Bosch, Venter, Han, and Boshoff (2006) used the term “university brand identity” to illustrate the importance of various marketing communication elements such as brand name, positioning statement, and brand symbol. University brand identity involves the courses and curriculum, the degree awarded by the university, and perceptions and meanings of a brand that the students (consumers) remember. A strong brand identity may benefit the university by enhancing its prestige, student interest, and competitive advantage (Watkins & Gonzenbach, 2013). Melewar and Akel (2005) introduced the corporate identity model in the university field to include four sub-constructs: communication and visual identity, behavior, culture, and market conditions. Bosch et al. (2006) further added the verbal expressions of a university brand as a key element of university brand identity. Recently, Sujchaphong, Nguyen, and Melewar (2015) suggest that university brand identity is a key component of internal brand management. They state that identity is about values or beliefs of the university communicated to the internal employees. On the other hand, despite the fact that internationalization has been an increasingly important phenomenon for higher education sectors, the empirical research investigating the significance of the movement has been scarce. Prior studies merely focus on international activities within universities, including international mobility of students and staff, knowledge transfer, cooperation, and competition, forms of education services, and national policies (Li & Roberts, 2012; Robson, 2011).

Gaps in the literature remain in our understanding of the internationalization process of HE institutions as brands. In particular, research is required to gain a deeper theoretical analysis of the internationalization of higher education branding. Surprisingly, the simultaneous effect of both congruence and legitimacy on brand extension attitudes is left largely under-researched. Especially in the higher education context, literature searches reveal very few papers that concentrate on the branding of universities to the international market. What information can consumers/students offer regarding their congruence and legitimacy of the extended brand perceptions? What influences their perceptions of the effect of the extended brand image on parent brand identity? To answer these questions, this research addresses a specific theoretical issue that relates to how consumers perceive the antecedents and effects of the extended brand image of universities in international markets. This study contributes to the body of higher education brand literature by exploring the parent brand identity–extended brand image link as well as its backward reciprocal effect, with particular attention paid to brand congruence and legitimacy.

3. Method

Following the exploratory approach of Hemsley-Brown and Goonawardana (2007), this research identifies individual perceptions of brand extension of universities through in-depth interviews and a case study. Case study research allows a triangulation approach, which is vital for establishing analytic generalizability and construct validity, in terms of data collected through interviews, analysis of organizational documents, and direct observation (Guenzi & Storbacka, 2015). When the difficulty of gaining an in-depth understanding of a complex phenomenon exists, such as a university brand extension, researchers consider the single case study method as an approach to reach a deeper level of contextual insights, whereas multiple case studies tend to offer a more distorted picture underlying dynamics of the cases (Järvenpää & Törnroos, 2010). The chosen case describes a recent and remarkable sample of higher education’s branding extension in international markets. The use of the combined research methods offers the opportunity to corroborate findings, which can improve the validity of the data, give some reassurance regarding the consistency of the data across the methods, and provide support to the analysis rather than taking the data at face value (Hemsley-Brown & Goonawardana, 2007).

This research chose a UK university’s (hereafter, the XX University (UK)) Chinese subsidiary (hereafter, the XX University (China)) as the target case. The Chinese subsidiary university offers degrees in parallel to degrees offered at the parent university, with courses taught entirely in English and with the same teaching model and standards of assessment. The university community believes that by working multilaterally with a global perspective rather than unilaterally, it will achieve more in terms of teaching, research, and knowledge transfer. The Chinese campus was established by invitation from the Chinese government (Ennew & Yang, 2009). Today, the university is at the forefront in many fields and plans to expand further.

The research participants were recruited in two steps. First, the researchers created and posted a recruitment advertisement in the XX University (China) asking for interviewees for a research project on brand extension perceptions and rewarding those who participated with gift incentives. Then, a snowball sampling method (Liu, Yannopoulou, Bian, & Elliott, 2015) was employed to ask the participants to recommend friends for the research. Importance was put on selecting a sample with experiences in having already participated in the exchange program to the UK campus. The interviews were conducted between January and October 2014 and the average duration of interviews was 50 min. Overall, the in-depth interviews were carried out in English with 35 students within the University. The majority of respondents were male (Nmale = 20, Nfemale = 15), and included third (n = 14) and final year (n = 21) students from various degree programs including Finance Accounting and Management (n = 12), International Business Management (n = 7), Engineering (n = 3), International Communications (n = 4), English Studies (n = 4), and International Economics and Trade (n = 3).

