THE MODERATING ROLE OF PSYCHOLOGICAL CONTRACT VIOLATION IN ALTERING THE EFFECTS OF BRAND TRUST AND PERCEIVED FIT ON BRAND EXTENSION SUCCESS OF CHINESE TIME-HONORED PRODUCTS THROUGH PERCEIVED RISK

CHANGE LU

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY PROGRAM IN BUSINESS ADMINISTRATION
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RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI
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Name-Surname	Mrs. Change Lu
Program	Business Administration (Management)
Dissertation Advisor	Assistant Professor Thitima Pulpetch, Ph.D.
Dissertation Co-Advisor	Assistant Professor Liou-Yuan Li, Ph.D.
Academic Year	2024

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ABSTRACT

This dissertation has two research objectives. The first is to investigate the mediating role of perceived risk in the relationships between brand trust, perceived fit, and brand extension success. The second is to examine the moderating effect of psychological contract violation on two causal chains: 1) brand trust, perceived risk, and brand extension success; and 2) perceived fit, perceived risk, and brand extension success

This study used a mixed-methods approach that integrated both quantitative and qualitative analyses. The quantitative data were obtained from 605 valid questionnaires and analyzed using SmartPLS. Partial least squares structural equation modeling (PLS-SEM) was used to test the direct and mediating effects, while PROCESS macro was used to examine the moderated mediation effects. Results showed that brand trust and perceived fit significantly influenced brand extension success, with perceived risk acting as a partial mediator. Psychological contract violation moderated this mediation, with higher violation levels strengthening the mediating role of perceived risk. The qualitative research through in-depth interviews with 10 consumers further supported and enriched the quantitative results.

The research results revealed that perceived risk mediates the effects of brand trust and perceived fit on brand extension success. Psychological contract violation moderates these causal relationships, with higher levels of violation enhancing the mediating effect of perceived risk. These key findings highlight the important impact of perceived risk and psychological contract violation on brand extension.

Keywords: brand trust, perceived fit, psychological contract violation, perceived risk, brand extension

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CHAPTER 1
INTRODUCTION

1.1 Background and Statement of the Problems

In today's fiercely competitive market environment, the role of brands in the business domain has become increasingly prominent. A brand is not merely the name and logo of a product or service; it is a comprehensive perception that consumers have regarding a company's values, quality, and other aspects. Globally, brand management has become one of the key factors for a company's success.

To adapt to market changes and seek new growth opportunities, brand extension has become an indispensable strategic tool for enterprises. As early as the 1980s, Tauber proposed using brand extension as a guiding strategy for new product development. By extending established brand awareness and market reputation to new product or service areas, companies can save on advertising and promotional costs required for market entry of new products, thereby increasing market recognition and sales. For example, Amazon initially started as an online bookstore but successfully extended its business to include e-readers (Kindle), cloud computing services (Amazon Web Services), and music and video streaming services (Amazon Prime Video). Amazon's brand reputation and strong distribution network helped these new products quickly enter the market.

Brand extension has been increasingly applied in the business field. Given that brands have already gained consumer recognition, introducing new products to the market through brand extension can minimize the costs of market entry for new products. Statistics show that over 80% of new products in the market are introduced through brand extension (Forney et al., 2005; Kirmani et al., 1999). In the packaged consumer goods market, 70% of new products come from brand extensions (Nielsen, 2019). However, the failure rate of new products entering the market remains concerning. Only about 13% of companies report that their new products have achieved annual profit targets (Cooper, 2017). In the United States, the success rate of new products is between 10% and 20%, and the success rate of new products launched through brand extension is slightly higher (Athanasopoulou et al., 2015). Nevertheless, even for brand extensions, the success rate is not optimistic, with approximately 75% of brand extensions failing (Keller & Lehmann, 2006), meaning only about 25% of brand extensions achieve commercial success. The failure rate of brand extensions in Fast-Moving Consumer Goods (FMCG) is as high as 80% (Hussain & Rashid, 2016; Vahdat et al., 2020; Völckner & Sattler, 2006). Among brand extensions in the U.S. packaged consumer goods market, only 30% of new products sustain sales in the first two years (Nielsen, 2019). Some studies have pointed out that brand extension may weaken consumers' beliefs in the flagship product and have a more severe negative impact on the parent brand (Spiggle et al., 2012). Incorrect extension strategies can bring negative associations to the brand, and the costs incurred can be high (Vahdat et al., 2020) . For instance, Harley-Davidson, a renowned heavy motorcycle manufacturer famous for its iconic heavy and roaring motorcycles, failed to achieve the expected success when it attempted to enter the electric motorcycle market with the launch of the "LiveWire" model. The core consumer group generally resisted electric motorcycles, believing they did not align with the traditional characteristics of Harley-Davidson motorcycles. This failed brand extension negatively impacted Harley-Davidson's brand image and damaged its brand reputation.

The low success rate of brand extensions reveals its complexity, involving multiple influencing factors, among which consumers play a crucial role. The famous management scholar Peter Drucker emphasized that the core goal of business is to attract consumers and pointed out that consumers' cognitive responses are key factors determining the success of business activities. In the process of brand extension, consumers' evaluation of the brand extension is critical to the success or failure of the strategy.

When making purchase decisions, consumers weigh perceived gains (value) against perceived risks. Research shows that consumers are often more sensitive to perceived losses than gains and tend to choose options with the least perceived risk (Yang, Y. et al., 2015). Perceived risk refers to the psychological feelings and subjective perceptions of uncertainty and potential adverse consequences that consumers experience before purchasing a product or service. This perceived risk is especially evident when involving new or untried products. For example, when buying an untried wine for a party, we may feel uncertain and worried because we know nothing about its taste and quality.

When negative outcomes are likely or when consumers feel higher uncertainty, perceived risk increases. This not only leads consumers to have doubts and resistance but also directly affects their evaluation of the product or brand.

In the process of brand extension, consumers, due to a lack of information related to the extension, are unable to evaluate the new product in advance (Tan et al., 2022), thereby perceiving the risk of purchasing them (Kazancoglu & Aydin, 2018). Perceived risk affects consumers' purchase decisions and their attitudes and evaluations toward brand extension strategies (Shi & Fan, 2009). Hansen et al. (2018) believe that trust and perceived risk are decisive antecedents of end-user decisions. Extensions may change the beliefs that the parent brand conveys to consumers and even reduce the sales of other products under the same brand name. If the brand extension fails, it may also damage the parent brand, leading to a decline in brand value. This situation is particularly unfavorable for companies with a loyal customer base of the parent brand and may even outweigh the gains.

As perceived risk increases, consumers will seek ways to reduce risk, relying on various information sources such as word-of-mouth and experience. In brand extension research, there is a basic assumption that an established brand will reduce the associated risks of purchasing new products (Choi & Kim, 2018). Consumers assess the risk level based on their judgment of the degree of fit. A strong fit between the brand extension product and the parent brand encourages consumers to respond positively (Deng & Messinger, 2022). Fit can be understood as the degree of association or similarity between the newly launched brand extension product and the original brand. This association determines consumers' acceptance of the new product. When a new product closely resembles the existing mental category of the parent brand in the consumer's mind, consumers can easily and quickly categorize and process the object (Landwehr et al., 2013). thereby perceiving it predictable with lower perceived risk.

When the fit of a brand extension is high, consumers often consider the extension reasonable because it has a strong association with the core values and attributes of the original brand (Pourazad et al., 2019). For example, a well-known shampoo brand launching a conditioner may be considered highly fitting since both are related to hair care. In this case, consumers may perceive a lower risk in purchasing the new product.

Conversely, when the fit is low, consumers may have doubts about the product's quality and performance, thereby experiencing higher perceived risk. For example, if a company specializing in manufacturing laptops suddenly launches a perfume, consumers may question this atypical brand extension because it does not align with the company's core business and expertise.

However, some empirical studies report different results. Empirical research indicates that brands with high brand authority may gain consumer approval even in low-fit situations (Peng et al., 2023). To pursue innovative development, cater to current market trends, or create differentiated advantages superior to competitors, companies attempt to launch new products different from the original product category. The success or failure of new products may not necessarily be due to the merits of the technology or product itself but rather depends on consumer acceptance. The success of a brand extension depends on consumers' evaluation of the brand extension strategy (Goedertier et al., 2015). Therefore, it is important to study how consumers evaluate brand extensions and identify the factors influencing their evaluations. A large body of literature has explored various factors that may influence the likelihood of consumers accepting brand extensions, among which perceived risk is one of the main factors affecting consumers' attitudes toward brand extensions (Iriani & Andjarwati, 2020).

As a strategic means for enterprises to expand product lines and enter new markets, brand extension leverages the reputation and cognitive advantages of existing brands to promote the market acceptance of new products. Signal theory posits that parent brand equity serves as an informational signal for evaluating extension products and extension strategies. Parent brand equity refers to the tangible and intangible assets based on consumers that a brand accumulates in the market, including brand awareness, brand loyalty, brand associations, and brand trust (Severi & Ling, 2013). The degree of consumer recognition of these brand assets affects the depth of their relationship with the brand. When facing extension new products that cannot be evaluated in advance, consumers refer to the prototype of the parent brand in their minds—that is, their overall impression and perception of the brand—to assess potential risks and uncertainties.

A brand is far more than a logo or mark; it represents consumers' overall perception and emotional connection with a company. The relationship between consumers and brands is not merely a transactional one but a deep partnership. Psychological contract theory provides a unique perspective for explaining the reciprocal relationship between consumers and brands (Alvarez & Fournier, 2016). The partnership between consumers and brands is based on an implicit psychological contract. Consumers form a belief, based on perceived commitments and expectations, that there is a mutual obligation between themselves and the brand (Montgomery et al., 2018). The psychological contract represents consumers' structural cognition of the resource exchange pattern between both parties in the relationship (Liu, H. et al., 2020). This contract is based on the balance between consumers' expectations of the brand and the brand's commitments to consumers.

Consumers' expectations of a brand include not only the actual value of products or services but also the hope that the brand can provide them with a certain identity, emotional connection, or lifestyle symbol. When a brand meets or exceeds consumers' expectations, consumers may give positive evaluations, feel satisfied, and form trust. Some consumers may even feel grateful to the brand (Bi, 2019) , thereby becoming highly loyal and committed consumers. However, if the brand fails to meet consumers' expectations, this psychological contract may be damaged. Research has found that highly loyal and committed consumers often exhibit stronger negative attitude changes when the psychological contract is violated (Montgomery et al., 2018).

In brand extension, when the extension new product does not align with consumers' original expectations in certain key aspects, consumers may experience disappointment and dissatisfaction. This negative perception usually occurs when consumers expect the extension product to maintain similar characteristics and quality as the parent brand, but the actual experience does not meet expectations. This inconsistency may involve product performance, quality, design, and other aspects, causing consumers to feel deceived or disappointed, thereby damaging the psychological contract between them and the brand.

Research on Chinese time-honored brands has found that many consumers believe these brands should focus more on their original business areas (Ke & Wang, 2021). This finding essentially reflects consumers' expectations that brands should uphold the commitments and contracts between both parties. The reason why Chinese time-honored brands are expected to be more dedicated to their original business is actually an embodiment of consumers' expectation for these brands to fulfill the psychological contract. When consumers perceive risk in brand interactions, this psychological contract may be threatened or broken. In such cases, consumers feel the psychological contract has been violated, which may lead to negative changes in their attitudes. This negative change is usually manifested as consumers feeling dissatisfied or giving negative evaluations of the brand, and may even lead them to abandon the brand, damaging the relationship between the brand and consumers.

Chinese time-honored brands are brands with national characteristics that reflect Chinese national culture; they are the accumulation of traditional Chinese culture. Over the past century, with the continuous expansion of city scales, a large number of time-honored brands have been emerging. They were once widely loved by the public for their reliable product quality and unique business philosophies. For example, brands like Quanjude Roast Duck, Goubuli Baozi, Tongrentang Chinese Herbal Medicine, and Wangzhihe Fermented Bean Curd have gained significant influence within certain regions by relying on unique traditional cultural characteristics, time-honored processing techniques, and distinctive business practices. These time-honored brands are representatives of good products, good services, and good reputations (Liu & Xu, 2021).

However, with the tremendous changes in domestic and international market environments, competition among brands has become increasingly fierce, and only a very small number of time-honored brands can maintain their competitiveness and sustainable development (Huang, 2014). Many time-honored brands are declining, and some have even exited the market. Among the 1,128 Chinese time-honored enterprises recognized by the Ministry of Commerce, only 20% to 30% are in good operating condition, while most others are not performing well (Li, 2017). According to a 2018 research report titled "Chinese time-honored brand Development Index" by Professor Wang Rui of Peking University and the Ali Research Institute, only 10% of these businesses were thriving (Alibaba, 2018). More notably, among the 48 listed Chinese time-honored brands, only 20 reported net income growth (Datago, 2021). In 2023, the Ministry of Commerce of China released the "Notice on the Announcement of the Review Results of Chinese Time-honored Brands," indicating that 55 brands were removed from the Chinese time-honored brand list due to poor management or even bankruptcy and closure, and another 73 brands were required to rectify due to poor performance and declining results (China's Ministry of Commerce, 2023).

Brand extension has become one of the important strategies for innovation among Chinese time-honored brands. These brands face several challenges: on one hand, they must keep pace with the times, demonstrate innovation, enrich their product lines to meet the needs of modern consumers, expand market share, and avoid consumers forming stereotypes of being "old" or "outdated" (Xu & Zhao, 2013). On the other hand, they must continue to inherit their unique history and culture, maintaining emotional connections and brand relationships with consumers. However, some brands are overly subjective in formulating brand extension strategies and lack strategic considerations. This not only fails to successfully launch new products but may also lead to the dilution and weakening of brand equity (Kong & Chen, 2012). For example, years of marketing activities have made "Wanglaoji" synonymous with "herbal tea" in the minds of consumers. However, when the brand attempted to extend into areas such as food, health products, medicinal liquor, and medical cosmetics, its "herbal tea" characteristics gradually faded. This brand extension weakened its dominant position in the herbal tea field (Yang, 2012).

Since 2006, when the Ministry of Commerce of China launched the "Revitalize Time-honored Brands Project," some time-honored enterprises have shown good development momentum. However, most Chinese time-honored brands have performed somewhat weakly in market competition and have been unable to keep up with the rapid development of the social economy. To solve this problem, in 2022, the Ministry of Commerce and eight other departments issued the "Opinions on Promoting the Innovative Development of Time-honored Brands," aiming to promote the innovation and development of time-honored enterprises, help them cope with market competition challenges, and encourage them to adopt innovative strategies to adapt to modern society's needs.

Given the above phenomena and analysis, the researchers decided to use Chinese time-honored brands as empirical evidence to explore the causal relationship and impact of consumers' perceived risk in the process of brand extension. In the context of brand extension of Chinese time-honored brands, consumers' values, brand cognition, and attitudes toward risk may endow perceived risk with unique influence paths. As Orly et al. (2022), have demonstrated, consumers' perception of risk varies in cultural contexts. Influenced by traditional educational concepts such as "think thrice before you act," Chinese consumers remain vigilant and skeptical toward unfamiliar and new things; therefore, they usually have a stronger awareness of perceived risk (Yang, 2017). This cultural background makes consumers pay more attention to potential risks and uncertainties when facing new products or brand extensions. For Chinese time-honored brands, due to their long history and profound cultural heritage, consumers have established a certain psychological contract with these brands, usually manifested as deep dependence and emotional connection. When these brands engage in brand extension, consumers may have doubts about the quality of the new products and their consistency with the original brand (Dawar & Pillutla, 2000), suspecting whether the new products can carry on the legacy of the original brand.

Current research has not fully revealed how brand trust and perceived fit affect brand extension success through perceived risk, nor the role of psychological contract violation in this process. Especially in the context of Chinese time-honored brands, this issue is more prominent because the relationship between consumers and these brands is more complex, involving emotional connections and cultural identity. Therefore, this study aims to answer the following core questions: Does perceived risk play a mediating role in the relationship between brand trust and perceived fit on brand extension success? How do changes in the conditions of psychological contract violation impact the dynamics of these causal chains?

By taking Chinese time-honored brands and their extension products as research objects and deeply exploring these issues, the study not only helps enrich theoretical research in the fields of brand extension and consumer behavior but also provides empirical evidence for enterprises to formulate effective brand extension strategies. Understanding the moderating role of psychological contract violation can help brand managers better maintain relationships with consumers in extension strategies, reduce perceived risk, and improve the success rate of brand extensions. This research fills the gap regarding the mediating role of perceived risk in the process were brand trust and perceived fit influence brand extension success, as well as the moderating role of psychological contract violation, deepening the understanding of consumer behavior. It also provides valuable guidance for Chinese time-honored and other traditional brands on how to manage consumers' perceived risk, maintain brand trust, ensure extension fit, and handle psychological contract violations during brand extension.

1.2 Research Questions

The main research questions of this study are as follow:

RQ: Whether perceived risk (PR) transmit effects of brand trust (BT) and perceived fit (PF) to brand extension success (BES) and at what conditions of psychological contract violation (PCV) make these causal chains best applicable?

1.3 Research Objectives

These objectives can be further specified as follows:

RO1: To study PR, BES and PCV on Chinese time-honored brand extension.

RO2: To investigate the indirect effect of the causal chain BT→PR→BES under the condition of PCV.

RO3: To investigate the indirect effect of the causal chain PF→PR→BES under the condition of PCV.

1.4 Hypothesis

Based on a review of relevant theories and preliminary studies, the researcher proposes the following hypotheses to clarify the direction and objectives of the study:

H1: BT significantly affects BES.

H2: PF significantly affects BES.

H3: PR transmits effects of BT to BES.

H4: PR transmits effects of PF to BES.

H5: The causal chain BT→PR→BES changes under the conditions of PCV.

H6: The causal chain PF→PR→BES changes under the conditions of PCV.

1.5 Scope of the Study

Given the widespread recognition and large consumer base of Chinese time-honoured brands, this study initially selects the general population through purposive sampling and then employs random sampling methods to choose the sample.

1.5.1 Population

This study selected the permanent residents of Sichuan Province as the target population. This choice is based on the location of the parent brand under study. The parent brand chosen for this research, is located in Sichuan Province. Permanent residents of Sichuan Province have a certain level of awareness of brand and have direct or indirect contact with it in their daily lives. According to demographic data, the permanent population of Sichuan Province is approximately 83.74 million (data source: Sichuan provincial government official website, 2022). This large population base provides a broad and diverse sample space for the research, making the results more universally applicable and valuable.

1.5.2 Sample

The study employed a method combining purposive and random sampling. Considering the actual survey resources, time, and anticipated statistical power, we selected the permanent residents of Sichuan Province as our target research group. Then, we used random sampling to invite residents to participate in the survey, ensuring sample representativeness.

