

THE NETWORK EFFECTS OF PRODUCT PORTOFLIO CHARACTERISTICS ON PARENT BRAND EQUITY

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ABSTRACT

The study addresses the network effects in brand extensions. The theory of network externalities from economics is used to explain the reciprocal network effects from the extension products to the umbrella brand. The study posits that three characteristics of the extension products' portfolio positively influence the parent brand equity: the portfolio size, the similarity among products in a portfolio and the presence of the attribute compatibility. Experimental findings firmly support these prescribed effects.

References Available on Request