The interview questions did not directly inquire about brand extension and the researcher avoided the use of the word ‘brand’. The objective of this approach was to avoid manipulating interviewees’ perceptions and their responses. Instead, participants were asked about their opinions of the similarities/differences between the parent university and the branch university and how the performance of the extension influences their perceptions of the parent university. Examples of non-directive open-ended questions included, ‘why did you choose XX University (China)?’ and ‘do you think the branch has influenced your perceptions of XX University (UK)?’ in order to get the respondents’ opinions on various subjects in terms of the parent university’s brand identity and their satellite branch’s brand image perceptions.

All interviews were recorded with the interviewees’ permission, and following each interview, transcribed accordingly. The data analysis involved organizing and preparing the data in order to gain a general impression. To process the data further, the authors followed Miles and Huberman’s (1994) technique of manual content analysis, in which codes were assigned to sentences or phrases (Spiggle, 1994). After the coding process, the literature was revisited, and modifications to some
of the analysis were updated. This process went on several times in order to ensure that the theory and data were constantly compared. Finally, the results were presented and key themes summarized. In the next section, the selected verbatim quotes are analyzed based on the emergent themes arising from the interviews.

4. Findings

Findings from the in-depth interviews indicate that students engage in a multifaceted understanding of the brand extension of the University. The findings are organized under three broad themes: ‘congruence in brand extensions’, ‘legitimacy in universities in international markets’, and ‘reciprocal spillover effect of the brand extension’. The first theme delineates how University students perceive the congruence between the parent University’s (UK) brand identity and the extension — XX University (China). The second theme helps to understand the key elements of legitimacy in universities in various geographic markets. The third theme identifies the usefulness of the brand extension in influencing the brand image of the parent brand. A summary of the findings including the definitions and relationships appear in Table 1 and Fig. 1.

4.1. Congruence between the parent brand identity and the extended brand image

The interviewees’ understanding of congruence in brand extension is in line with the conceptualization from the literature (Ahn et al., 2013; Sirakaya, Sonmez, & Choi, 2001). They perceive the congruence between the parent university and branch university as consisting of the following categories: functional congruence, image congruence and self-image congruence.

“The XX University (China) has special ways of teaching, such as seminars and small classes. These are different from local Chinese universities ...”

[(Interview 2, Male)]

“XX University (UK) and the XX University (China) share same value, and XX is a world-class University with a truly global perspective. My parents and friends usually think my University is trendy with British style. The culture of the XX University (China) is similar with XX University (UK) for its rigorous but relatively free educational services”.

[(Interview 1, Female)]

“The XX University (China) is one of the first-class universities in China with XX certification. Also, it is the best college with pure British education system compared to other similar universities ... it attracts me because of its British style for education and English teaching environment”.

[(Interview 5, Male)]

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<tr>
<th>Topic</th>
<th>Description</th>
<th>Key interview notes</th>
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<tbody>
<tr>
<td>Dimensions of congruence</td>
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<tr>
<td>Functional congruence</td>
<td>An extension and a parent brand share common physical attributes and have same university resources</td>
<td>People (staff and students)</td>
<td></td>
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<td>Programs/degrees</td>
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<td>Symbolic congruence</td>
<td>A link between the parent brand and the extension in brand feelings and associations</td>
<td>University culture</td>
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<td></td>
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<td>Core values</td>
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<td>Self-image congruence</td>
<td>Consumers usually use brands as a symbol and they prefer brands whose personality is consistent with their self-image</td>
<td>Brand heritage and pedigree</td>
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<td>Personal goals</td>
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<td>Antecedents of legitimacy</td>
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<td>Regulative legitimacy</td>
<td>An extension is sanctioned by explicit rules or policies</td>
<td>Recognized and supported by the government or local authorities</td>
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<td>Consumer’s sense that a brand extension honors the heritage and is a consistent extension of the parent brand</td>
<td>Maintain brand origin</td>
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<td>Brand extension authenticity</td>
<td>An extension offers values to its customers who perceive it as desirable and superior</td>
<td>Brand uniqueness</td>
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<td>Desirable values to audience</td>
<td>An extension is fit with existing cognitive and cultural schemas in the society</td>
<td>Compared to local Chinese universities, XX University (China) is desirable for Chinese customers</td>
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<td>Cultural adaptation</td>
<td></td>
<td>XX University (China) conforms to its practice based on commonly held beliefs on how a university should behave in the Chinese market</td>
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</tr>
<tr>
<td>Moderators of strengthening the backward reciprocal effect (characteristics of the brand extension)</td>
<td></td>
<td>Using international students in the university campaigns increase customers’ brand awareness and image of XX University (UK)</td>
<td></td>
</tr>
<tr>
<td>Marketing exposure</td>
<td>The marketing communication of the positive extension can increase the brand equity of the parent brand</td>
<td>XX University (China)’s efforts to be socially responsible, leading to a positive parent brand image</td>
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<td>Exploitation avoidance</td>
<td>An extension shows to resist exploiting the parent brand in the pursuit of commercial opportunities</td>
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<td>Resource transfer</td>
<td>The interchange of the resources between the extension and the parent brand</td>
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"Since high school I have been planning to study abroad. The XX University (China) is easy for me to study abroad for my master. So that is why I chose it. The academic system is very suitable for me. The learning environment is neither too difficult nor too loose. I prefer Western education style, which is matched with the value of my high school (freedom). The XX University (China) is prepared for those people who are interested in international education. It suits for innovative and explorative people like me”.