Some researchers have proposed the rule of 10 observations per indicator' for determining the appropriate sample size (Barclay et al., 1995; Kahai & Cooper, 2003; Westland, 2010). This study adopted the 10:1 ratio to ascertain the requisite number of observations for each indicator. The survey questionnaire comprises 56 questions (indicators), the minimum required sample size was 560. This approach is employed to ensure the dependability of the study and statistical significance.

1.5.3 Data collection period

Data was collected from December 2023.

1.5.4 Variables

This study identified research variables and generated the research model through a review of relevant concepts, theories, and literature. The variables in this study are divided into two groups, with details as follows:

1. The independent latent variables，which includes two variables:

(1) Perceived fit (PF).

It comprised 3 sub-constructs: 1) usage fit, 2) feature fit, 3) image fit.

(2) Brand trust (BT).

It comprised 3 sub-constructs: 1) quality trust, 2) image trust, 3) customer satisfaction.

2. The dependent variable is: brand extension success (BES). It comprised 3 sub-constructs: 1) attitudes toward extension product, 2) behavioral intention, 3) acceptance of price premiums.

3. Perceived risk (PR) is mediating variable.

It comprised 4 sub-constructs: 1) performance risk, 2) psychological risk, 3) financial risk, 4) social risk.

4. The moderator variable: Psychological contract violation (PCV).

1.6 Definition of Terms

1. Chinese time-honored brand: It refers to brands that possess a long history and have products, skills, or services passed down through generations. These brands are characterized by a distinctive Chinese ethnic traditional cultural background and a profound cultural heritage. They have gained widespread societal recognition and established a strong reputation (Commerce, 2006; Zhang et al., 2021). For example: Quan Ju De, Dao Hua Xiang, Wu Liang Ye, Lao Feng Xiang.

2. Brand extension: It's a brand management strategy where a brand leverages its existing name, based on its current reputation and image, to enter a new product category or market segment (Aaker, 1990).

3. Brand extension success (BES): The successful application of an existing brand name to a new product or product line, where this strategy achieves positive outcomes (Peng et al., 2023; Sichtmann & Diamantopoulos, 2013).

4. Perceived risk (PR): It refers to the subjective cognition of consumers about potential unfavorable outcomes they might encounter during the purchasing process (Featherman et al., 2021). It is subjective expectations held by consumers concerning possible negative consequences or losses (Marafon et al., 2018). This perception of risk stems not only from the consumer's inability to fully predict whether a product or service will meet their expectations but also involves uncertainties about the product's quality, performance, and safety. It encompasses various aspects such as performance risk, financial risk, social risk, and psychological risk (Ariffin et al., 2018).

5. Perceived fit (PF): It refers to the consumer's subjective perception of the similarity or consistency between the extended product and the parent brand or original product (Aaker, 1990).

6. Brand trust (BT): It refers to the confidence that consumers place in a brand's ability to fulfill its explicit or implicit promises, encompassing aspects of capability, reliability, and sincerity (Marmat, 2022). The formation of this trust is grounded in the consumer's past interactive experiences with the brand and the brand's reputation, among other factors (Elena & José, 2001; Susanti, 2020).

7. Psychological contract violation (PCV): It originate from organizational behavior research, refers to the negative emotional response that arises when an individual perceives that another party (such as an employer or organization) has failed to fulfill explicit or implicit promises or expectations (Rousseau, 1989; Wu et al., 2021). When applied to the realm of branding, psychological contract violation pertains to the negative emotional response of consumers when they perceive that a brand has failed or not completely fulfilled its explicit or implicit promises, responsibilities, or obligations (Yang et al., 2020).

1.7 Conceptual Framework

The research framework of this study is shown in Figure Error**! No text of specified style in document.**.1, displaying the relationships among all research variables. This includes perceived fit (PF), brand trust (BT), perceived risk (PR), brand extension success (BES), psychological contract violation (PCV).

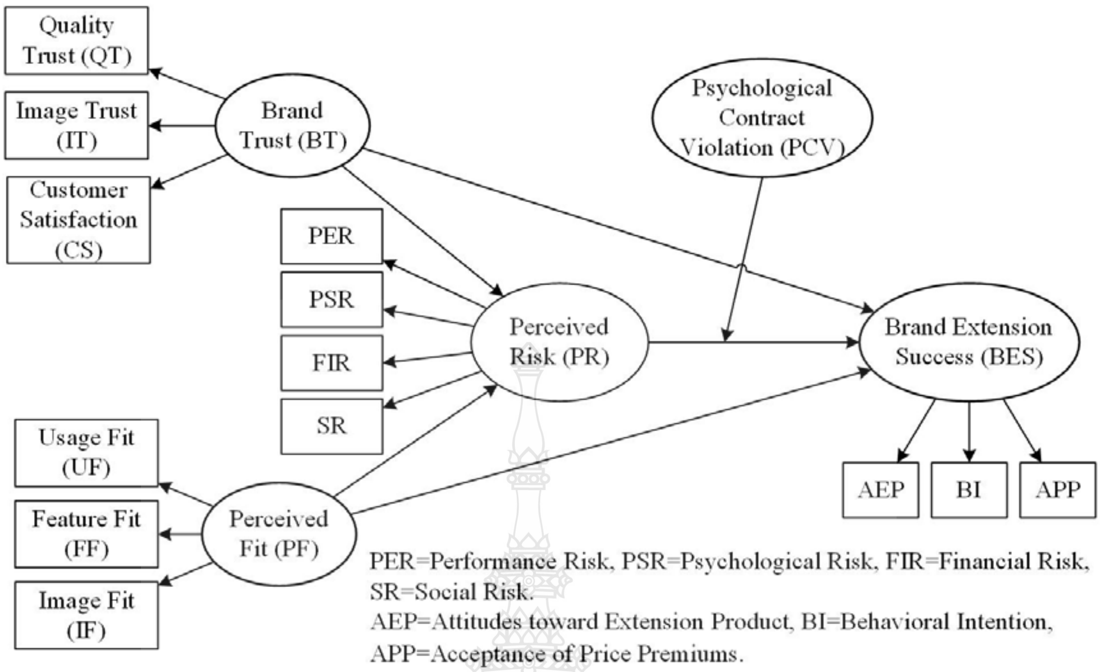


Figure Error! No text of specified style in document.**.1** Conceptual framework

1.8 Contribution to Knowledge

1.8.1 Theorical Contribution

The significant theoretical contributions of this study are as follows:

Firstly, drawing upon perceived risk theory and categorization theory, this study systematically delineates the causal relationships and effects of consumers' perceived risks on brand extension process. Specifically, it elucidates the causal pathways connecting perceived fit, perceived risk, and brand extension, as well as those linking brand trust, perceived risk, and brand extension.

Secondly, employing psychological contract theory, this research examines the moderating role of psychological contract violation in the mechanism through which brand trust and perceived fit influence the success of brand extension via perceived risk. This investigation introduces a novel perspective to the field of brand extension, thereby enriching its theoretical framework and advancing scholarly understanding in the domain of brand management.

1.8.2 Practical Contribution

This study offers valuable practical insights for managers and decision-makers of Chinese time-honored and other heritage brands, enabling them to make more informed decisions regarding brand extension management. It helps them to better meet consumer demands, effectively manage perceived consumer risks, and gain a deeper understanding of the key impact of psychological contract violations. These insights allow brand managers and decision-makers to achieve more sustainable and profitable growth. Specifically, the practical contributions of this study are as follows:

Firstly, this research explores the causal relationships and effects of perceived risk during the brand extension process, providing important insights into the causes of consumer perceived risks and their potential impact on brand extension success.

Secondly, by examining the indirect role of psychological contract violations in the causal chain of perceived fit and brand trust through perceived risk affecting brand extension success, this study helps managers better understand the psychological contracts between brands and consumers, as well as their impact on brand extensions.

Thirdly, the findings can assist managers of Chinese time-honored brands in formulating more appropriate brand extension strategies and optimizing market strategies to mitigate perceived consumer risks. This, in turn, helps to avoid negative impacts on the parent brand and increases the probability of successful brand extensions.

CHAPTER 2
REVIEW OF THE LITERATURE

The objective of this chapter is to delineate the theoretical foundations, relevant concepts, and previous research progress related to this study. The chapter is divided into three main parts. The first part introduces the theoretical underpinnings of this research, in conjunction with previous studies, including the theory of perceived risk, categorization theory, and psychological contract theory. These theories form the theoretical bedrock of our research, providing robust theoretical support for subsequent studies. The second part reviews some important concepts and theories related to the research, including brand extension, perceived risk, perceived fit, psychological contract violation, and brand trust. The third part develops the hypotheses, organizing the relationships between the core variables within the research framework, which will facilitate a clearer understanding of the interactions among these variables. The literature review contributes to structuring the research background and reinforcing the conceptual model adopted in this study, ensuring that the research is anchored in existing literature and theories, thus providing a robust theoretical foundation.

2.1 Theoretical Basis

2.1.1 Perceived Risk Theory

Perceived risk theory has been widely applied as a theoretical foundation in fields such as consumer behavior, marketing, and brand management.

Bauer (1960) introduced the concept of perceived risk into the field of marketing, noting that uncertainty exists in any purchasing decision. This is due to the consumer's inability to predict whether the actual outcome will meet their expectations. Disappointment arises if the decision does not meet these expectations. This situation is often a result of information asymmetry prevalent in the market, where the scarcity of relevant information means that consumers face uncertainty and risk when making purchasing decisions. During the shopping process, objective risks act upon consumers' sensory organs and through their complex psychological processes, form a certain level of perceived risk (Mitchell, 1999; Slovic, 2016). Perceived risk is a function of two primary factors: firstly, the likelihood of adverse consequences perceived by the consumer prior to the purchase, and secondly, the extent of loss perceived subjectively by the consumer in the event of an unfavorable outcome after the purchase (Cox & Rich, 1964). In specific risk situations, the risk-reward relationship faced by individuals mainly includes three aspects: (1) not achieving the desired outcome; (2) experiencing adverse consequences after achieving the desired outcome; (3) loss of value (such as time, money, etc.) spent on the purchase. Cox proposed hypotheses about perceived risk from the perspective of consumer risk-handling behavior: (1) perceived risk is an important variable affecting consumer purchase decisions; (2) if the risk perceived by the consumer exceeds their capacity, they will take certain actions to reduce the perceived risk to within their tolerable range, but individual tolerance varies; (3) consumers tend to reduce the uncertainty of risk rather than the severity of negative consequences in the risk reduction process; (4) consumers adopt a series of risk avoidance measures, such as processing shopping information, to reduce perceived risks; (5) factors such as individual personality, cognitive needs, shopping purpose, and shopping experience influence how consumers reduce perceived risks. Cunningham (1967) revised Cox's perceived risk model through empirical research and a dual-factor theory, suggesting that perceived risk should be divided into uncertainty (the subjective likelihood of an event occurring as perceived by the consumer) and consequences (the severity of the outcomes if the event occurs). Perceived risk is composed of two parts: the likelihood of negative consequences occurring as perceived by the consumer, and the severity of these negative outcomes (Yıldırım & Güler, 2022).

Perceived risk is also defined as the uncertainty of adverse outcomes that consumers may encounter when making purchasing decisions (Tsiakis, 2012), and the likelihood of dissatisfaction compared to the buyer's goals when purchasing products (Zheng et al., 2012). In specific risk contexts, the risk stakes faced by consumers mainly include three aspects: (1) not achieving the desired outcome; (2) experiencing negative consequences after achieving the desired outcome; (3) loss of value (such as time, money, etc.) invested for the purchase. Perceived risk reflects unanticipated dissatisfaction and disappointment based on purchasing goals, making it a key indicator of consumer behavior. This is because consumers tend to minimize the risk of potential failures rather than seeking success in their purchases (Donni et al., 2018). If consumers feel discomfort due to this uncertainty or the severity of consequences, the risk perceived subjectively before the purchase will be relatively high. The perceived risk theory focuses on how consumers subjectively assess potential risks and interpret the resulting psychological changes when faced with uncertainty, as well as the actions consumers might take based on these assessments. Perceived risk can evoke alertness or aversion in consumers, leading to various behaviors aimed at controlling risk (Wahid et al., 2022). As perceived risk increases, consumers seek different types of risk-reducing activities, such as carefully evaluating alternative options, and so on.

In the context of brand extension, the perceived risk theory plays a crucial role in explaining consumers' attitudes towards brand extensions and extended products. Consumers have certain emotional connections with brands, which may stem from past purchase experiences, the brand's values, or even the social image conveyed by the brand. However, when these brands attempt to expand into new product domains, consumers perceive risks associated with brand extension. They may worry about the performance, quality, and reliability of new products, whether these products will meet their expectations, and whether the new products are consistent with the core image and positioning of the parent brand, among other concerns. Consumers assess and weigh risks from multiple dimensions based on context and experience, such as performance, economic, and psychological aspects (Kamal et al., 2020; Murray & Schlacter, 1990). In this scenario, the perceived risk theory provides a valuable framework for explaining consumer attitudes and behaviors.

2.1.2 Categorization Theory

Categorization theory, originating from the field of cognitive psychology, has been extensively researched and discussed within this domain. The theory primarily focuses on how humans naturally categorize information during cognitive processes. This act of categorizing or classifying can be seen as a strategy to simplify and organize our understanding of the surrounding world. This process not only significantly reduces cognitive load but also enhances the efficiency of information processing, providing the brain with an effective mode of operation (Rosch & Lloyd, 1978). According to categorization theory, human cognition of different entities is stored in the brain in a structured manner. Entities with similar or shared characteristics are automatically categorized together, facilitating quicker processing and understanding of new information. This aids in better comprehension and handling of information. The categorization process primarily consists of two stages. Initially, when confronted with new information or an entity, individuals attempt to match it with their existing knowledge. If a match is found, they quickly categorize this new entity into a known category, transferring associated emotions and attitudes to it. If the new entity does not match any known category, the individual enters the second stage, involving a deeper contemplation of the entity's characteristics and potential links to existing categories. They then attempt to create a new category for it or classify it under a closer existing category.

The application of categorization theory is also significant in the study of brands and consumer behavior. Consumers often categorize brands or products based on common characteristics or attributes such as quality, price, appearance, etc., during the selection and evaluation process. Initially, consumers categorize new products based on their prior knowledge of the physical or functional features of a certain category of products. After categorization, they are able to infer and evaluate the attributes and characteristics of the new product (Loken et al., 2008; Parker et al., 2018; Zeng et al., 2019). For instance, consumers might classify a brand as 'luxury' or 'economical' based on its positioning and image or classify food as 'healthy' or 'unhealthy' based on its nutritional content and health benefits.

Categorization theory is a crucial theoretical foundation in brand extension research (Aaker & Keller, 1990; Parker et al., 2018; Pontes & Pontes, 2021; Yoon & Kang, 2018). This theory is utilized in studying the impact of fit on brand extensions. It posits that consumers categorize extension products based on the degree of fit. The fit enhances the optimization of the categorization process, thereby providing more information for the evaluation of the extension product (Peng et al., 2023).

When this categorization logic is applied to marketing and brand strategy, it refers to how consumers use their cognition of brands and products to interpret and understand the market environment. Consumers view brands as classifications associated with specific traits. How consumers perceive a brand's entry into new product or service categories, and whether they accept this extension, largely depends on how they categorize the brand and its extensions. If the new product's characteristics or attributes align with the core traits of the original brand, consumers are more likely to accept it and categorize it within the same category, easily transferring their emotions from the parent brand to the extension (Aaker & Keller, 1990; Eren-Erdogmus et al., 2018; Kim et al., 2020). If consumers cannot discern the similarity between the parent brand and the extension, they engage in elaborate processing, shifting to a different mode of information processing. Consumers may also perceive such extensions as exceeding the original brand's category, leading to skepticism or aversion (Keller et al., 2011; Prajapati & Bhatt, 2019). When the extension product shares similarities with the parent brand in features, image, quality, etc., consumers often perceive the new product as belonging to the same category, thereby easily transferring existing attitudes towards the parent brand to the extension. On the other hand, if consumers are uncertain about the similarity between the two, their fragmented information processing is triggered, and they rely on other available information, adopting a more detailed approach to evaluate the extension. In such cases, consumer preferences for any specific associations related to the extension become the decisive factor in the evaluation of the extension.

2.1.3 Psychological Contract Theory

The psychological contract is a key concept in the field of organizational behavior, representing a vital paradigm for understanding the relationship between employees and employers(Rousseau, 1989). Unlike formal contracts, a psychological contract consists of unwritten expectations between employees and employers, including beliefs and expectations about reciprocal obligations (Dhanpat, 2021; Protsiuk, 2019; Zhao et al., 2007). Contemporary research in organizational behavior emphasizes the role of the psychological contract in influencing a range of workplace behaviors and attitudes, including job satisfaction, organizational commitment, and employee retention rates (Ballou, 2013; Gadomska-Lila & Rogozińska-Pawełczyk, 2021; Herrera & De Las Heras-Rosas, 2021). These constructions are crucial for healthy relationships between employees and organizations. Psychological contract theory has long been a significant theory in organizational behavior. This contract is not limited to the relationship between employees and employers but extends to broader organizational relationships, such as those with partners and stakeholders (Knapp et al., 2020).

Psychological contract theory has long been a significant theory in organizational behavior, and in recent years, scholars have used it to explain and analyze the relationship between consumers and businesses or brands (Bi, 2019; Chih et al., 2017; Montgomery et al., 2018). Traditionally defined as an informal commitment or expectation between an individual and an organization, when applied to the consumer-brand relationship, this concept primarily involves consumer expectations of a brand and how the brand fulfills these informal commitments. Consumer loyalty and trust in a brand are not just based on the quality or value of the product but also on their deeper emotional expectations and beliefs regarding the brand, often grounded in aspects like brand image, ethical stance, or social responsibility (Popp & Woratschek, 2016). For example, when a brand promises sustainability and environmental protection, the psychological contract may include the consumer’s expectation that the brand will fulfill these commitments. If the brand fails to meet these expectations, it can be perceived as a violation of the psychological contract, leading to a loss of consumer trust and even negative word-of-mouth (Baeshen, 2018; Hill et al., 2009; Liu et al., 2023).

Contemporary market trends indicate that consumers are driven not only by transactional dynamics; they also seek relationships with brands that resonate with their personal values, demonstrate authenticity, and show commitment to social responsibility. This phenomenon can be explained through psychological contract theory: consumers expect brands to meet not only utilitarian and quality needs but also to resonate with them emotionally, morally, and in terms of social responsibility (Ihlen & Fredriksson, 2018; Kim et al., 2015). Under such a psychological contract, consumers are willing to exhibit brand loyalty, engage in word-of-mouth promotion, and pay a premium for products that align with their values and expectations (Chen et al., 2021). However, when brands fail to meet these expectations or are perceived as violating the psychological contract, the consequences can be severe. Psychological contract violation may lead to reduced consumer satisfaction with the brand (Erkutlu & Chafra, 2016; Herm, 2013), and may trigger negative emotional responses, such as anger or disappointment (De Clercq et al., 2021; Gong & Wang, 2022). These negative emotional responses may further translate into negative behavioral tendencies, including boycotting the brand, spreading negative word-of-mouth, or expressing dissatisfaction to other potential consumers (Khatoon & Rehman, 2021).