[[Interview 17, Male]]

The above quotations show that the brand extension is successful when it achieves self-image congruence. The participants perceived themselves as ‘British’ — preferring to study abroad and enjoy a more open environment. That is, compared with traditional Chinese universities, students at the satellite branch have more ‘autonomy’, meaning that they are freer to choose majors, modules and learning methods. Thus, they consider the parent brand identity and the extension as a good match.

4.2. Legitimacy of the parent brand in the international markets

The interviewees’ understanding of legitimacy in brand extension contributes to previous literature by identifying different sources of legitimacy of the parent brand in its international markets. In particular, the authentic perceptions toward, and in-depth understanding of, local culture are key determinants of students’ acceptance of the university. Institutional theorists defined the term ‘brand legitimacy’ as ‘the generalized perception of assumption that the actions of a brand are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions’ (Kates, 2004, p. 456). The key aspects of legitimacy identified by the participants are: regulative legitimacy, desirable values to an audience, brand authenticity, and cultural adaptation.

“The existence of the XX University (China) is legal and it is established by invitation from the Chinese government. In recent years Chinese government has been increasingly focusing on the development of our university. It also gives some support to the university. I know some of the Chinese government officials have visited our campus, and em ... I can see they are very curious about us”.

[[Interview 8, Female]]

Several respondents expressed similar sentiments as the above message, which shows that the branch university is legitimate if it is recognized and supported by the government or local authorities. This view is consistent with the previous research finding of regulative legitimacy (Thomas & Lamm, 2012). According to institutional theory, institutions make a decision on location choice for multinationals to determine favorable locations where regulative institutional constrains have a positive effect on the brand extension (Quer, Claver, & Rienda, 2012).

“The XX University (China) matches the founder of the XX University (China) core value: human being first, professional second and emphasis on critical thinking. This is exactly what we expect in our society”.

[[Interview 10, Female]]

“Chinese students have been trained to be as bookworms and all we cared about is high marks. However, we start to realize that high marks did not mean everything. We should have our own personal goals. The XX University (China) gave us this opportunity to help us understand all of us can be successful not only based on marks, but also other things, such as social life, networks, and innovative business ideas. That is why I like the XX University (China)”.

[[Interview 12, Male]]

These messages illustrate that the brand extension offers desirable values to the customers and this unique brand experience appeals to Chinese customers. Thus, they perceive the brand extension as legitimate (i.e. genuine) in the Chinese market.

“Chinese people prefer foreign stuff, which makes British education a large potential market in China. Thus, the XX University (China) is a unique, distinct, singular concept existing in Chinese market. It has a different academic ‘attitude’ which other Chinese universities are unable to compete. Chinese educational market needs this type of universities”.

[[Interview 22, Female]]

The above quotation is an example that highlights the fact that customers will grant cognitive brand legitimacy when they see the extension conforming to the origin of the parent brand. This brand extension authenticity will make a social impact on the society.

“This British education is being put in China and of course will be affected by Chinese system and culture. The government will not allow this university to operate in China unless it learns to know Chinese culture. The cooperation with local educational group helps the university to adapt to Chinese environment”.

[[Interview 28, Male]]

“I knew the university from my parents in my high school. They encourage me to apply for the university. So XX is successful in...
understanding how to attract Chinese students because in Chinese culture applying university is not only the student's decision, but also the parents'. I believe that parents will support the university that is meeting their expectation".

[(Interview 17, Female)]

These quotations reinforce this research's argument by suggesting that the extension conforms to its practice based on common beliefs on how a university should behave in the Chinese market to attain cultural legitimacy. Learning the culture and adapting to the culture is a critical step for the university to increase brand awareness. In this way, the satellite branch creates its own brand identity, which differentiates it from the parent university. For example, one interviewee (Interview 22, Male) stated that, "many students here believe that we are different from typical Chinese universities. We are influenced by British education system and our core value is 'innovative, international and open' ... but ... we still cannot be same as XX University (UK). We are quite special .... We have to learn Marxism module .... Our academic standards are all based on UK while our living services are based on Chinese standards".

4.3 Backward reciprocal effect of the brand extension to the parent brand image

The research interviews confirm that there exists the backward reciprocal effect from the extension to the parent brand. The results tackle an underresearched area concerning the moderators of the ‘backward reciprocal effect’ of HE brand extension: the exposure to extension marketing efforts, the avoidance of exploitation, and resource transfer. These moderators are illustrated to strengthen the relationship between the satellite branch and the parent brand.

“The XX university (China)’s marketing campaign is very international. It uses international students to highlight that the university is British. This in fact, helps us to understand the core value of XX University in UK. This type of marketing campaigns can also increase popularity of XX University (UK) in China".

[(Interview 26, Female)]

“My friends saw many advertisement of my university. Since then they started to know XX University (UK). In recent years the XX University (China) has been increasingly famous and they all think that XX University (UK) should be a world famous university”.

[(Interview 32, Female)]

The above messages highlight the role of media exposure in strengthening the positive effect of the satellite branch on the parent brand. The advertising of the satellite branch within the public will result in an increased brand awareness of the parent. The mass media has a remarkable influence on cognitions, appraisals and affections toward the parent brand.

“Open more branch schools in the world helped XX University (UK) create more majors or courses such as doing business in China. The goal for education is not only to make profit; but also make a big influence on the society. The XX University reputation has been increased in three countries .... My University is also very focusing on building corporate social responsibility image. For example, our vice chancellor just organized a bicycle donation activity. I feel the goal of my university is very altruistic ... not like xx (competitor), who opens a new branch in China aiming to gain profits".

[(Interview 5, Male)]

The results show that the performance of the satellite branch is largely contributing to the awareness and image of the parent brand. Especially when the satellite branch is perceived as altruistic rather than profit-only, customers would consider there to be a higher level of parent brand equity.

“We all have the chance to apply for the exchange or study abroad program of the university. This is a very good chance for us to know more about XX University (UK). From my own experience, I have exchanged to UK campus for one semester. This period of time is very valuable for me and I believe that the exchange program in our university helps the students to perceive XX as a brand worldwide".

[(Interview 30, Male)]

“I have joined a research project with the professors in my university. This project is a joint project with UK campus. The research performance of my university now is increasingly improved, and I think this would definitely influence the UK’s research capabilities".

[(Interview 19, Female)]

The above quotations suggest two points: both student mobility and research cooperation have positive effects on transferring the identity from the satellite branch to the parent brand. Customers perceive this resource transfer as favorable and necessary for developing a strong and global parent brand identity.

5. Discussion

Recently, branding and internationalization concepts of higher education have become more frequent. This expansion of interest from international HE sectors has grown in combination with the understanding of the effect of the brand extension from consumers’ perspectives (e.g. Hemmiley-Brown & Goonawardana, 2007). Despite this increasing research interest, limited theoretical and empirical analysis of this field has been found. The study contributes to the body of the literature by firstly identifying the forward spillover effect of the parent brand identity—extended brand image link. An institution may have a unique vision, a superior product, satisfactory services, and a strong personality — yet if it is not able to convey this parent brand identity to its target customers, the parent and the extended brand are likely to fail (Nandan, 2005). This research seeks to enhance an understanding of how parent brand identity is transferred to form the extended brand image by elaborating on two concepts: congruence and legitimacy.

Consistent with Ahn et al. (2013) and Carter and Curry’s (2013) work, this research identifies three dimensions of customers’ perceived congruence between the parent university identity and the satellite branch. The interview results suggest different sources of these dimensions. The consumer perception of the congruence between the parent university and the extension is based on not only the functional attributes such as the same degree programs, and the same standards of qualifications of staff, but also the cultural heritage and the match with individual’s self-image. When evaluating the extended brand image, consumers proactively negotiate between these chosen types of congruence that lead to complex judgments of legitimacy.