From the consumer's perspective, psychological contract theory is particularly important in the context of brand extension. When a brand extends into new product areas, the newly introduced products often exhibit significant differences from the parent brand's original products in aspects such as features, functions, categories, and image and cultural attributes. This inconsistency can lead to consumer doubts about whether the brand can continue to fulfill its implicit promises, creating a perception that the brand may be violating the psychological contract with them. Once consumers develop this perception, they may reassess their relationship with the brand, negatively impacting their attitude towards and acceptance of the brand's extension products.

2.2 Related Research

2.2.1 Related Research on Brand Extension

Brand extension strategy is a significant topic in modern marketing. Brands apply their existing brand equity, reputation, and recognition to new categories different from the original products (Aaker, 1990). When companies expand their product lines or develop new products, they opt to continue using the existing brand name. The essence of this strategy is to leverage the parent brand's image, fame, and product quality to gain market recognition for the new product or product line (Zhou, 2001).

Utilizing brand equity for brand extension and launching new products is profitable, generally motivated by risk aversion and marketing efficiency. On one hand, using an established brand can reduce the risk of new products entering the market; on the other hand, it can increase profits by reducing the marketing costs of new products (Keller et al., 2011). Facing market competition, companies can expand their market share through brand extension strategies and reduce the risks associated with launching new products, thus saving on marketing expenses. Depending on the brand positioning, consumer demand, and market opportunities, the possibilities for brand extension are very high.

In fact, in the consumer packaged goods market, the vast majority of new products (about 70%) originate from brand extensions (Nielsen, 2019). This demonstrates the high dependency of companies on brand extension strategies, hoping to reduce the research and development costs and market failure risks of new products by leveraging the advantages of existing brands, thereby increasing brand profits. However, brand extensions are not always successful. Although they can bring tremendous opportunities to companies, they also come with significant risks. In the U.S. consumer packaged goods market, only 30% of new brand extension products can maintain their sales volume two years after launch (Nielsen, 2019). Moreover, research shows that about 75% of brand extension projects end in failure (Keller & Lehmann, 2006). This means that only about 25% of all brand extension projects achieve commercial success. In the fast-moving consumer goods (FMCG) sector, this failure rate is even as high as 80%(Jain et al., 2023). Failure in brand extensions can have a negative impact on the parent brand's assets, especially for reputation brands (Ahn et al., 2018; Milberg et al., 2023).

There are various interpretations of the definition of brand extension in the academic world. According to some scholars, brand extension refers to the extension of a firm's existing brand name into a new area that is completely different from its main business broad category (Aaker & Keller, 1990; Padmanabhan & Chandirasekaran, 2016). According to their definition, something like the extension of Marlboro brand from cigarettes to fountain pens or Yamaha brand from motorbikes to pianos can only be termed as brand extension. According to another view, brand extension includes not only the practice of firms extending existing brand names into areas that are completely unrelated to the original brand in terms of broad categories, but also the practice of extending them into new products with similar product lines but different target markets, in order to achieve a brand's capture of a wider target market at the lowest marketing cost (Monga & Gürhan-Canli, 2012; Shan et al., 2017). In this view, brand extension strategies include not only the Marlboro brand's extension from cigarettes to fountain pens or the Yamaha brand's extension from motorbikes to pianos, but also the WLY brand's extension from liquor to beer or wine and the Hershey's brand's extension from chocolate to wafers. Currently, although the definition of brand extension is still controversial, most studies include both extension strategies in the study of brand extension. This means that both broad extensions of product categories and segment extensions are included in the definition of brand extension. Brand extensions include both brand extensions across product categories and brand extensions in segments with similar broad categories (Ansary & Nik Hashim, 2018; Miniard et al., 2020).

In addition, whether or not there is a change in market positioning and market audience between the extension and the original brand also affects the definition of the concept of brand extension in existing research: some scholars insist that only a significant difference between the extension and the original brand in terms of product categories can become a brand extension strategy, and product extensions that are different in terms of market positioning and product audience cannot be called a true brand extension strategy (Dawar, 1996). Some scholars believe that although the extension product belongs to the same product category as the original brand product, but the extension product is very different from the original brand product in terms of market positioning and product audience, this kind of corporate behavior should also be called brand extension strategy (Srivastava & Sharma, 2012). For example, Parker's extension of its brand from high-priced, high-end fountain pens to low-priced, low-grade fountain pens, although both belong to the category of fountain pens, their market positioning and product audience are very different, and therefore should also be called a brand extension strategy. In order to ease this difference and promote the unity of academic research in conceptual definition, scholars have used the concepts of vertical extension and horizontal extension to explain the difference between the two (Allman et al., 2016; Lee & Cho, 2023). The so-called vertical extension refers to those extension types in which the extended product belongs to the same product category as the original brand product, but the extended product is more high-end or low-end than the original brand product in terms of market positioning; while the so-called horizontal extension refers to those extension types in which the extended product does not undergo any significant change in market positioning with the original brand, but belongs to different categories in terms of the product category with the original brand product. For example, Parker Fountain pen will extend its brand from high-priced and high-grade fountain pens to low-priced and low-grade fountain pens, can be categorized as a vertical brand extension; and Zippo will be extended to its brand lighters to perfume, can be categorized as the type of horizontal brand extension.

The brand extension success depends on a number of factors. According to previous studies, these influences can be broadly categorized into four main groups: the parent brand level, the consumer level, the product level and the market level. Table 2.1 shows the summary of brand extension success elements. Since the empirical study of Aaker and Keller in 1990, scholars have explored the influencing factors of brand extension in depth. After nearly 30 years of research accumulation, numerous and detailed literature has been accumulated. These summarize the key influences on the brand extension success from the perspective of the firm or brand. The characteristics of the parent brand, both directly and indirectly, have a decisive impact on the brand's performance in the market and on consumer perception. This influence further highlights the value and impact of the brand, which is deeply reflected in brand equity. Based on the consumer perspective, brand equity is seen as the primary consideration for the success of a brand extension. Consumers typically assess the potential value of an extension based on their perceptions and experiences with the parent brand (Aaker, 1990; Hussain & Rashid, 2016). Through the literature review, we can categorize the factors that influence consumers' assessment of brand extensions into four level factors. First, the product level, which mainly refers to perceived fit, consumers' perception of the degree of similarity or consistency between the extension and the parent brand during brand extension evaluation (Aaker & Keller, 1990; Sichtmann & Diamantopoulos, 2013). Second, brand level. According to signaling theory and the "halo effect" principle in psychology, the parent brand's popularity, reputation, and quality become external signals for consumers to evaluate extensions, and when the parent brand has a good reputation, its extensions tend to benefit from this positive influence (Martinez et al., 2008; Ye & Hu, 2009). Customers' perceptions, attitudes, and loyalty to the parent brand can enhance their high perceived value of the brand extension (Hultman et al., 2021). Third, consumer level, such as consumer perceived risk, level of innovation, etc (Joshi & Yadav, 2019; Srivastava & Sharma, 2011). Fourthly, market factors also play a role, mainly referring to marketing support and retailer acceptance (Deng & Messinger, 2022; Javed et al., 2018).

Table 2.1 Summary of rand extension success elements

Classification	Elements	Academics (year)
Parent brand level	Parent brand quality	Smith and Park (1992)
	Brand extension previous history	Boush and Loken (1991)；Dacin and Smith (1994)
	Parent brand conviction	Kirmani et al. (1999)
	Parent brand experience	Swaminathan et al. (2001)
Product level	Fit between parent brand and extension product	Aaker and Keller (1990)；Buil et al. (2009)
Consumer level	Consumers perception	Turhan (2014)；Srivastava and Sharma (2013)
	Consumer characteristics	Klink and Smith (2001)；Jiang et al. (2015)
Marketing level	Marketing support	Reddy et al. (1994)；Deng and Messinger (2022)
	Retailer acceptance	Nijssen (1999)；(Javed et al., 2018)

Perceived fitness has a direct effect on brand extension evaluation. When confronted with a new product that is a brand extension, it is often difficult for consumers to obtain detailed intrinsic information about the product as a basis for purchase decisions. At this point, consumers tend to rely on external signals to assess the value and reliability of the product, thus reducing the risk of purchase (Chang et al., 2021; Connelly et al., 2011). Some researchers have used categorization theory to explain how consumers evaluate brand extensions based on perceived fit (Osorio et al., 2021; Smith et al., 2018). The reason why perceived fit is important for brand extension is that most companies' brand extension practices have the following characteristics: the original brand is already familiar to consumers before brand extension and has a certain influence and reputation in the industry; although consumers may not be familiar with the specific extension product, they are familiar with the category to which the extension product belongs. In this case, only a high degree of match between the extended product and the original brand can show consumers that there is an information correlation between the two. This relevance will make it easy for consumers to find the extension in the original brand's information association, thus creating a halo effect by leveraging the influence of the original brand (Butcher et al., 2019). Consumers are more likely to transfer their emotions and associations from the parent brand to the extension if they perceive the extension to be highly congruent with the parent brand. Conversely, they may have doubts and concerns when the perceived fit of the extension is low.

The emotional attributes of the original brand play an important role in consumers' attitudes toward the extension. Affective attributes of the original brand include consumers' familiarity with the original brand (Ma et al., 2021; Oliver, 1999), trust (Aboulnasr & Tran, 2020), loyalty (Gurviez & Korchia, 2003), and attachment (Aboulnasr & Tran, 2020; Shimul, 2022). Existing research suggests that the formation of positive consumer attitudes toward extended products is essentially an affective transfer process. That is, the reason why consumers have positive attitudes towards the extension product is that they transfer their emotions from the original brand to the extension product. In this emotional transfer process, the matching degree between the extended product and the original brand also plays a very important role. This is manifested in the fact that when consumers have deeper emotions towards the original brand, the low fit between the extended product and the original brand will prevent consumers from transferring their deeper emotions towards the original brand to the extended product; when consumers do not have deeper emotions towards the original brand, the high fit between the extended product and the original brand will promote the formation of a certain degree of emotions and positive attitudes towards the extended product. A low degree of perceived fit will inhibit consumers from transferring their emotions towards the original brand to the extended product, while a high degree of fit will promote consumers to transfer their emotions towards the original brand to the extended product.

In the field of brand extension research, consumer attitudes and the psychological mechanisms behind brand extensions have always been the core concern for brand extension success. In the field of brand extension research, early scholars first focused on consumers' fit to the extended new product, a factor that has attracted widespread attention. By analyzing 276 cases of brand extensions, Venkatraman and Price (1990) came to an important conclusion: the fit of the extended product with the parent brand has a crucial role in influencing consumer evaluations. In addition, some researchers have argued that the two most critical factors influencing the brand extension success are the parent brand equity and the fit between the extension and the parent brand, respectively (Peng et al., 2023). Parent brand equity provides a solid foundation for a new extension product. If the extension is highly consistent with the parent brand in terms of core values, target market, and brand positioning, consumers are more likely to be willing to accept and recognize the extension. On the contrary, if the brand extension is not consistent with the original brand, consumers may be confused or perceive it as an inauthentic endeavor, resulting in negative attitudes.

In recent years, in addition to these traditional factors, researchers have begun to explore other elements that may influence brand extension. Among them, social media (Verma & Kumar, 2022), electronic word-of-mouth (Bialkova & Te Paske, 2021; Liu et al., 2017), Brand transparency and authenticity (Moulard et al., 2021), and other emerging factors are also gaining attention. In the era of digitalization, the way brand image is communicated and shaped has changed profoundly, which brings new opportunities and challenges for brand extension. In addition, consumers' cultural values and social identities have a significant impact on the acceptance of brand extensions (Shavitt & Barnes, 2020). Especially in the context of globalization, brands need to consider the adaptability of their extension strategies in different cultural and geographical contexts. Depending on different strategic choices, vertical versus horizontal brand extensions may lead to differences in consumer evaluations and have different impacts on the parent brand (Childs et al., 2018). The challenges that brands may face in extending from the mid-market to the high-end market are very different from extending from the mid-market to the low-end market. One study found that downward vertical extensions of luxury brands were associated with brand image dilution and cannibalization (Miura et al., 2021). Furthermore, with the growing importance of sustainability and social responsibility in consumer decision-making, sustainability strategies for brand extensions have become an important area of research (Aljumah et al., 2021; Blair & Chernev, 2014; Johnson et al., 2019; Li et al., 2019). Brands that are committed to being environmentally friendly and socially responsible may be more likely to engage in brand extension.

As we mentioned earlier in this review, differences in perceived fit may create confusion and concern for consumers. This concern is the consumer's perception of the risk associated with purchasing an extended product. Attracting consumers is a central goal of business. Consumers' perceived risk, which is an important topic in brand extension research (Aboulnasr & Tran, 2020; Srivastava & Sharma, 2013; Turhan, 2014). Consumers' perceived risk involves their expectations of possible adverse consequences of a product or service, which may be actual or subjective (Espeland, 2010; Stone & Gronhaug, 1993). The brand extension process, in which a known brand enters a new product segment, may lead to consumer uncertainty or doubt about the quality, performance, or other attributes of the new product (Loken et al., 2023). Therefore, consumer risk perception plays a crucial role in brand extension strategy.

Multiple factors influence brand extensions, and these factors may affect consumers' brand extension evaluations. According to previous studies, brand extension success has been defined as consumers' attitudes and behavioral intentions toward a brand extension product (Peng et al., 2023; Sichtmann & Diamantopoulos, 2013). Consumer attitudes and purchase behavioral intentions toward a brand extension product are important indicators of extension success (Aaker & Keller, 1990; Ahn et al., 2018; Klink & Smith, 2001; Peng et al., 2023). Consumers' attitudes are expressed in their feelings and evaluations of the extended product, such as their recognition and credibility of the product; whereas purchase behavior intentions are clearly expressed in their confidence in the extended product, which is positively correlated with purchase behavior. Different experts have different insights into brand extension evaluation indicators, as shown in Table 2.2. Broadly speaking, brand extension evaluation or brand extension success indicators mainly focus on Attitudes toward brand extension and behavioral intention.

Table 2.2 Brand extension success evaluation index

Academics (year)	**Measures of Brand Extension Success**	**Parent Brand Industry**
Sattler et al. (2010)	Attitudes toward extension product; Brand extension price premiums	FMCG brand
Albrecht et al. (2013)	Attitudes toward extension; Attitudes toward parent brand	Luxury Brand
Albrecht et al. (2013); Srivastava and Sharma (2011)	Attitudes toward brand extension; Evaluation willingness to purchase	Electronic brand
Sichtmann and Diamantopoulos (2013); Srivastava and Sharma (2011)	Quality evaluation; Purchase intention	Retailing brand, Durable goods brand, FMCG brand, Service brand
Ferguson et al. (2016)	Effect on the brand extension	Watch brand, Motor vehicle brand

Table 2.2 Brand extension success evaluation index (Cont.)

Academics (year)	Measures of Brand Extension Success	Parent Brand Industry
Chiu et al. (2017); Ahn et al. (2018); Sichtmann and Diamantopoulos (2013)	Attitudes toward brand extension; Acceptance (Purchase) intention	Online service brand; Luxury Brand
Peng et al. (2023); Sattler et al. (2010)	Attitudes toward extension products; Behavioral intention	——

It is worth noting that some scholars, such as Sattler et al. (2010), suggest that price premiums should be considered as a key indicator of the financial success of a brand extension (Sattler et al., 2010). They advocate that the ability of a brand extension to charge a higher price than its private label or unbranded counterpart, i.e., the extent to which consumers are willing to pay a premium for the extension, is one of the indicators of the success of the brand extension. In this study, we consider the inherent price premium ability of Chinese time-honored brands as an example. This study will consider the higher price that consumers are willing to pay for the extended products of a Chinese time-honored brand relative to similar products of a generic brand or private label brand as an important factor in assessing the success of a brand extension. Therefore, the three core dimensions of assessing brand extension success chilling in this study are attitude toward extension products, behavioral intention and acceptance of price premiums.

2.2.2 Related Research on Perceived Risk

The term perceived risk originates from the field of psychology and has been widely used in business decision-making and consumer behavior research in recent years, attracting the attention of many scholars. Research on consumer perceived risk mainly covers its conceptual definition, components, influencing factors, and strategies to reduce consumer perceived risk. This study will not only review the above research results on perceived risk but also sort out the antecedent variables and consequence variables of consumer perceived risk in the context of brand extension.

(1) The essence of perceived risk

The concept of perceived risk was first introduced to marketing by Bauer (1960) from the field of psychology, who argued that it is difficult for consumers to know whether the expected outcome is accurate or not when making any consumer decision. His view encompasses two aspects: uncertainty about whether the outcome of a consumer decision will satisfy the consumer's needs, and uncertainty about the severity of the consequences of a wrong decision. Perceived risk is defined as the degree of uncertainty and potential negative consequences that consumers feel about purchasing a particular product (Hong, 2015; Jun, 2020). The source of this uncertainty, in turn, lies in information asymmetry, whereby consumers have limited information about merchants and products, and thus face uncertainty and risk in their purchase decisions (Pelaez et al., 2019). Although the risk of purchasing an extended product is the basis of the consumer's perceived risk, the two are not perfectly aligned. This discrepancy is due to the fact that consumers' judgment of the product is often at odds with marketers' perceptions. The process of perceived risk involves objective risk acting on the consumer's sense organs and then being transformed into subjectively perceived risk through complex mental activities. Perceived risk is a kind of subjective risk, which reflects consumers' psychological feelings and subjective perceptions of various objective risks in the process of purchase decision-making (Slovic, 2016). Based on subjectively perceived risks, consumers react or take steps to reduce or avoid these risks(Dowling, 1986; Featherman et al., 2021). Possible measures: seeking more information, choosing a well-known brand, purchasing insurance or a warranty, delaying the purchase decision, seeking a return or exchange policy, etc.(Barriskell, 2023; Toubes et al., 2021). Cox (1967) and Cunningham (1967) provide an operationalized definition of perceived risk definition provides an operationalized description: perceived risk as a function of uncertainty and consequence factors. Uncertainty refers to the pre-purchase perception of the likelihood of unfavorable consequences of a purchase, while consequence refers to the degree of personal subjective loss perceived by the consumer in the event of a bad consequence of the purchase. Some researchers have pointed out that consumers are more risk averse than maximizing benefits in the purchase process (Mitchell, 1999). Perceived risk plays a significant role in influencing consumer behavior (Li et al., 2020). Consumers' decision to change or cancel a purchase is largely influenced by perceived risk.