The current research further provides an exploratory framework that traces the applicability of legitimacy in the relationship between congruence and extended brand image. Consistent with previous research, the criteria with which customers use to evaluate extended brand legitimacy include regulative legitimacy. The findings further highlight the importance of the other two antecedents of legitimacy: desirable values to the audience and brand extension authenticity. The perceived congruence plays an important role in forming these criteria of legitimacy. For example, the research findings illustrate the fact that consumers perceive the extended university as authentic when it shares the originality and values of the parent university. However, a high degree of congruence might not be enough to legitimize the parent’s ‘favorables’ in the extended brand.

By highlighting the global context in which the universities operate, they legitimize their international satellite branch on the grounds that
the proper cultural adaptation is to respond to the internationalized environment. It indicates that the extended university understands Farrugia and Lane’s (2012) claim regarding multinational universities—that the legitimacy of a branch campus is most closely tied to local needs. Therefore, there was consensus among the participants that the satellite branch has developed its own brand identity, combining the UK brand values and Chinese characteristics. This research interprets this process as an attempt to define and articulate the satellite branch’s essential characteristics. The satellite branch was described by participants as ‘globally recognized British academic standards’ in addition to the adaptation of local Chinese non-academic services.

Consumer evaluation of the backward reciprocal effect of the extended branch university image on parent brand identity is a major contribution of the current research. Prior research on backward reciprocal effect has investigated the impact of brand extension characteristics (line vs. brand extension, globalness vs. localness), consumer styles of thinking (analytic vs. holistic) and extension attitude (positive vs. negative) on brand reciprocal transfer processes (e.g. Iversen & Hem, 2011; Monga & John, 2010). The results suggest that the extended brand performance makes a critical contribution to strengthening the relationship between the extended brand image and parent brand identity. Examples include a huge marketing exposure with an international focus, exploitation avoidance to create a positive brand image, and the resource transfer between the parent and satellite branch.

Findings further suggest some possible implications for international marketing for higher education. Globalization of higher education represents new opportunities for the universities. Higher education should design and develop a strong international brand by increasing ‘brand identity’ internationally (Zheng, 2014). The viability of an international branch campus should not be solely dependent on replicating the management culture of the parent campus. Rather, it should consider the emergent local culture of the branch campus. Understanding the cultural issues should be embedded into a strong ‘brand identity’, which needs to be harmonized with different cultures to ensure that an environment of tolerance and transparent administrative strategies exist (Tierney & Lanford, 2015). The findings from this study also indicate that when expanding to a foreign market, the higher education extension should expand not only their congruent knowledge of academic subjects but also their understanding of other cultures in order to gain legitimacy in an international market. It is recommended that higher education brand managers design an extension that engenders high levels of function and image consistency to leverage favorable parent brand identity, coupled with offering legitimate core values to promote extended brand image. In addition, the way a satellite branch performs and defines its brand strategy has a significant effect on how the parent brand is perceived. The higher education marketing should make every effort to strengthen brand image and consistency by marketing communication strategies and interchange of resources.

6. Conclusion

This research represents a preliminary foray into the conceptualization of the brand identity and image toward brand extension in higher education markets. The paper has evaluated the impact of the forward spillover effect by proposing a perspective that considers brand congruence and legitimacy. Given the importance of customer evaluations of the satellite branch this research suggests that strengthening the cognitive and reflective congruence between the satellite branch and parent will enhance normative and cognitive legitimacy for the extended brand. Further, as one of the first attempts to examine the backward reciprocal transfer of brand extension and parent brand identity, this research sheds light on the consideration of the extended university attributes in strengthening this effect. The extended brand’s marketing exposure, altruistic performance and resource interchange should lead to a lasting and mutually beneficial relationship between the extended branch university and the parent university.

Some limitations of this study should be acknowledged. First, as this study used samples from a single university, the study may not be ideal for generalizing its findings to all universities. However, this study can be used as an empirical basis for more representative follow-up studies. Future studies should test the generalizability of the concepts and the model with a larger sample of higher education institutions by including various students, programs, schools, and branches. In addition, future studies should also be cautious in terms of using the propositions as students’ backgrounds, particularly in terms of their study programs, family background, gender and year of study, may have an impact on the overall findings.

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