(2) Research on the Dimensions of Perceived Risk

Perceived risk is multifaceted, encompassing several dimensions. Numerous scholars have conducted in-depth studies on specific aspects included in perceived risk. When consumers realize that their purchasing behavior may not meet expected goals, they perceive risk. This risk might entail adverse consequences or losses in terms of social, financial, physical, and time factors (Barach, 1969) Subsequently, many researchers have proposed their perspectives on the dimensions encompassed by perceived risk. The specific details are presented in Table 2.3.

Table 2.3 Dimensions of perceived risk

Academics(year)	**Dimensions of Perceived Risk**
Roselius (1971)	Time Loss: Time lost due to product repairs or returns. Hazard Loss: The product may cause adverse health effects. Ego Loss: When a product is defective, consumers may feel deceived and consider themselves foolish. Money Loss: When a product is defective, consumers need to spend money on repairs or replace it with a new one.
Jacoby and Kaplan (1972)	Financial Risk: The risk that the actual value of the product may not align with the cost paid. Performance Risk: The risk that the product function may not achieve the expected use effect. Psychology Risk: The risk of the product not matching the consumer's self-image or not meeting the expected level, causing harm to the consumer's psyche or self-perception. Physical Risk: The risk of the product having poor design, which may cause harm to the consumer's body during usage. Social Risk: The risk of purchasing a product that results in the consumer not being recognized or accepted by others.
Murray and Schlacter (1990)	Performance Risk: The risk of the product not performing as expected. Financial Risk: The behavioral outcome may result in financial losses for the consumer. Psychology Risk: Concern about how others perceive this product. Time Risk: The time spent on purchasing this product. Social Risk: The risk of facing ridicule from others for purchasing this product.

In addition to the division of dimensions mentioned in the table above, there are other scholars who have provided their own insights into the dimensions of perceived risk. For example, Peter and Tarpey (1975) added time risk to the five dimensions of perceived risk proposed by Jacoby and Kaplan (1972). They considered time risk as the uncertainty of possible loss of time and effort in purchasing a product. It can be seen that the dimensions of the perceived risk proposed by these scholars are similar in their totality. The five dimensions of financial, performance, physical, psychological and social risk proposed by Jacoby and Kaplan (1972), together with the addition of time risk added by Peter and Tarpey (1975), can cover the risk factors proposed by other scholars. In addition, Stone and Gronhaug (1993) study noted that these six risks (financial, performance, physical, psychological, social, and time) explained 88.8% of the total perceived risk. Modern researchers have continued to adopt the above scholars' delineation of dimensions for measuring perceived risk. Some studies have adopted these six dimensions (Orly et al., 2022) but more studies of perceived risk have not covered all dimensions (Casidy & Wymer, 2016; Wang et al., 2019).

Instead of considering all six dimensions, this study selected four dimensions of perceived risk: functional risk, psychosocial risk, financial risk and social risk for the questionnaire. This decision was made in light of the findings of previous scholars. Kaplan et al. (1974) selected twelve products for their study and explored five types of perceived risk and overall perceived risk. The results of the study found that the five risk types were able to explain 73% of the variance in overall perceived risk. performance risk explained the most at 62%, followed by psycho-social risk (7%), followed by financial risk (2%), and the rest at 1% each. In addition, the highest correlation with overall risk is performance risk (r=0.79), followed by financial risk (r=0.76), and psychological risk (r=0.69). It can be seen that there are significant differences in the explanatory power and relevance of different perceived risks to the overall perceived risk. Among them, functional risk has the highest correlation and strongest explanatory ability to the overall perceived risk, followed by psychosocial risk and financial risk. Therefore, the four dimensions of perceived risk, namely, performance risk, financial risk, psychosocial risk and social risk, were selected for operationalization in this study.

(3) The Antecedents of Perceived Risk

According to the previous literature review on the factors influencing consumer attitudes towards brand extensions, consumer perceptions of extension risk are most influenced by two external factors, namely parent brand equity and extension fit(He, 2019). Consumer-based brand equity is a set of associations, attitudes, and knowledge that consumers hold about a brand. This includes perceptions of brand loyalty, perceived quality, and brand awareness, which together make up the consumer's perception of brand value (Pina & Dias, 2021). According to signaling theory, parent brand equity plays an important role in consumers' perceived risk as a signal for consumers to assess brand extensions. Consumers usually tend to assess the risk level of brand extensions based on parent brand equity (Aaker & Keller, 1990; Peng et al., 2023). Consumers holding positive perceptions of the parent brand can increase their confidence in the brand statement and reduce uncertainty and perceived risk (Aboulnasr & Tran, 2020; Hartline & Jones, 1996). Based on information asymmetry, credibility (consumer trust in the brand) is the main determinant of consumer-based brand equity (Erdem & Swait, 2001; Kim et al., 2021). Brand trust can in a way be seen as the core of brand equity, as it is directly linked to consumer loyalty and trust in the brand promise. Therefore, we argue that trust is a significant antecedent of perceived risk significant antecedent.

Perceived fit is the consumer's perception of the degree of similarity in attributes and characteristics between the new product or brand extension and the parent brand. It includes elements such as functionality, image, quality and overall value proposition. Consumers subjectively assess the consistency between the extension and the brand based on factors such as personal preferences, attitudes, brand knowledge and experience to determine whether the extension meets their expectations and perceptions. The effect of perceived fit on brand extension outcomes is significant (Aaker & Keller, 1990; Loken & John, 1993). However, the impact results are not always consistent. Some studies have found that high fitness reduces consumers' perceived risk of the extension. For example, a study by Smith and Park (2019) found that consumers were more likely to accept an extension product when they perceived it to be a high fit with the original brand in terms of characteristics, image, and associations with the parent brand, thus reducing the perceived risk of the extension product. However, there are also different views. Some scholars argue that high perceived fit does not always reduce perceived risk. For example, a study by Choi and Park (2021) found that when the extension product differs from the parent brand in some key attributes, high perceived fit may increase consumers' perceived risk because consumers may have doubts about the performance and quality of the extension product. Therefore, the effect of perceived fit on perceived risk may vary in different brand extension contexts and may be positively or negatively related.

In addition to this, based on the consumers' perspective, their risk perception of a product or service is influenced by a number of factors. Many studies have pointed out that demographic variables have an impact on perceived risk. The perceived risk of purchasing the same product is different in different populations. Consumer product knowledge (Nepomuceno et al., 2014), product involvement (Han & Kim, 2017), and consumer innovativeness (Zhang & Hou, 2017) play a role in influencing perceived risk. Consumers' product knowledge is consumers' product familiarity, product expertise, and purchasing experience. A high level of product knowledge enables consumers to be more aware of and understand product attributes, they can recognize differences in attributes across brands and better assess whether a product matches their needs and expectations, thus reducing uncertainty in purchase decisions. Some studies support the relationship between product knowledge and perceived risk; consumers with high levels of product knowledge are more able to accurately assess the risks of purchasing a product and make more informed purchase decisions. Therefore, product knowledge has a moderating effect on consumers' perceived risk. In the process of brand extension, product involvement has an impact on consumers' risk perception. Product involvement refers to the degree of consumer attention and commitment to a particular product or brand, including cognitive, emotional and behavioral involvement. When consumers develop a high degree of involvement in a particular product or brand, they usually have a clearer perception of and familiarity with that product or brand, which can affect their perceptions and attitudes. Some scholars have suggested that perceived risk is a sufficient condition for product involvement. For consumers with high levels of involvement, brand extensions are seen as an expansion of the original brand image, which makes it easier for them to associate potential negative impacts with the original brand, thus exacerbating their level of perceived risk (Erdem & Swait, 2004). The impact of consumer innovativeness on their risk perception cannot be ignored in the study of perceived risk. Consumer innovativeness refers to the innovative and risk-taking attitude they exhibit when faced with new products or services. It is generally believed that when consumers have a high degree of innovation, they are more willing to accept the extension of new products, and their perception of risk will be relatively low. The effect of consumer innovation on the perceived risk of brand extension can be explained by two main mechanisms: cognitive and affective mechanisms. In terms of cognitive mechanisms, consumers with higher innovativeness pay more attention to the features and benefits of a product or service, and they actively engage in information search and evaluation to obtain more information about the brand extension. This active information acquisition enables them to assess the risk more comprehensively and thus mitigate the level of risk. The study by Prajapati and Ranjitham (2018) validates this view. On the other hand, affective mechanisms also play a role between consumer innovativeness and brand extension risk perception. Consumers with higher innovation usually hold more positive and open emotional attitudes and they are more open to new experiences and challenges. This positive affective attitude helps to reduce the perception of brand extension risk (Kumar & Dwivedi, 2018).

(4) The Consequences of Perceived Risk

Consumers' perceptions of perceived risks associated with brand extensions not only affect their overall perception of the brand and brand equity but also have a profound impact on their relationship with the brand. Perceived risk may change consumers' attitudes, trust and fondness for a brand, further influencing their purchasing decisions. The depth and quality of brand relationships are often based on trust and emotional connections, and perceived risk may threaten such connections.

The perceived risk associated with brand extensions can have an impact on consumer attitudes and behaviors. When consumers perceive higher levels of risk, they are more likely to have negative attitudes toward brand extensions (Aaker & Keller, 2012; Li et al., 2020). This negative attitude manifests itself as skepticism, making them less willing to try new products and may even lead to a decrease in their overall trust and loyalty to the brand. Perceived risk will also have a direct impact on consumers' purchase intentions in brand extension situations. In addition, consumers usually tend to be risk averse. When consumers perceive that there may be a loss or risk, they will develop negative feelings toward the product and adopt a range of risk-control behaviors (Featherman et al., 2021). Seeking more information, switching brands, purchasing insurance or warranties, avoiding or delaying purchase decisions, and seeking return or exchange policies (Barriskell, 2023; Toubes et al., 2021). Perceived risk may lead consumers to question the brand as a whole and may even affect their attitudes and trust in the original product line. This "negative spillover" effect suggests that a failed brand extension may not only affect the new product, but may also jeopardize the value of the entire brand (Chang & Chen, 2014; Liu, C. et al., 2020). Negative consumer perceptions of risk can erode brand equity by, for example, reducing consumer trust and weakening brand associations(Keller et al., 2011).

In summary, it can be seen that consumer-perceived risk has a profound impact on the long-term success and market acceptance of a brand at all stages of brand extension. Accordingly, brand managers should deeply understand the impact of perceived risk on consumer decision-making and take this as a core consideration in their brand extension strategy, in order to alleviate consumer concerns, thereby enhancing the success rate of brand extension and ensuring the brand’s long-term development and market competitiveness.

2.2.3 Related Research on Perceived Fit

Extension fit and perceived fit are two frequently discussed concepts in brand extension research and are considered synonymous or interchangeable in some literature. Perceived fit focuses on consumers’ personal perceptions of the degree of association between the brand extension and the original brand. Extension fit is often more specific, focusing on the similarity or association between the original brand and its extended brand in terms of function, image, target market, etc. Perceived fit can be understood as consumers’ subjective perception of extension fit, which is considered to be consumers’ overall judgment of the fit between the extension and the parent brand (Bhat & Reddy, 2001). In this study, perceived fit is defined as consumers’ subjective perceptions of the similarity or consistency between the extension and the parent brand or the original product in terms of function and image. Regarding the definition of fit in brand extension, different scholars have different definitions and perceptions of this concept, as shown in Table 2.4.

Table 2.4 Different academics definitions of perceived fit

Academics (yeas)	Definition of perceived fit
Aaker and Keller (1990), Smith and Park (1992)	Consumers' assessment of the similarity between the extended product and the original brand in terms of key attributes such as functionality and image.
Czellar (2003)	Perceived Fit is a multi-dimensional match metric that measures the consistency between products, brands and their combination with each other. This multidimensional model includes: product-product fit, brand-product fit; and brand-brand fit.
Kim and John (2008)	The perceived fit is the consumer's assessment of how well the original brand matches the extension in terms of culture, values and consumption habits.
Martínez and Pina (2010)	Emphasizes the importance of cultural factors in assessing extension fit and argues that consumers may accept brand extensions differently in different cultural contexts.
Sichtmann and Diamantopoulos (2013)	Perceived fit is the attribute or association overlap between the extension category and the brand origin. The attribute or association overlaps between the extension category and the brand origin.
Deng and Messinger (2022)	Perceived fit is the similarity, consistency, or congruity between the parent brand (or category) and the extension product (or category). The full construct of perceived fit includes six components: feature, function, resource, usage-occasion, market and image.
Peng et al. (2023)	Perceived fit is perceived similarity between a parent brand and an extension product, which consists of three dimensions: usage fit, feature fit, concept fit.

Different scholars have explored the fit between the original brand and it's perceived from a variety of dimensions, including functionality, image, culture, value, and consumer habits. This not only reflects the diversity and complexity of the brand extension field but also illustrates how consumers assess the fit of brand extensions from different perspectives. These definitions, although differing in wording, emphasize the importance of consumer perceptions and similarity or coherence between brands. This also reflects the character of fitness as a multidimensional concept in which each dimension may influence consumer attitudes and behaviors.

The most direct association consumers have with brand extensions comes from the fit between the parent brand and the extended product. When consumers purchase an extended product, they will naturally associate factors such as the image, reputation and quality of the parent brand with the extended product. The delivery of this brand association is largely determined by the consumer's judgment of the brand extension category. Consumers will categorize an extension by evaluating whether it is similar to the brand's original product (Park et al., 1991; Sheinin & Schmitt, 1994). When consumers perceive that an extension fits into the parent brand's existing product category, the perceived similarity between the extension and the parent brand transfers the perception of the parent brand to the extension. Several studies have examined the effect of perceived fit on consumer evaluations of brand extensions. For example, Aaker and Keller(2010) found that perceived fit positively affects consumer attitudes toward brand extensions. Pontes et al. (2017) found that perceived fit is a key cue and judgmental basis for brand extension evaluations, and directly affects consumer attitudes toward brand extensions. Du (2018) found that the higher the perceived fit, the higher the consumer acceptance of brand extension and the more positive the attitude towards brand extension. Their findings confirm that brand image similarity has a significant effect on consumers' evaluation of brand extensions. Vida and Obal (2011) conducted a study on automotive brand extensions and concluded that higher levels of perceived fit led to more favorable evaluations of the extended brand. Eren-Erdogmus et al. (2018) investigated the effect of perceived fit on consumer perceptions of luxury brand extensions and found that high levels of perceived fit have a positive impact on brand image. Choi and Chang (2019) conducted a study on fashion brand extensions and concluded that perceived fit significantly affects consumer evaluations of brand image. That is, if there is a high degree of perceived fit between the extension and the parent brand, consumers will perceive the extension as a natural extension of the parent brand with similar quality and value. This perceived fit enhances consumers' trust and goodwill towards the extension, thus increasing their purchase intention. Chung and Kim (2014) examined the effect of perceived fit on the overall evaluation of a fashion brand under two different brand extension conditions and found that perceived fit was positively related to the overall evaluation of horizontal extensions but negatively related to the overall evaluation of vertical extensions.

Previous researchers have had different insights into the dimensions of perceived fit of brand extensions, and they have measured similarity from different perspectives and using different criteria. In an earlier study, Aaker and Keller (1990) found that consumers perceive extensions as a better fit when the extension is closely related to the product category of the parent brand. They further noted that brand extension fit is reflected in the characteristics and attributes of the extension and the parent brand's existing products. Bhat and Reddy (2001) suggest that perceived similarity consists of two dimensions: product category similarity and brand image similarity. Among them, product category similarity refers to the consumer's perception of the similarity between the extended product category and the existing product category of the parent brand; brand image similarity refers to the consumer's perception of the similarity between the image of the extended product and the parent brand, which is mainly embodied in the aspects of external performance, brand personality, and core values. Subsequently, numerous researchers have proposed more comprehensive dimensions of perceived fit measurement based on the research objectives and explored their impact on the perception of extension fit. Perceived fit has been distinguished into numerous dimensions. For example, associative fit emphasizes the functional association between the new product and the parent brand. Consumers assess perceived fit based on the extent to which the new product is associated with the parent brand in terms of product features, functionality, and target market (Choi & Kim, 2018). Image fit focuses on the consistency between the new product and the parent brand in terms of brand image, culture, and values. Consumers assess perceived fit by evaluating whether the new product conforms to the brand image and conveys similar culture and values (Chen & Li, 2015). Some scholars have proposed the concept of quality fit, which emphasizes the consistency between the new product and the parent brand in terms of quality, and consumers will assess perceived fit by comparing the perceived quality of the new product with the original product of the parent brand (Pappu et al., 2019). Emotional fit has also been proposed by scholars, who emphasize the emotional connection between the new product and the parent brand, and consumers assess perceived fit based on their emotional experience and connection to the parent brand (Yi & Gong, 2013). Khan et al. (2017) proposed category fit for the product itself, and he focuses on how well the new product category fits with the parent brand's original product category fit, and he emphasized that consumers assess perceived fit based on the degree of alignment between the new product and the parent brand's original product category (Khan et al., 2017). Deng and Messinger (2022) proposed six dimensions of perceived fit through empirical research and provided guidance for brand managers in creating brand extension fit. The six dimensions of brand perceived fit they proposed include: fit based on function, fit based on feature, fit based on resource, fit based on usage occasion, fit based on target market, and fit based on image. Each of these dimensions covers a different aspect of perceived fit. Table 2.5 lists some of the research experts' categorization of the measurement dimensions included in perceived fit.

Table 2.5 Summary of studies on measuring perceived fit

Academics (year)	**Dimensions of Perceived Fit**
Aaker and Keller (1990)	(1) Substitutability: Measuring the extent to which a product is considered a viable alternative in certain usage scenarios. (2) Complementarity: The degree to which two products complement each other in certain usage scenarios. (3) Transferability: The extent to which existing workers, equipment, and skills are beneficial for the production of extended products, i.e., the ability to transition production.
Bhat and Reddy (2001)	(1) Product category fit: It refers to consumers' perceptions of the similarity of the product categories of the extension and the parent brand. (2) Brand image fit: It refers to consumers' perceptions of the similarity of the extension's initial image with that of the parent brand.
Martin (2005)	(1) Feature-based perceptual consistency. a. Overall consistency; b. Manufacturing consistency. (2) Usage consistency. (3) Goal-derived categorization good-of-fit.

Table 2.5 Summary of studies on measuring perceived fit (Cont.)

Academics (year)	Dimensions of Perceived Fit
Völckner and Sattler (2007)	(1) Global similarity; (2) Brand concept consistency; (3) Relevance of the extended associations for the extension product; (4) Symbolic value of the parent brand; (5) Linkage of the utility of the parent brand to product attributes of the original product category (reverse coded).
Oakley et al. (2008)	(1) Consistency in meeting consumer demands. (2) Consistency in required manufacturing skills.
Martínez Salinas and Pina Pérez (2009)	(1) Category fit (a) Similarity between extended product and the original brand product (b) Existing company resources conducive to product extension (2) Image fit (a) Similarity between product extension and brand image; (b) Launching an extension is logical for the parent brand; (c) It is appropriate for the company to launch the extension.
Deng and Messinger (2022)	(1) Feature-based fit, (2) Function-based fit, (3) Resource-based fit, (4) Usage-occasion-based fit, (5) Market-based fit, (6) Image-based fit
Peng et al. (2023)	(1) Usage fit: Shared product usage contexts. Its common aliases are complementarity or substitutability. (2) Feature fit: Shared tangible product characteristics. Its common aliases is transferability. (3) Concept fit: Shared abstract brand images. Its common aliases are image fit or association fit.

From Table 2.5, we can clearly see that scholars over the years have generally focused on two core dimensions in the exploration of perceived fit: product and brand image. In particular, Bhat and Reddy (2001) study explicitly categorizes perceived fit into product category fit and brand image fit, which provides a clear direction and framework for subsequent studies. In addition, studies by other scholars are also highly consistent with these two dimensions, although they may differ in their subdivision, For example, Martin (2005) mentioned that "feature-based perceived Similarity" and "feature Similarity" can both be regarded as dimensions similar to product category fit. However, the "Brand concept consistency" described by Völckner and Sattler (2007). Previous scholars did not reach a consensus on the dimensions of extended fit. Deng and Messinger (2022) combined with previous research literature, proposed that the overall structure of brand extended fit includes six dimensions. That is, feature-based fit, function-based fit, resource-based fit, usage-occasional-based fit, market-based fit and image-based fit. This study provides good advice for brand managers when formulating brand extension strategies, specifically where to look for good extension ideas, or how to fit the extension with the original brand. Various brands can find an extension Angle that fits with the original brand according to their brand characteristics and product structure. We found that in many previous studies, scholars used one or more of these six dimensions to assess the fit of the overall brand extension. In the study of Peng et al. (2023), three dimensions of usage fit, feature fit and concept fit were proposed. Among them, the common aliases for usage fit is complementarity or substitutability, The common aliases for feature fit is transferability, the common aliases for concept fit is image fit or association fit. Martínez Salinas and Pina Pérez (2009) classify perceived fit as product category fit and image fit, in which product category fit contains two meanings: one is the similarity between the extended product and the brand's original product, and the other is that the firm's The existing resources are conducive to the extension of the product. It can be understood as complementarity or substitutability and transferability. Although scholars do not have a unified view on the measurement dimensions of perceived fit, their classifications roughly cover usage fit, feature fit, image fit. image fit.

In this study, we take the example of a China time honored brand, which has a relatively homogeneous product line and variety, and therefore adopt a direct and general method to measure whether the extended product is "similar" and "consistent" with the parent brand. The measurement of perceived fit in this study consists of three dimensions: usage fit, feature fit, and image fit. (1) Usage fits is consumers' perception of the consistency between the extended product and the original product of the parent brand in the context of use. (2) Feature fit is consumers' perception of the consistency between the features of the extended product and the parent brand product. This includes product attributes, production process, etc. (3) Image fit is the consumer's perception of the similarity or consistency between the brand extension product and the image, traits or values conveyed by the parent brand.

2.2.4 Related Research on Psychological Contract Violation

The study of the psychological contract originated in the 1960s, when Argyris (1960) initially described the relationship between employee and foreman in terms of a ‘psychological work contract’, describing the implicit and unwritten norms of the relationship between employee and employer. This contract represents the psychological expectations between employee and employer, and although not in the form of a formal document, its violation can have far-reaching consequences. Over time, the definition of the concept has been refined into mutual expectations between individuals and organizations based on mutual trust in each other’s commitments. The concept of the psychological contract refers to the unspoken, informal understanding that exists between an individual and an organization, which influences expectations and obligations (Rousseau, 1989). This contract is not limited to the employee-employed relationship but extends to wider organizational relationships such as partners and stakeholders. When these expectations are not met, it can lead to a perceived violation, and in more severe cases, a psychological contract violation. Research suggests that psychological contract violations can have several negative outcomes. Turnley and Feldman (2000) found that employees who perceive a violation of their psychological contracts report lower job satisfaction, reduced trust in their employers, and a higher likelihood of leaving the organization. Further research by Conway and Briner (2002) found that violations can also reduce an individual’s organizational commitment and increase intentions to leave. Particularly in modern work environments, as traditional long-term employment relationships are no longer dominant, the content and expectations of the psychological contract have become more diverse, reinforcing the importance of research and management of organizations and behaviors (Bal et al., 2008). Robinson and Wolfe Morrison (2000) differentiated between psychological contract violation and violation. While a violation refers to the cognition that one’s organization has failed to fulfill its obligations, violation introduces an emotional and affective component, reflecting feelings of anger or betrayal. This distinction is crucial as the emotional intensity associated with violations can have stronger, more profound effects on outcomes than mere cognitive recognition of a violation. Violation focuses on cognition, and violation is an effective response in the context of a psychological brand contract (Raja et al., 2004).

In organizational research, psychological contract violation encompasses both transactional and relational aspects, with transactional contracts typically involving concrete, tangible exchanges; relational contracts are more open-ended and based on trust, such as long-term job security, in exchange for loyalty (Chan, 2021; Jensen et al., 2010; Rousseau & Tijoriwala, 1998).

The psychological contract, although originally studied in the context of the employer-employee relationship, has expanded the framework into the realm of consumer-brand interactions with the increasing emphasis on relationships in marketing (Aggarwal, 2004). Consumers form a psychological contract with a brand when they have certain expectations of the brand based on prior experiences and the promises conveyed by the brand (Ma, 2020). The relationship between brands and consumers is understood as a contract based on trust, commitment and shared values. Scholars have begun to use contract theory to explain the consumer-brand relationship. Brands, in essence, can be viewed as an implicit, psychological contractual relationship between firms and consumers based on mutual trust (Roehling, 1997; Wang et al., 2023). This psychological contractual relationship is a set of unwritten expectations that consumers hold about a brand's behaviors, promises, and overall value proposition (Deepa & Baral, 2021; Guo et al., 2017; Montgomery et al., 2018). These expectations are formed based on the brand's promises, which may be explicit, such as an advertising message, or implicit, inferred from past experiences, word-of-mouth, or brand reputation. This contract is similar to the relational contract between brands and consumers, which includes emotional attachment and loyalty as part of its structure (Bi, 2019). When consumers believe that a brand stands for quality and innovation, these attributes become part of the psychological contract. Consumers purchase products not only for their functional benefits, but also for the symbolic benefits and values that the brand represents (Coelho et al., 2020). The process of branding is in fact the construction of a psychological contract between the company and the customer, and this psychological contract between the customer and the brand can be considered as the "psychological source of brand equity". The psychological contract in the brand relationship is important because it provides consumers with a perspective to interpret brand behavior, including brand extension. The strength and depth of the brand-consumer relationship affects how brand extensions are perceived. A strong positive psychological contract can lead to a more favorable evaluation of the brand extension when consumers transfer their positive emotions from the parent brand to the new product.

Psychological contract violation (PCV) occurs when the unwritten understanding between a consumer and a brand is perceived to be violated. This perception may stem from a brand's failure to deliver on its expected promises, such as a decline in product quality, inconsistent messaging, or any behavior that is inconsistent with the established brand image (Montgomery et al., 2018). The impact of PCV on consumer behavior is primarily negative. Consumers who perceive that a brand does not, or does not fully, fulfill its promised responsibilities or obligations experience negative reactions, including decreased trust, decreased satisfaction, emotional distress, and decreased loyalty to the brand (Tang & Yang, 2022). These reactions can lead to behavioral changes such as reduced willingness to purchase, negative word-of-mouth, and even boycotting the brand (Aggarwal, 2004; Anaza et al., 2021). In the case of brand extensions, Psychological contract violation may make it difficult for the extension to capitalize on the parent brand's equity by causing consumers to doubt the quality of the new product or its fit with the parent brand (Gong & Wang, 2021).

There are two main reasons for psychological contract violation occurs: reneging, incongruence (Ahuja, 2024; Cassar et al., 2013; Hasuli et al., 2017; Pavlou & Gefen, 2005). When a company introduces a new product or service using an existing brand name, its success or failure depends largely on consumer perceptions and brand equity. Consumers who feel that the new product is inconsistent with the parent brand in some ways may lead to a potential psychological contract violation. In the consumption process, when the quality of the product, the level of service, and the consumer experience are inconsistent with consumer expectations, consumers will show negative emotions such as obvious unhappiness, anger, and even negative behaviors such as complaining, spreading negative word-of-mouth, and switching to other brands (Liu, 2019). Many brands reward loyal consumers through loyalty programs or perks. If these promises are not fulfilled, consumers may feel cheated or hurt, which can lead to the disruption of their own consumer-brand relationship (Liu, H. et al., 2020; Uncles et al., 2003). The impact of psychological contract violation on brand relationships is similar to its impact on organizational relationships. Consumers' perceived violations can affect their evaluations of a brand over time, influence future purchase decisions, and reduce their willingness to recommend the brand to others (Hussain et al., 2021; Zhao et al., 2020). For example, when a prestigious luxury brand decides to launch a low-priced product line, it can be seen as a deviation from the brand's commitment to exclusivity and high quality (Zhang, W. et al., 2019). This deviation may be perceived as a violation of the brand's psychological contract with loyal consumers and may further escalate into a violation if the emotions involved are strong enough. In economic life, the relationship between consumers and brands is not based solely on actual transactional behavior, but also on deep psychological ties and expectations (Kumar & Kaushik, 2020). Even if a brand does not directly harm consumers, some of its strategic decisions, such as expanding its product line to develop lower-positioned sub-brands, may cause consumer dissatisfaction. This dissatisfaction stems from the consumer's perception of a violation of the brand's psychological contract and the perception that the brand is not fulfilling its promises or principles. Especially for Chinese time-honored brand s that represent deep cultural and historical heritage, consumers' expectations and perceptions of commitment are even more profound. These brands are not just synonymous with goods or services, but also symbolize a culture, history and values (Bu et al., 2023). While many modern brands may also have an emotional connection with consumers, this connection is based more on product performance, brand image or marketing strategy than on a deep historical and cultural background. The psychological contract that exists between consumers and Chinese time-honored brand brands is likely to exceed the typical consumer-brand connection (Zhang & Guo, 2023). Therefore, when an old Chinese time-honored brand adopts certain marketing strategies, it may be perceived as a violation of these deep-rooted promises, thereby affecting the psychological contract between consumers and the brand.

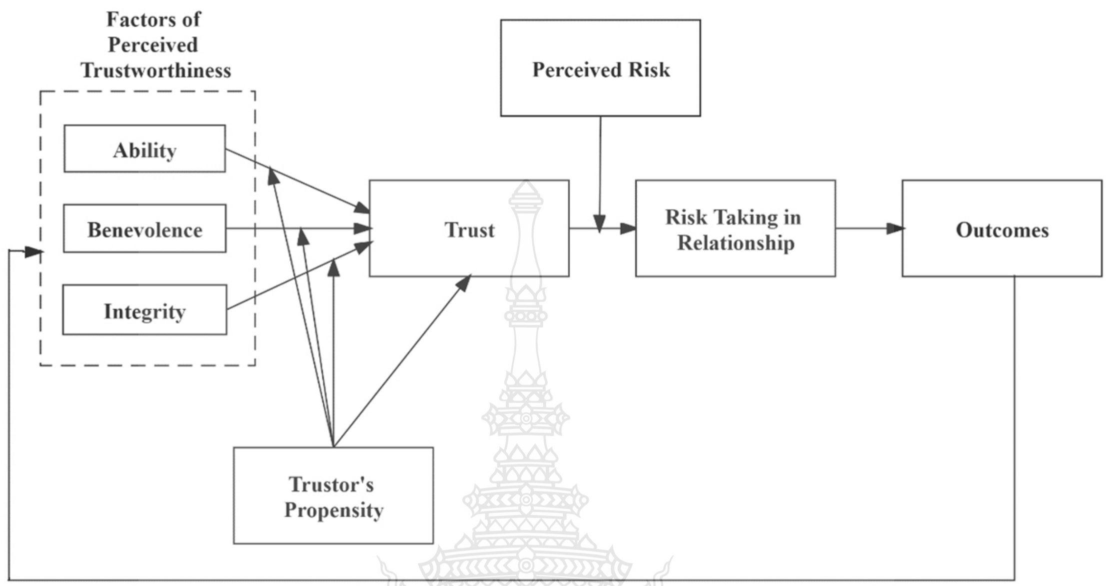
In terms of the structure of the psychological contract, the two-dimensional structural theory is the most dominant structural assertion in the study of psychological contract theory, with scholars generally agreeing that psychological contracts can be categorized primarily into transactional and relational psychological contracts (Chan, 2021; Handy et al., 2020; Rousseau & Tijoriwala, 1998). Although psychological contracts violate the traditional division into transactional and relational contracts to be viewed, some scholars have suggested that ideology be included in the psychological contract perspective (Bingham, 2005; Koskina, 2013). The concept of ideological psychological contracts emerges from the congruence (or incongruence) of individual and organizational values, beliefs, and missions (Thompson & Bunderson, 2003; Yeung & Shen, 2020). Ideological psychological contracts involve deeply held beliefs and values that individuals expect their organizations to uphold (Bunderson, 2001; Jones & Griep, 2018). he relationship between brands and consumers is based on mutual expectations, and just as employees may have ideological expectations of their employers, consumers have certain ideological standards for brands, especially when those brands project a strong values-based identity (Chan & Ilicic, 2019; Massa & Testa, 2012). The ideological psychological contract is a perceived obligation related to the mission, values, and principles of an organization (Yang et al., 2022). Yang and Tang (2014) validated the three-dimensional structure of the brand's psychological contract through an empirical study. The transactional contract emphasizes customers' perceptions and beliefs about explicit or indefinite normative promises (e.g., reasonable price, product quality, and service process) given by the brand, which are based on short-term rewards and benefits and focus primarily on specific economic interactions. The relational contract is formed through cumulative trade perceptions (e.g., effective communication, customer relations, long-term maintenance of service relationships), which focuses on expected ongoing perceived interpersonal interactions. The ideological contract is a credible commitment to the pursuit of a certain value or principle perceived by consumers from the brand's long-term operational management (e.g., conceptual operational management, brand communication, social responsibility, etc.). Ideological psychological contracts are perceived obligations associated with organizational missions, values, and principles (Yang et al., 2022). Fu (2008) developed an ideological psychological contract questionnaire to validate the independence of the ideological psychological contract, and the study also explored the relationship between the ideological psychological contract and variables such as employee satisfaction, affective commitment, and organizational citizenship behavior. In addition, Zhou (2014) and Yang, L. et al. (2015) also confirmed the existence of these three types of psychological contracts in brand-consumer relationships. The transactional psychological contract is based on short-term rewards and benefits, and focuses on specific, short-term and economic interactions, which are mainly related to factors such as the actual performance, quality and price of the product; the relational psychological contract focuses more on long-term, socio-emotional interactions, which emphasizes emotional inputs from higher levels of involvement, such as intangible factors such as support for the individual, family concerns, etc., and which generates stronger feelings of involvement and a sense of belonging, which is more of a subjective and implicit understanding (Liu, H. et al., 2020). Ideological psychological contract is the perceived commitment of consumers to the expected enduring pursuit of and adherence to a certain value goal or principle formed in the long-term operation and management of a brand (Yang et al., 2022).

2.2.5 Related Research on Brand Trust

Trust has long been widely recognized as a key ingredient in successfully building the success of any relationship. Trust was originally defined as the establishment of expectations based on the reliability of another person's words and actions (Rotter & Rotter, 1967). When we feel trust in someone or an organization, we believe that they will fulfill their promises, keep their statements, and demonstrate reliability and stability (Cairney & Wellstead, 2021). Other scholars have argued that trust involves not only a level of confidence in others, but also a willingness to act based on the decisions, actions, and words of others (McAllister, 1995). In the social sciences, trust is viewed as a heuristic that people rely on when assessing risk. In contexts where numerous risk factors are considered, when there is a gap in knowledge, people tend to rely on trust to weigh potential benefits and risks, and in turn, this sense of trust may influence their attitudes and acceptance of new technologies. This means that if people have trust in organizations that are responsible for managing risks, they tend to have a more positive view of products and are more inclined to adopt them compared to situations where trust is lacking (Siegrist, 2021). Trust encompasses predictability of the outcome of others' behavior (Siegrist, 2021), as well as confidence in each other from risky situations (Siegrist et al., 2005). In the field of market research, trust is defined as the confidence of one party to a transaction in the other party to the transaction and willingness to rely on the counterparty (Wang et al., 2015). In business management, trust is viewed as an attitude that is considered to be a state of mind based on positive expectations of the other party's behavior or intentions and readiness to take risks (Das & Teng, 2004; Kasilingam, 2020). Brand trust involves the ability of the brand to fulfill its promises (ElNaggar & Bendary, 2017; Esmaeilpour et al., 2017).

Bashir et al. (2018) study on trust in online stores found that consumer trust mediates the relationship between perceived risk and purchase intention. Consumers' trust in online retailers receives the influence of their perception of financial risk. Consumers' trust in online retailers affects their purchase intentions when shopping online. Several studies have shown that brand trust has a positive effect on purchase intention, which suggests that the percentage of purchase intention increases if brand trust increases (Aydin et al., 2014; Sanny et al., 2020). Dam (2020) found that brand trust has a positive effect on brand preference and purchase intention of branded cell phones through an empirical survey of consumers in electronic goods stores in Ho Chi Minh City. The results of Cardoso et al. (2022) showed the importance of trust in consumer decision making and that trust is one of the key factors that lead to brand relationships.

Mayer et al. (1995) proposed a model of trust based on psychology and organizational behavior (**Error! Reference source not found.**). Through this model, they state that the level of trust and the level of perceived risk in a situation will jointly influence risk taking in a relationship. In other words, risk-taking behavior is a joint result of trust and perceived risk, and trust will increase willingness to take risks in a relationship. Although Meyer's model of trust has some limitations, such as the conceptual model being unidirectional. However, as a result of his pioneering work, scholars in a variety of fields were quick to investigate trust as an intermediate theory. Attempting to add new dimensions to the model from different disciplinary perspectives, Mayer's team explored the effects of emotion and culture on the perception of the three dimensions of trust (competence, benevolence, and integrity) (Schoorman et al., 2007). In addition, several studies have confirmed that there is a strong link between an individual's propensity to trust and the level of trust he or she exhibits in social interactions (Luhmann et al., 2012; Yasa & Cop, 2022). The study by Ha and Perks (2005) suggested that consumers usually prefer to buy brands with good reputation and high awareness because they are considered more trustworthy, which can be interpreted as a trust propensity. This buying tendency can be interpreted as a tendency to trust. Chinese consumers have this tendency to trust old Chinese brands.



Source: adopt from Mayer et al., (1995).

Figure 2.1 A model of trust

Brand trust is the willingness of consumers to rely on a brand in the face of risk, as evidenced by recognition of brand reliability and brand behavior (Lau & Lee, 1999). Chaudhuri and Holbrook (2001) define brand trust as the willingness of consumers to rely on a brand to fulfill its stated function. This definition emphasizes that consumers are not only concerned with a brand's claimed function, but also with the brand's ability to fulfill that function. Brand trust refers to the consumer's sense of safety during their engagement with the brand stems from the belief that the brand is dependable and accountable for protecting the consumer's welfare and interests (Delgado-Ballester et al., 2003); Elena and Jose (2001); (Elena et al., 2003). Brand trust is a confident expectation of brand reliability and willingness to behave based on subjective judgments held by consumers in the face of risk. He also emphasized that risk is the key condition, and that consumers develop trust or distrust in brands only when there is risk. He proposes that brand trust encompasses both reliability and intention, which echoes rational and perceptual risk in perceived risk research. Brand reliability is consistent with Chaudhuri and Holbrook

(2001) definition, emphasizing its functional risk, i.e., rational risk. Brand intention echoes Lau and Lee (1999) emphasis on perceived risk. Brand trust encompasses consumers' trust in brand quality, business reputation, and competence Yuan et al. (2007). In addition to this, scholars have offered different views on the dimensions of brand trust (Table 2.6).

Table 2.6 Dimensions of trust

Types	Scholars	Dimensions
1- Dimensional Theory	Fournier (1994)	The degree of consumer trust in the brand.
2-Dimensional Theory	Erdem and Swait (1998)	(1) Trustworthy: the brand is willing to fulfill its promises. (2) Professional technology: the brand has the ability to fulfill its promises.
	Reast (2005)	(1) Credibility (2) Performance satisfaction
	Delgado-Ballester (2004), Başer et al. (2015), Tran et al. (2022)	(1) Brand reliability (2) Brand intentionality
	Esmaeilpour et al. (2017)	(1) Brand equity (Ability) (2) Intentionality
3-dimensional theory	Chaudhuri and Holbrook (2001),Kabadayi and Kocak Alan (2012); Lau and Lee (1999)	(1) Reliability, (2) Safety, (3) Honesty
	Chaudhuri and Holbrook (2001); Gurviez and Korchia (2003); Kabadayi and Kocak Alan (2012)	(1) Credibility, (2) Integrity, (3) Benevolence
	Gurviez and Korchia (2003); Yuan et al. (2007)	(1) Quality trust, (2) Benevolence trust, (3) Ability trust
	Rudzewicz and Strychalska-Rudzewicz (2021)	(1) Product quality trust, (2) Brand image trust, (3) Customer satisfaction
4-dimensional theory	Yu et al. (2004)	(1) Brand image, (2) Quality level (3) Brand identity, (4) Corporate values

Rudzewicz (2018) argues that high brand quality and brand image are responsible for trust generation, which makes the hypothesis that brand trust is established due to customer satisfaction more logical (Rudzewicz & Strychalska-Rudzewicz, 2021). Consumer satisfaction is the positive perception that arises when consumers' expectations of products and services are met or exceeded. Because long-term brand trust cannot be established without high product quality, a positive brand image, and high levels of customer satisfaction. Sustained trust in a brand is unachievable unless it is underpinned by superior product quality, a favorable brand image, and significant customer satisfaction. By comparing the above researchers' dimensions and scales of brand trust measurement, we found that the dimensions of brand trust measurement involve consumers' trust in product quality, brand image (concept), and consumer satisfaction. In the two-dimensional measurement model adopted by many scholars, brand reliability includes the meaning of consumer satisfaction and test questions (Başer et al., 2015; Delgado-Ballester, 2004; Tran et al., 2022). This study uses Rudzewicz and Strychalska-Rudzewicz (2021) delineation of brand trust. In his study, brand trust involves three dimensions of product quality trust, image trust and customer satisfaction, and consumer satisfaction is treated as a separate measurement dimension and a measurement scale is developed and validated.

2.3 Hypotheses Development

2.3.1 The Relationship between BT and BES

Brand trust (BT) refers to consumers' confidence in the brand's reliability and integrity (Chaudhuri & Holbrook, 2001). It plays a crucial role in consumers' decision-making processes, particularly when a brand extends its product line into new categories. The success of brand extension (BES) often hinges on the established trust consumers have in the parent brand, as this trust reduces the perceived risks associated with the new product (Elena & José, 2005).

Consumers are more likely to accept and support brand extensions when they trust the parent brand (Aaker & Keller, 1990). This trust ensures that consumers perceive the extended product as maintaining the same quality, value, and reliability as the original brand. According to research by Elena and José (2005), high levels of brand trust lead to more favorable evaluations of brand extensions, as trust reduces the uncertainty inherent in trying new products. Moreover, trust plays a mediating role in brand loyalty, fostering the likelihood of trial purchases in new categories (Chaudhuri & Holbrook, 2001). Consumers who trust a brand are more willing to accept variations and new offerings from that brand, positively impacting the extension's success (Hem & Iversen, 2009).

Perceived risk is a major factor influencing the success of brand extensions. Consumers often hesitate to try new products due to concerns about quality, relevance, and fit with their preferences. Brand trust acts as a mitigating factor, reducing perceived risk and increasing the likelihood that consumers will engage with the extension (Chen & Liu, 2004). Trust provides consumers with a sense of assurance that the new product will deliver on the same promises as the original brand (Martínez & Pina, 2010).

Based on the literature, it is evident that brand trust significantly influences brand extension success by reducing perceived risks, enhancing consumer confidence, and promoting positive evaluations of the extended product. Therefore, the following hypothesis is proposed:

H1: Brand trust (BT) significantly affects brand extension success (BES).

2.3.2 The Relationship between PF and BES

Perceived fit is the most direct factor that consumers notice in a brand extension and is a critical determinant of its success (Tauber, 1988). Aaker and Keller (1990) found that a low fit between the parent brand and the extension hinders the transfer of positive associations and may even trigger the transfer of negative beliefs or associations, thereby reducing consumer acceptance of the extension. In the context of brand extension, the degree to which consumers transfer their feelings toward the parent brand to the extension brand depends on the fit between the two. Numerous subsequent studies have confirmed the direct positive impact of perceived fit on extension evaluations when replicating Aaker and Keller’s experiment. Boush and Loken (1991) also discovered that when a brand extension is perceived as a typical representation of the parent brand, consumers tend to evaluate the extension more quickly and favorably. Loken and John (1993) found that when the attributes of the extended product are inconsistent with the original brand, it undermines consumer evaluation of the parent brand. On the other hand, a high perceived fit between the extension and the original brand can reduce consumers' perceived risk, allowing positive feelings toward the parent brand to be transferred to the extension brand through stimulus generalization, making consumers more willing to try the extension (Broniarczyk & Alba, 1994)。Grønhaug et al. (2002) also pointed out that two important factors influence consumer evaluations of brand extensions: perceived fit and brand prestige. Higher levels of fitness and brand prestige make it easier for consumers to form brand associations. However, scholars' conclusions on whether there is a positive relationship between perceived fit and extension evaluation are not entirely consistent. Vida and Obal (2011) studied automobile brand extensions and concluded that higher levels of perceived fit lead to more favorable evaluations of the extension. Eren-Erdogmus et al. (2018) examined the impact of perceived fit on consumer perceptions of luxury brand extensions, finding that high perceived fit positively influences brand image. While most scholars confirm a positive relationship, Meyers-Levy and Tybout (1989) reached a different conclusion. They classified beverage brand extensions into three categories: similar extensions, moderately dissimilar extensions, and highly dissimilar extensions. Their results showed that moderately dissimilar extensions were evaluated more favorably than similar or highly dissimilar ones. Bhat and Reddy (2001) went further by denying the significant impact of similarity between the extended product and the parent brand on extension evaluation.

Thus, the conclusions regarding the relationship between perceived fit and brand extension evaluations are not entirely consistent. This study will explore the relationship between these two factors in the context of the brand extensions of China’s time-honored brands. Given the alignment of this study with mainstream research ideas and the wealth of existing research, we hypothesize that perceived fit significantly influences brand extension success, leading to Hypothesis 2:

H2: Perceived fit (PF) significantly affects brand extension success (BES).

2.3.3 The Mediating Role of PR in the Relationship between BT and BES

To further understand the relationships between these three variables, this section will explore how perceived risk transmits the effects of brand trust on brand extension success and propose the corresponding hypothesis.

Brand trust is defined as the consumer’s trust in the brand’s commitment and reliability (Chaudhuri & Holbrook, 2001). It is a key component of brand equity that can enhance consumer loyalty and purchase intentions (Morgan & Hunt, 1994). Research has shown that brand trust significantly influences the success of brand extensions (Aaker & Keller, 1990). When consumers trust a brand, they are more likely to accept its extensions because trust reduces uncertainty and perceived risk (Erdem & Swait, 2004). For instance, studies have found that brands with high trust levels are more readily accepted by consumers when introducing new products (Loken & John, 1993). Therefore, brand trust directly increases the success rate of brand extensions by enhancing brand image and reducing perceived risk.

Brand extension is a crucial strategy for brand growth and innovation. However, its success largely depends on consumer acceptance of new products or services, which is often influenced by their perceived risk (Van Weelden et al., 2016). Perceived risk refers to the consumer’s sense of uncertainty regarding expected outcomes and associated consequences, impacting on their purchase decisions and the overall market performance of brand extensions. In the context of brand extensions, perceived risk mainly focuses on performance, financial, social, and psychological aspects (Jacoby & Kaplan, 1972). Performance risk involves uncertainty about whether the product will work as expected or meet consumer needs, which is critical for brand extensions as consumers may doubt the brand’s expertise in a new domain (Sarasvuo et al., 2023). Meanwhile, financial risk represents potential economic loss for consumers, possibly due to product failure, underperformance, or misalignment of product value with cost. Social risk reflects how consumers evaluate possible reactions from others or impacts on social status (Ariffin et al., 2018; Hong, 2015). Consumers' personal experiences, preferences, and social influences can also affect their risk perception(Cheung et al., 2015). For example, mature consumers might feel more apprehensive about technology-related brand extensions due to their lack of interaction with new technologies (Bae et al., 2021; Sedighi et al., 2022). Similarly, social factors, such as cultural background and reference group attitudes, also influence how consumers perceive and manage risk (Hussain et al., 2017; Yang, Q. et al., 2015). Brands must recognize that a successful brand extension strategy relies not only on existing brand recognition. The impact of perceived risk can overshadow the original brand reputation and consumer loyalty. A failed extension risks the new product's success and poses a risk to the parent brand equity through the "dilution effect," where negative associations from the extension spill over to the parent brand (Ke & Wagner, 2022; Loken & John, 2023). These studies highlight the influence of perceived risk on brand extension, indicating that higher perceived risk reduces consumer acceptance and ultimately affects market success.

In today's highly competitive market environment, understanding the factors influencing consumer behavior is crucial. Brand trust and perceived risk have consistently attracted academic attention due to their profound impact on decision-making processes. According to signaling theory, parent brand equity serves as a signal for consumers to evaluate brand extensions, playing a significant role in perceived risk. Consumers typically assess the risk level of brand extensions based on parent brand equity (Aaker & Keller, 1990; Peng et al., 2023). Consumers with positive perceptions of the parent brand will have increased confidence in brand claims, reducing uncertainty and perceived risk (Aboulnasr & Tran, 2020). Based on information asymmetry, credibility (consumer trust in the brand) is a primary determinant of consumer-based brand equity (Erdem & Swait, 2001; Kim et al., 2021). Brand trust can be seen as the core of brand equity as it is directly related to consumer loyalty and trust in brand commitments. Trust is a significant antecedent of perceived risk. In many situations, where knowledge gaps exist, people often rely on trust to assess potential benefits and risks, influencing their attitudes and acceptance of new technologies(Siegrist, 2021). Brand trust is the cornerstone of consumer confidence (Voicu, 2020). It is a fundamental element of human interactions that extends to consumer-brand relationships. Brand trust occurs when consumers have strong, positive, and confident beliefs in the brand's reliability and integrity (Hidayanti & Nuryakin, 2018). This trust is vital in markets characterized by uncertainty, significantly influencing loyalty and repurchase intentions (Huang et al., 2020; Khan et al., 2020). Brand trust is formed based on past experiences, brand reputation, and consistent brand communication, collectively reducing uncertainty about future performance (Song et al., 2019). Perceived risk is defined as the consumer's expectations of possible negative outcomes, a multifaceted construct influencing attitudes and behaviors toward products and services (Yang, Q. et al., 2015). Types of perceived risk include financial, performance, social, time, and psychological aspects (Ariffin et al., 2018; Pappas, 2016). Consumer behavior is risk-averse; high levels of perceived risk inhibit purchase intentions(Chen et al., 2015; Marafon et al., 2018), prompting consumers to seek ways to alleviate such concerns. Therefore, understanding factors that reduce perceived risk is critical for brands aiming to secure market positions and consumer loyalty.

Literature indicates a reciprocal relationship between brand trust and perceived risk. As brand trust increases, consumer anxiety about potential negative outcomes decreases, reducing overall perceived risk associated with purchase decisions (Harridge-March, 2006). Consumers with brand trust perceive lower risk because they believe the brand's products or services are more reliable and trustworthy. Ongoing trust reduces information asymmetry, ensuring consumer confidence and lowering perceived risk (Naidoo & Hollebeek, 2016) Additionally, brand trust compensates for the intangibility of product attributes, particularly in services, creating a safety net that mitigates perceived risk (Yang, Y. et al., 2015). This interaction between trust and risk becomes more pronounced in online environments, where physical product inspection is not possible (Sadiq et al., 2022). Based on the literature review, it is evident that brand trust is indispensable for reducing issues related to perceived risk. Brands that earn consumer trust alleviate fears and uncertainties typically affect the decision-making process.

Brand extension is a strategy where a company introduces new products or categories using an established brand name, inherently carrying some risk due to consumer uncertainty about new product performance (Aaker & Keller, 1990). According to affect transfer theory, when a trusted brand launches new products, the established brand equity anchored in previous positive experiences and reliability perceptions often spills over to consumer acceptance of the extension (Marin et al., 2018). This trust transfer acts as a heuristic cue, guiding consumer judgments by reducing decision complexity associated with new products (Aboulnasr & Tran, 2020). Essentially, consumers may infer that the parent brand's attributes, including quality and reliability, are incorporated into the new product, lowering perceived risk (Dens & De Pelsmacker, 2016). Moreover, in the context of brand extensions, strong brand trust offsets risks associated with incongruence, where the extended product may not logically align with the core brand products or brand image (Loken et al., 2023). Consumers rely on emotional trust in the parent brand, viewing the extension positively despite potential inconsistencies (Ahn et al., 2018). Conversely, a lack of brand trust increases scrutiny and perceived risk, often overshadowing actual product utility or innovative features of the extension (Juma, 2016). Trust is not only an attitudinal outcome but also a heuristic factor people rely on when assessing danger (Siegrist, 2021). Brand trust indirectly facilitates the success of brand extensions by reducing perceived risk (Sweeney et al., 1999).

The following conceptual model illustrates the relationship between brand trust, perceived risk, and brand extension success. Brand trust indirectly influences brand extension success by reducing perceived risk:

[Brand Trust] → [Perceived Risk] → [Brand Extension Success]

Based on the above discussion, this study proposes the following hypothesis:

H3, Perceived risk transmits effects of brand trust to brand extension success.

2.3.4 The Mediating Role of PR in the Relationship between PF and BES

The evaluation of brand extensions by consumers is a cognitive process rooted in information categorization. According to categorization theory, when encountering new stimuli, individuals first judge whether the new stimuli can be assimilated into existing categories based on their characteristics. If they can, evaluations are swiftly made using pre-existing knowledge; if not, a more complex, gradual processing ensues (Fiske & Pavelchak, 1986). Although extension products are novel to consumers, their prior experience and learning equip them with knowledge related to the parent brand category. Thus, consumers compare the attributes of the extension product with those of the parent brand to determine if they belong to the same category (Park et al., 1991). The affect transfer model posits that consumers' emotions towards the parent brand can transfer directly to the extension product, moderated by the similarity between the extension and the parent brand (Aaker & Keller, 1990). When consumers perceive high similarity, they quickly generate associations related to the parent brand and apply these to the new product, thereby transferring their emotions and attitudes from the parent brand to the extension product. Conversely, low similarity hinders the activation of such associations, obstructing affect transfer (Dacin & Smith, 1994). Hence, when heritage brands extend to products with high attribute consistency, consumers are likely to elicit similar emotional responses, leading to higher evaluations of the extension product.

In brand extension research, a fundamental hypothesis supported by some studies is that established brands may reduce the perceived risk of purchasing new products compared to new brands (Baxter, 2018; Choi & Kim, 2018; Heinberg et al., 2016; Hong, 2015). This risk reduction is attributed to the transfer of brand associations and the effective utilization of brand equity. Leveraging the positive image of the parent brand endows the new product with confidence and reliability, mitigating consumers' perceived risk (Lawal & Yunusa, 2020; Rubio et al., 2014). Launching new products under the umbrella of a well-known brand provides cognitive ease for consumers, reducing their cognitive load, simplifying the evaluation and decision-making process, and enhancing the acceptance of new products. Renowned brands typically possess high brand recognition and associations, offering cognitive convenience for new product launches. Perceived fit in brand extensions refers to consumers' perception of the similarity and congruence between the extension product and the parent brand in terms of product features, brand image, and brand associations. Consumers evaluate fit by comparing similarities in appearance, functionality, and quality, as well as the alignment with the core image and cultural traits of the parent brand (Buil et al., 2009). Perceived fit encompasses two dimensions: product-level fit, primarily product category fit, and brand-level fit, reflecting image fit (Zheng et al., 2016).

The success of brand extensions is not only directly related to the positive or negative impacts of parent brand equity but also closely tied to the perceived fit (Keller, 1993). Given the historically low success rate of brand extensions (Keller & Lehmann, 2006; Nielsen, 2019; Völckner & Sattler, 2006), scholars have identified perceived fit between the extension product and the parent brand as a critical determinant of extension success (Ahn et al., 2018; Kapferer, 2008; Paul, 2019; Peng et al., 2023). Research indicates that high perceived fit facilitates the connection of new products with the parent brand, thereby enhancing trust and acceptance (Loken et al., 2023). When consumers perceive high fitness, they transfer the positive image and credibility of the parent brand to the new product, endowing it with favorable associations and recognition. Conversely, low fit may cause doubt and uncertainty (Chung & Welty Peachey, 2022; Keller & Aaker, 1992; Loken et al., 2023). Discrepancies or inconsistencies between the new product and the parent brand may lead consumers to question whether the new product can inherit the advantages and quality of the parent brand, causing apprehension about the purchase outcome. This reflects perceived risk, defined as consumers' doubts and uncertainties about potential adverse consequences or failures when adopting new products (Bhatti et al., 2018; Jacoby & Kaplan, 1972).

Furthermore, consumers' reactions to new products vary, reflecting their different risk preferences. Early adopters are generally more risk-averse than late adopters. The higher the perceived risk, the lower the evaluation of the new product. As perceived risk increases, so does uncertainty, reducing the likelihood of consumers trying new products (Campbell & Goodstein, 2001). Existing studies suggest that perceived risk induces vigilance or risk aversion, leading to various risk-control behaviors. As perceived risk rises, consumers seek activities to mitigate risk, such as carefully evaluating alternatives and product trials.

Therefore, we posit those higher perceived fit leads to lower perceived risk, and the reduction in perceived risk results in more favorable evaluations of brand extensions, facilitating extension success. The model below illustrates the relationships among perceived fit, perceived risk, and brand extension success. Perceived fit indirectly influences brand extension success by reducing perceived risk.

[Perceived Fit] → [Perceived Risk] → [Brand Extension Success]

Based on the above discussion, this paper proposes the following hypothesis:

H4, Perceived risk transmits effects of perceived fit to brand extension success.

2.3.5 The Moderating Role of PCV on the Causal Chain BT→PR→BES and PF→PR→BES

The psychological contract is established on a foundation of trust between consumers and brands, encompassing consumer expectations of the brand and the brand’s fulfillment of its promises to consumers. It is an implicit agreement based on trust and expectations between consumers and brands (Rousseau, 1989). A psychological contract violation can be understood as a negative emotional reaction when consumers perceive that a brand has not, or has not fully, fulfilled its promised responsibilities or obligations (Tang & Yang, 2022). This includes three types of psychological contract violations: transactional, relational, and ideological, which relate to aspects such as benefits, emotions, a sense of belonging, ideologies, and values (Coyle-Shapiro et al., 2019; Kevätsalo, 2023).

Consumer perceived risk is often associated with the uncertainty of new products and services and potential negative consequences (Bauer, 1960). In the context of brand extension, consumer expectations of the parent brand form the basis of this psychological contract. A psychological contract violation occurs when the brand fails to fulfill its promises or meet consumer expectations. When the psychological contract is violated, consumers may reassess their trust and loyalty to the brand, which originally could mitigate the perceived risks associated with brand extension. Damaged consumer trust amplifies perceived risk, affecting their attitude and acceptance of the brand extension. For example, if a brand fails to meet consumer expectations in terms of quality, performance, or other key factors related to the brand's values, consumers may perceive the brand as unreliable, leading to skepticism towards its new products or services. More importantly, the presence of a psychological contract violation not only affects consumers' perception of risk but may also alter the relationship between risk and consumer attitudes and behaviors, impacting their evaluation of the brand extension (Malhotra et al., 2017). Even a minor brand extension, if perceived as a violation of the psychological contract, can lead to a significant decline in trust towards the brand, or even negative emotions. Therefore, psychological contract violation can exacerbate the extent to which perceived risk negatively impacts brand extension.

In the context of successful brand extension, psychological contract violation may modulate the relationship between perceived risk and consumer acceptance of the extension. Perceived risk includes the consumer's uncertainty and potential adverse consequences of purchasing new products (Pelaez et al., 2019). This risk is particularly evident when a brand extends into unfamiliar categories or areas significantly deviating from the parent brand. The presence of a psychological contract violation exacerbates consumers' perceived risk as such violates undermine trust and reliance on the brand's capabilities and intentions (Montgomery et al., 2018). Therefore, if consumers experience a psychological contract violation they are more likely to view brand extensions with heightened skepticism (Deng & Long, 2020; Zhao et al., 2007), perceiving greater risk associated with purchasing the extension products. Conversely, in the absence of a psychological contract violation, the trust and strength of existing brand relationships can act as a buffer for perceived risk, facilitating the acceptance of the brand extension. In this regard, psychological contract violation can significantly alter the landscape of perceived risk in brand extension scenarios. It not only affects the perception of the extension attributes but also indirectly impacts consumer behavior and the overall market success of the extension (Zhao et al., 2007).

Based on this, we can hypothesize that psychological contract violation might play a moderating role between perceived risk and brand extension. When psychological contract violation is present, the perceived risk might more significantly influence consumer attitudes and acceptance of the brand extension. Conversely, if a brand successfully maintains its psychological contract with consumers, their attitudes towards brand extension might be more positive, even in the face of potential risks.

Therefore, this study proposes the following two hypotheses:

H5: The causal chain BT→PR→BES changes under the conditions of PCV.

H6: The causal chain PF→PR→BES changes under the conditions of PCV.

CHAPTER 3
RESEARCH METHDOLOGY

This study aims to investigate the moderating role of psychological contract violation in modifying the effects of brand trust and perceived fit on the brand extension success of Chinese time-honored brands through perceived risk. The primary objective is to examine the antecedents and consequences of perceived risk in the context of brand extensions for these time-honored brands. Specifically, the study focuses on: (1) analyzing the relationships between perceived risk (PR), brand extension success (BES), and psychological contract violation (PCV) in the extension of Chinese time-honored brands; (2) investigating the indirect effect of the causal chain brand trust (BT)→PR → BES, under the moderating condition of PCV; and (3) exploring the indirect effect of the causal chain perceived fit (PF)→PR→BES, under the moderating condition of PCV.

The research adopts a mixed-method approach, combining both quantitative and qualitative methodologies. On the quantitative side, large-scale data collection and statistical analysis are conducted to quantify the relationships between key variables. This method aims to explore causal relationships, elucidating the mediating role of perceived risk in the relationships between brand trust/perceived fit and brand extension success, while also examining the dynamic moderating effect of psychological contract violation on these causal chains. On the qualitative side, in-depth interviews with consumers of the selected parent brands are conducted to deepen the understanding of their personal experiences and perceptions regarding brand extensions. The qualitative data provides additional support and validation for the hypothesis testing results from the quantitative analysis, leading to more robust and comprehensive conclusions.

This chapter provides a detailed explanation of the research methodology employed in this study. It covers research design, identification of the target population, sample size, sampling methods, research scope, and the development of research instruments. Additionally, it addresses the verification and validation of these instruments using content verification, content validity, question reliability, and structural model evaluation. The chapter also outlines the methods of data collection and data analysis employed in the study.

3.1 Research Procedure

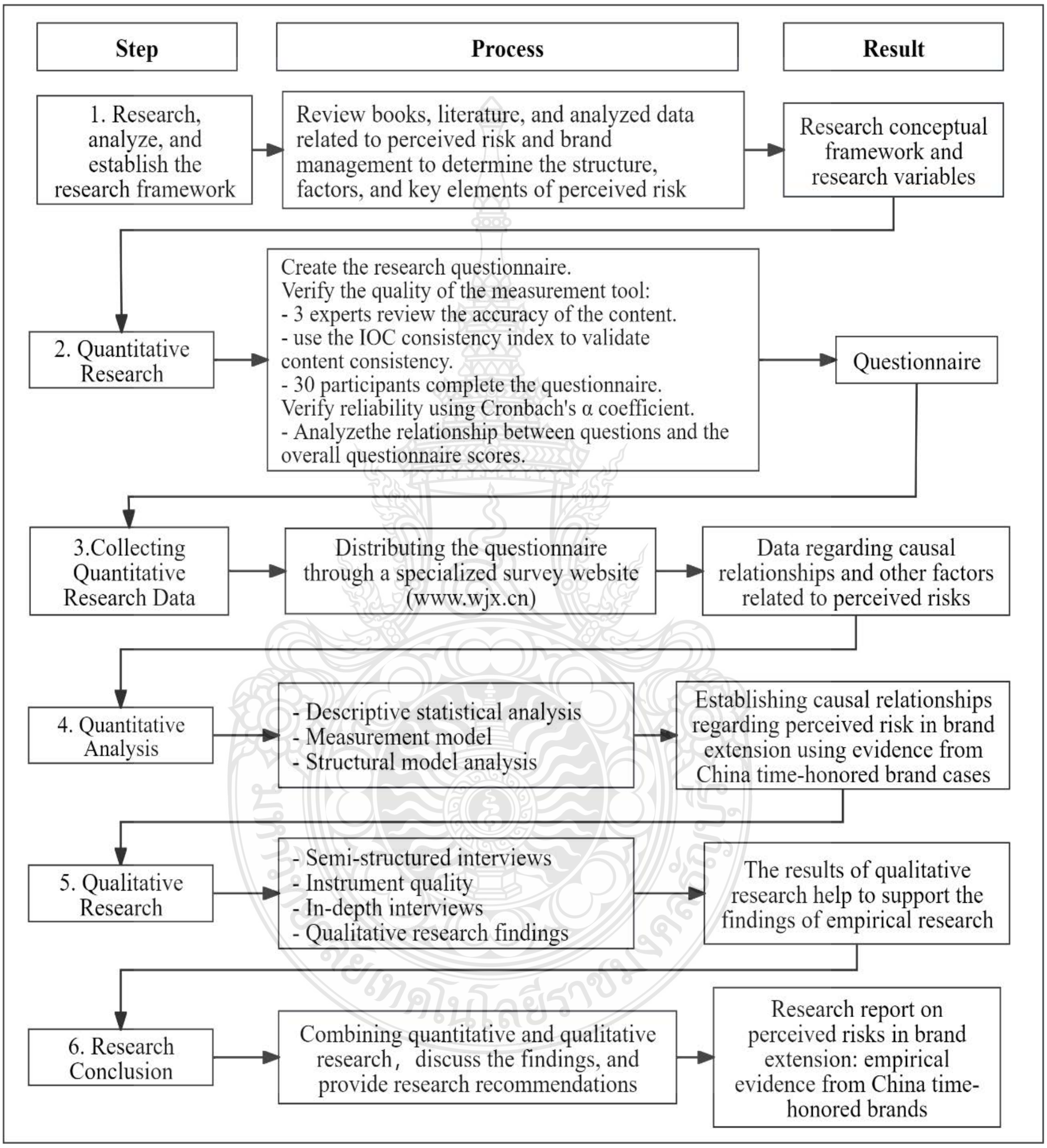


Figure 3.1 Research procedure

Figure 3.1 shows the 6 steps of the research:

Step 1: Preparing the Research Project.

This step involves the process of preparing the project according to the research methodology. By investigating the situation and necessity of perceived risk in the brand extension of Chinese time-honored brands, research, analysis, and synthesis of various related theories, concepts, and literature are conducted, sourced from books, academic literature, information materials, research both domestically and internationally, libraries, and other knowledge sources like the internet. To provide a research framework and research outline, it's presented to a supervisor, followed by a defense of the research outline. Based on the suggestions of the defense committee, the research outline is modified and corrected, and approval for the thesis topic is obtained from the Faculty of Business Administration.

Step 2: Developing a Questionnaire for Perceived Risk Research.

In this step, the researcher examines concepts, theories, and literature related to perceived risk, then creates and develops a questionnaire. Subsequently, the questionnaire is submitted to three experts for examination, assessing its content validity. The results obtained are analyzed, and the IOC (Item of Objective Congruence index) is calculated. Adjustments and revisions are made based on feedback from qualified individuals, and the outcomes are then presented to the supervisor. Following this, the questionnaire is administered to a sample group of approximately 30 individuals, and the collected data is utilized for reliability calculations using Cronbach's Alpha coefficient method. A value greater than or equal to 0.70 is considered reliable and acceptable.

Step 3: Collecting Quantitative Research Data.

In this step, quantitative research data is collected. The questionnaire is distributed to the sample group located in the area of the parent brand through a specialized questionnaire website (www.wjx.cn). This process aims to gather data concerning the causal relationships and outcomes of perceived risk, which provides empirical evidence for Chinese time-honored brands.

Step 4: Descriptive Statistics and Structural Equation Modeling Assessment. First, conduct a descriptive statistical analysis of the collected data. Next, validate the data to ensure it meets the requirements for structural equation modeling. Finally, perform measurement model analysis and structural model analysis (Structural Equation Modeling).

Step 5: Qualitative research. include semi-structured interviews, instrument quality, in-depth interviews and qualitative research findings analysis. Qualitative research findings are used to support and expand on quantitative research findings.

Step 6: Summarize the findings. First, the results of the quantitative and qualitative research are discussed and summarized, and research recommendations are given, with the aim of generating a research report on empirical evidence of consumer-perceived risk in the context of brand extensions, using the Chinese time-honored brand as empirical evidence. The report is submitted to the supervisor for feedback for further revisions. After completing the revisions, the report is submitted to the dissertation supervisory committee for pre-review. Further revisions are made based on the committee's suggestions, and once the preliminary review is finalized, the comprehensive research report is submitted to "RMUTT" as part of the assessment criteria for completion of a doctoral program.

To ensure that the research aligns with its objectives, the researcher has defined various details related to the research methodology. These details encompass the research population, sample, variables and operation definition, instruments used for data collection, methodology for creating research instruments, quality testing of instruments, data collection, data processing and analysis, as well as the statistical methods employed for data analysis.

3.2 Quantitative Research

3.2.1 Stimulus Selection

Völckner and Sattler (2007) emphasized in brand extension study that in order for the results of brand extension research to have good external validity, it is necessary to select the parent brands and extension products that have a certain degree of relevance to the test subjects. The criteria for selecting parent brand and extension product for this study are shown in Table 3.1 and Table 3.2.

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Table 3.1 Summary of on parent brand selection criteria

Academics(year)	Selection Criteria for Parent Brands
Aaker and Keller (1990); Völckner and Sattler (2007); Keller et al. (2011)	1) Relevant to the research participants. 2) Possessing high perceived quality; 3) Capable of evoking specific brand associations; 4) Has not undergone extensive brand extensions.
Sattler et al. (2010)	1) With appropriate cues, more than half of the participants were able to recall the brand name. 2) Brands identified as strong or relatively strong.
Xu (2014)	1) Has a good correlation with the study subjects. 2) Good perception quality. 3) Can induce brand association, cultural association; 4) Have high visibility or strong brand power; 5)There has been no extensive brand extension.

Table 3.2 Summary of prior studies on extension product selection criteria

Academics(year)	Extension product selection criteria
Aaker and Keller (1990)	1) Rational and logical; 2) There is a distinct difference in the perceived congruence between the extension product and the parent brand.
Zhou (2011), Xu (2014)	1) Characterized by rationality; 2) Can cause variability between independent and dependent variables; 3) The extension product is primarily consumer goods; 4) Utilizes virtual extension products.

In order to better study the causal relationship of consumer perceived risks in the context of brand extension using Chinese time-honored brands as an example, we have decided to select a representative parent brand. This parent brand is a Chinese time-honored brand with a deep historical and cultural background, as well as widespread consumer recognition, meeting the criteria for selecting a parent brand.

This study selected [WLY] as the parent brand. It is one of China’s renowned liquor brands, with its company headquartered in Sichuan Province, China. This brand liquor is a type of strong spirit made from five refined grains: sorghum, rice, glutinous rice, wheat, and corn, using traditional brewing methods. It’s product range includes various alcohol content levels such as 39°, 45°, 52°, 56°, 60°, 68°, 72°, catering to the diverse needs of consumers.

The detailed reasons for selecting it as the parent brand are as follows:

(1) Relevance to the study participants: [WLY] is a "Chinese famous trademark" and enjoys extensive attention both in its region and across China, possessing high recognition. The study participants are Chinese residents who have lived in the region where this time-honored brand is located, establishing a direct connection with this brand.

(2) High perceived quality: [WLY] is a typical representative of Chinese strong-flavor liquor and a renowned national brand, having received multiple accolades as a "national famous liquor."

(3) Elicits brand and cultural associations: [WLY] is a Chinese time-honored brand and was ranked 4th in the "2020 Hurun China's Most Historically and Culturally Rich Brands List." This list selects brands in mainland China with a history of over 60 years providing products or services to consumers, ranking them based on brand history, value, and cultural significance. These brands have a long history and rich cultural background, capable of evoking brand and cultural associations.

(4) High awareness and strong brand power: [WLY] is a well-recognized Chinese famous trademark. According to a research report jointly completed by Alibaba Research Institute and Professor Wang Rui of Peking University Guanghua School of Management, titled "Chinese time-honored brand Development Index," the brand ranks 13th in the "Heritage Brand Development Index List" and 2nd in the liquor industry, positioning it as a leading brand in its industry.

(5) Limited brand extension in practice, avoiding interference from real market factors.

(6) Clear brand ownership without any disputes.

Based on these factors, [WLY] meets the criteria for the parent brand in the brand extension research.

To delve into the perceived risks in brand extension, this study emphasizes the significance of selecting an appropriate extended product to authentically capture respondents' reactions and evaluations of brand extensions. Drawing from Aaker and Keller (1990) theory, choosing a suitable extension product must fulfill two key criteria:

first, the product extension must be coherent and reasonable; second, there should be a clear differentiation in fit between the extension product and the parent brand. To eliminate the interference of real-market factors, this research adopted a strategy involving virtual extension products. By inviting three doctoral students in the field of business administration to participate in a brainstorming session, the aim was to create an extension product that is both innovative and of research value, ultimately selecting [perfume] as the subject of study.

The rationale for choosing [perfume] as the extension product for [WLY] is based on the following considerations: Firstly, from the perspective of brand value transformation, [WLY], as a high-end liqueur with a unique aroma, can find new expression and transmission of its brand traits and values in perfume. This transformation not only endows the perfume with unique scent elements but may also enhance consumers' understanding and identification with the [WLY] brand spirit. Secondly, from the perspective of market expansion and diversification, [WLY] extension into the consumer goods market represents both an exploration of brand potential and an expansion of market boundaries. This strategy not only helps [WLY] to break through the limitations of the liquor market but also to reach a broader consumer base. Finally, considering the fit between the extension product and the parent brand. Although perfume is a product made by dissolving fragrances in alcohol, it belongs to a completely different product category from liquor, resulting in a clear distinction between the parent brand and the extension product. Thus, in this study, perfume as an extension product of [WLY] not only meets the criteria for extension product selection proposed by Aaker and Keller but also provides a unique and valuable perspective for brand extension research.

3.2.2 Population and Sample

Due to the fact that there are many Chinese time-honored brand and a large number of consumer groups, this study chose the purposive sampling method for sample selection and sampling.

3.2.2.1 Population

This study selected the permanent residents of Sichuan Province as the target population. This choice is based on the location of the parent brand under study. The [WLY] brand, chosen for this research, is located in Sichuan Province. Permanent residents of Sichuan Province have a certain level of awareness of [WLY] and have direct or indirect contact with it in their daily lives. According to demographic data, the permanent population of Sichuan Province is approximately 83.74 million (data source: Sichuan Provincial Government official website, 2022). This large population base provides a broad and diverse sample space for the research, making the results more universally applicable and valuable.

3.2.2.2 Sample

The study employed a purposive sampling method. Considering the actual survey resources, time, and anticipated statistical power, we selected the permanent residents of Sichuan Province as our target research group. Then, we used random sampling to invite residents to participate in the survey, ensuring sample representativeness.

In determining an appropriate sample size, various suggestions and guidelines are available in the research field. These recommendations aim to ensure the sufficient statistical power and the reliability of the research results. According to the standard suggested by Yuan and Bentler (2000), for data analysis using Structural Equation Modeling, a sample size of over 400 is preferable. Some researchers have proposed the rule of 10 observations per indicator' for determining the appropriate sample size (Barclay et al., 1995; Kahai & Cooper, 2003; Westland, 2010).This study considered the views of different scholars and combined several suggestions to determine a suitable sample size, which was set at 10 times the number of survey questions. Since the survey questionnaire contains 56 questions, the minimum required sample size was 560. Based on these guidelines, this study aimed to collect at least 560 valid samples to ensure diversity and representativeness, thereby improving the quality of SEM estimates.

3.2.3 Variables and Operation Definition

3.2.3.1 Variables

This study categorizes the variables under investigation into 4 groups, as detailed below:

(1) The independent variable, consists of 2 variables:

1) Perceived fit

It comprised 3 sub-constructs: usage fit, feature fit, image fit.

2) Brand trust

It comprised 3 sub-constructs: product quality trust, brand image trust, customer satisfaction.

(2) The dependent variable is: brand extension success.

It comprised 3 sub-constructs: attitudes toward extension product， behavioral intention, acceptance of price premiums.

(3) The mediating variable is: perceived risk.

It comprised 4 sub-constructs: performance risk, psychological risk, financial risk, social risk.

(4) The moderator variable: psychological contract violation.

3.2.3.2 Operation Definition

The development of the research framework is based on relevant research concepts, theories and the research framework. Operation Definition is defined in accordance with the later stages of the study, utilizing guidelines for creating questions and questionnaires.

(1) Perceived fit (PF) refers to the similarity and consistency between extended products and parent brands or original products, including similarity in product usage contexts, features and image.

Usage fit (UF) reflects the perceived consistency between the parent brand' origin products and extension products in the context of usage. It involves similarity and compatibility in aspects such as usage scenarios, daily complementarity, functionality, and sensory experience.

Feature fit (FF) reflects the similarities between the main products of the parent brand and the extended products. This encompasses similarities in product category, attributes, and the manufacturing process.

Image fit (IF) reflects the similarity between the extension product and the parent brand in terms of brand image and association, as well as the rationality and suitability of the extension to the parent brand.

(2) Brand trust (BT) is consumers' confidence and expectation in the quality of a brand product, its express or implied ability to perform, reliability and

sincerity. brand trust involves consumer satisfaction, trust in consumer brand product quality and recognition of brand image.

Quality trust (QT) reflects consumers' confidence in the quality and performance of brand products.

Image trust (IT) is defined as the consumer's perception of a brand's honesty, responsibility, and competency. It reflects the emotional security a consumer feels with the brand, based on the belief that the brand is caring, will not exploit vulnerabilities, and is capable of effectively addressing and resolving issues.

Customer satisfaction (CS) reflects the degree to which consumers perceive that a brand's actual performance meets their needs or expectations.

(3) Perceived risk (PR) refers to the subjective expectations held by consumers concerning possible negative consequences or losses. The greater the certainty an individual has about these losses, the higher the perceived risk. This concept primarily encompasses four aspects: performance risk, psychological risk, financial risk, and social risk.

Performance risk (PER) refers to the concern of consumers that a purchased product or service may fail to meet expected performance or functional standards. This type of risk arises when consumers consider the possibility that the product's performance might not align with their expectations or needs.

Psychological risk (PSR) refers to the risk of negative emotional and affective consequences for an individual resulting from purchasing choices. It reflects the consumer's concern over potential adverse emotional reactions or psychological effects that may occur.

Financial risk (FIR) refers to the concern of consumers about potential economic losses that may occur from purchasing a certain product.

Social risk (SR) refers to the risk of social embarrassment stemming from poor shopping decisions. It reflects the disappointment and disapproval from friends and family that an individual might face in cases of inappropriate purchasing choices

(4) Brand extension success (BES) is a situation where a brand uses its existing brand name for a new product or product line, and this initiative is successful.

The success index of brand extension mainly focuses on Attitudes toward extension product, behavioral intention and acceptance of price premiums.

Attitude toward extension products (AEP) refers to consumers' attitude toward extension products or service of a brand formed after cognitive evaluation.

Behavioral intention (BI) refers to the likelihood that consumers will buy an extended product in the future and recommend it to others.

Acceptance of price premium (APP) is the willingness of consumers to pay more for a particular product than for an unbranded or generic branded equivalent.

(5) Psychological contract violation (PCV) reflects consumers' negative emotional reaction when they perceive that the brand has failed or not fully fulfilled its express or implied promises, responsibilities or obligations due to the brand's behavior.

3.2.4 Instruments and Measurement

3.2.4.1 Instruments Used for Data Collection

To conduct this research, the investigator employed a questionnaire covering the definitions of the three groups of variables. This questionnaire was used to gather consumer perspectives on perceived risk, brand extension success, psychological contract violation, factors influencing perceived risk, and suggestion. The questionnaire comprises six sections:

Part 1: A questionnaire survey on causal factors of perceived risk in brand extension using Chinese time-honored brands as empirical evidence. It covers 1) perceived fit and 2) brand trust, with a total of 24 questions. The questionnaire employs the Likert scale.

Part 2: A questionnaire survey on perceived risk in brand extension using Chinese time-honored brand as empirical evidence. It covers 1) performance risk, 2) psychological risk, 3) financial risk, 4) social risk, totaling 16 questions. The questionnaire employs the Likert scale.

Part 3: A questionnaire survey on the results of perceived risk in brand extension with Chinese time-honored brands as empirical evidence and on the brand extension success evaluation. It contains 12 questions. The questionnaire employs the Likert scale.

Part 4: A questionnaire about psychological contract violation, which contains 4 questions. The questionnaire employs the Likert scale.

Part 5: A survey regarding the respondent's personal demographic information, consisting of 6 questions. It takes the form of a closed-ended questionnaire and encompasses checklist and open-ended questionnaire formats, encompassing details such as gender, age, education, occupation, purchase frequency, and duration of residency.

All the above scales utilize the Likert five-point scale, with scoring as follows:

Level of Attitude	Score
Least agree	1
Less agree	2
Agree	3
More agree	4
Most agree	5

Section 6: Suggestions on the implementation of brand extension for Chinese time-honored brands (if any).

3.2.4.2 Questionnaire Development

The questionnaire for quantitative research was established, consisting of indicators for 14 constructions. These indicators were created based on the research objectives and operation definition. They encompass measures for perceived risk outcomes and causal factors influencing perceived risk, which will be utilized for subsequent hypothesis testing. Questionnaire source and the design of questionnaire are as follows:

(1) Brand Trust

Based on the definition of brand trust. The scales used in this study to measure brand trust are adapted from Başer et al. (2015); Rudzewicz and Strychalska-Rudzewicz (2021); Başer et al. (2015) and Dam and Dam (2021). The questions as show in Table 3.3.

Table 3.3 Brand trust measurement scale

Items	Questions	Source
QT1	In your impression, the quality of [brand] product is good.	Rudzewicz and Strychalska-Rudzewicz (2021)
QT2	Products from [brand] are safe and certain.	
QT3	Using [brand] products, you will receive products that best meet your needs.	
QT4	The [brand] provides good value for the price paid.	
IT1	[Brand] would make any effort to satisfy consumers' needs (Believable).	Başer *et al.* (2015); Rudzewicz and Strychalska-Rudzewicz (2021)
IT2	You can rely on [brand] to address and solve the problems you need resolved. (Competent).	
IT3	[Brand] would be honest and sincere in addressing consumers' concerns (Honest).	
IT4	[Brand] would compensate consumers in some way for the problem with the product (Responsible).	
CS1	The overall feeling, you received from [brand] was satisfied.	Dam and Dam (2021); Rudzewicz and Strychalska-Rudzewicz (2021)
CS2	[Brand]' performance meets your needs and expectations.	
CS3	[Brand] does not have misleading advertisements.	
CS4	Compared to other liquor brands, you are happy with [brand].	

QT= quality trust, IT= image trust, CS=customer satisfaction

(2) Perceived Fit

According to the definition of perceived fit, the scale used to measure perceived fit was adapt from Bhat and Reddy (2001); Salinas and Pérez (2009); Martin (2005). For details, show as Table 3.4.

Table 3.4 Perceived fit measurement scale

Items	Questions	Source
UF1	In terms of consumption, [extension] is similar to [brand] original products.	Martin (2005); Oakley *et al.* (2008); Smith and Park (1992)
UF2	I will use [brand] original products and [extension] at the same time.	
UF3	Using [extension] is appropriate for me.	
UF4	The type of needs satisfied by [extension] and [brand] original products are similar.	
FF1	[Extension] category was similar to the product category of [brand] (SIMILAR)	Bhat and Reddy (2001); Oakley *et al.* (2008); Salinas and Pérez (2009)
FF2	[Extension] category was like to the product category of [brand] (LIKE)	
FF3	[Brand] resources are helpful to manufacture and produce [extension]	
FF4	The skills required to produce [extension] and [brand] original products are identical in terms of production needs.	
IF1	[Extension] fit with your idea and image of [brand] (IDEA).	Salinas and Pérez (2009); Taylor and Bearden (2002)
IF2	[Extension] conveyed the same impressions as [brand] (IMPRESN).	
IF3	Launching [extension] is logical for the [brand].	
IF4	Launching [extension] is appropriate for the [brand].	

UF= usage fit, FF= feature fit, IF= image fit

(3) Perceived Risk (PR)

Based on the definition of perceived risk and related studies, this study was adapted from Stone and Gronhaug (1993), Kim et al. (2005) scale to measure perceived risk. The details are shown in Table 3.5

Table 3.5 Perceived risk measurement scale

Items	Questions	Source
PER1	As you consider purchasing the [extension], you worry about whether the product will really perform as well as it is supposed to.	Kim *et al.* (2005); Stone and Gronhaug (1993)
PER2	If you were to purchase the [extension], you would become concerned that it will not provide the level of benefits that you expect.	

Table 3.5 Perceived risk measurement scale (Cont.)

Items	Questions	Source
PER3	Considering the problems associated with the performance of [brand] in producing perfumes, purchasing [extension] involves a lot of risk.	
PER4	You are not confident that [extension] will perform as expected.	
PSR1	The thought of purchasing and using the [extension] makes you feel psychologically uncomfortable.	
PSR2	The thought of purchasing the [extension] gives you a feeling of unwanted anxiety.	
PSR3	The purchasing of [extension] might have a negative effect on your peace of mind.	
PSR4	Purchasing [extension] might bring you negative emotions	
FIR1	Purchasing [extension] would be an inappropriate way to spend your money.	
FIR2	If you bought the [extension], you would be concerned that the financial investment would not be wise.	
FIR3	If you bought the [extension], you would be concerned that you really would not get your money's worth from the perfume.	
FIR4	Purchasing the [extension] would not provide value for the money you spent.	
SR1	Purchasing [extension] might be seen as showy by your friends, causing social awkwardness.	
SR2	Purchasing [extension] might risk being viewed as foolish by those whose opinion you value.	
SR3	Purchasing [extension] could adversely affect others' opinion of you.	
SR4	Choosing to buy [extension] may result in judgment from your friends and relatives about your decision.	

PER= performance risk, PSR= psychological risk, FIR= financial risk, SR=social risk

(4) Brand Extension Success (BES)

This study adopts from the scale used by previous scholars to evaluate the brand extension success. The details are shown in Table 3.6.

Table 3.6 Brand extension success measurement scale

Items	Questions	Source
AEP1	Your attitude toward [extension] is positive.	Chiu *et al.* (2017); Dwivedi *et al.* (2010)
AEP2	You are favorably disposed toward [extension.	
AEP3	You think [extension] is a good product.	
AEP4	You feel good about [extension].	
BI1	You intend to purchase [extension] in the future.	Chiu *et al.* (2017); Rong (2014)
BI2	You expect to purchase [extension] in the future.	
BI3	It is likely that you will purchase [extension] in the future.	
BI4	You would recommend the [extension] to others.	
APP1	You are willing to pay a higher price for [extension] than for other private label products in the same category.	Dwivedi *et al.* (2018); Netemeyer *et al.* (2004); Van Weelden *et al.* (2016)
APP2	You are willing to pay more for [WLY] over other brands of [extension].	
APP3	You are willing to pay a lot more for [brand] than other brands of [extension].	
APP4	Only if the [extension] is priced much higher than other similar products would you consider switching or give up trying.	

AEP=Attitude toward extension product, BI=Behavioral intention, APP= Acceptance of price premiums.

(5) Psychological Contract Violation (PCV)

Based on the operational definition of Psychological contract violation and previous studies, the scale used in this study to measure psychological contract violation was adopted from Robinson and Wolfe Morrison (2000),Gong and Wang (2022) to measure the index of psychological contract violation. The details are shown in Table 3.7.

Table 3.7 Psychological contract violation measurement scale

Items	Questions	Source
PCV1	You feel a great deal of anger toward [brand] for launching [extension].	Gong and Wang (2022); Robinson and Wolfe Morrison (2000)
PCV2	You feel betrayed by [brand] for launching [extension].	
PCV3	You feel that [brand]'s launch of [extension] has violated the contract between you.	
PCV4	You feel extremely frustrated by how you have been treated by the [brand].	

Finally, the questionnaire developed based on the conceptual framework of the research, was submitted to the advisor for advice. Amendments were then made to the questionnaire in accordance with the suggestions provided by the advisor.

3.2.4.3 Evaluating the Questionnaire's Quality

Upon completion of the questionnaire based on the initial scale, we invited 3 experts and 30 participants from the sample population to pre-test the questionnaire. To ensure that the designed questionnaire has a high degree of validity and reliability, we conducted a detailed pre-test. The process and methodology for the pre-test are as follows:

(1) Selection of Pre-test Participants

Expert group: We invited 3 experts with experience and professional knowledge in this research field for evaluation. Consumer group: 30 Chinese consumers were randomly selected from the target population to participate in the pre-test, ensuring their selection was representative and relevant to the research topic.

(2) Specific Steps for Pre-testing

1) Expert Review

Each expert was provided with a copy of the questionnaire. They were asked to evaluate the questionnaire based on its logical flow, relevancy and clarity. Feedback on each question from the experts was collected, and their suggestions for improvement were noted.

2) Consumer Group Pre-test

The selected consumers were given the questionnaire and were asked to fill it out truthfully. After completion, a brief interview was conducted to understand their experience and any uncertainties they faced while filling out the questionnaire.

3) Feedback Collection and Analysis

Feedback from both experts and consumers was compiled. Analysis was conducted to identify common issues or suggestions for improvement, with special attention given to feedback mentioned multiple times. Based on the received feedback, any questions that might cause confusion or were deemed irrelevant were modified or removed.

4) Questionnaire Revision

The questionnaire was revised based on feedback from the pre-test. It was ensured that each part of the revised questionnaire was clear, relevant, and can accurately collect the required data.

5) Finalizing the Questionnaire

Based on all the feedback received, we finalized the version of the questionnaire and began the formal data collection.

(3) Content Validity

Content validity was assessed by having three experts check whether the questionnaire aligns with the objectives and specific terminologies of the research model. The questions were then adjusted, and the Index of Item Objective Congruence (IOC) formula was used to determine the relevance of each question to the research objectives. A value equal to or greater than 0.50 for a question to be considered consistent with the research objectives and definitions, and thus suitable for use in the questionnaire. The scoring criteria are as follows:

IOC value	Meaning
+1	The question is consistent with the objective
-1	The question is inconsistent with the objective
0	Uncertain, may needs some revision.

The interpretation of the standards is as follows: The IOC value $\geqslant$ 0.50 means the question is consistent with the research objectives and definitions. The IOC value < 0.50 means the question is inconsistent with the research objectives and definitions.

After receiving the ratings and feedback on various aspects of the questionnaire from three experts, the researcher conducted a thorough revision of the questionnaire under the professional guidance of their supervisor. This revision aimed to ensure the precision and clarity of the questionnaire’s wording, as well as maintain a clear and coherent logical relationship between the questions. Such meticulous revisions were intended to facilitate accurate comprehension and effective responses from the respondents to the questionnaire content.

(4) Reliability

To test the reliability of the instrument and ensure the usability of the measured values in the questionnaire, an experiment was conducted with Chinese consumers.

In this study, Cronbach’s α was employed to assess the reliability of both the questionnaire and its items. This criterion was used to evaluate the relationship between each question and the participants’ overall performance. A higher correlation indicates a closer relationship between the question and the overall test score. Additionally, the Cronbach’s α coefficient for each dimension should be greater than 0.7. These results can be used to validate the reliability of the measurement scale attributes and provide information about the relationships between individual items in the scale.

Here’s the formula for Cronbach’s α:

$$\alpha = \frac{N}{N-1}\left(1- \frac{\sum \sigma_i^2}{\sigma_X^2}\right)$$

Where：

N is the number of items (questions) in the scale.

σ_X^2 is the variance of total scores.

σ_i^2 is the variance of item score.

The analysis was conducted using Cronbach's Alpha Coefficient method. A questionnaire was deemed acceptable if its reliability coefficient is 0.70 or higher. In this study, a total of 63 questionnaires were collected during the pilot test. The results of the reliability analysis are shown in Table 3.8 indicating an overall reliability coefficient of 0.917 for the scale, with individual dimensions ranging from 0.825 to 0.973, meeting the required standards. Therefore, these questionnaires were deemed suitable for data collection.

Table 3.8 Summary of scale reliability analysis

Variable and Sub-constructs:	**Number of questions**	**Cronbach's Alpha**
1. Brand Trust	12	0.964
Quality trust	4	0.900
Image trust	4	0.924
Customer satisfaction	4	0.942
2. Perceived Fit	12	0.959
Usage fit	4	0.96
Feature fit	4	0.825
Image fit	4	0.944
3. Perceived Risk	16	0.960
Performance risk	4	0.960
Psychological risk	4	0.954
Financial risk	4	0.901
Social risk	4	0.935
4. Psychological Contract Violation	4	0.955
5. Brand Extension Success	12	0.973
Attitude toward extension product	4	0.957
Behavioral intention	4	0.968
Acceptance of price premiums	4	0.899
Total	56	0.917

3.2.5 Data Collection

This study distributed surveys to participants meeting the sample requirements through an online questionnaire method. The online questionnaires were collected using the professional Chinese survey website www.wjx.cn.

The survey was conducted among the permanent resident population in the selected area through online questionnaires for data collection. Throughout this process, appropriate guidance and emphasis were provided to ensure that participants thoughtfully and judiciously completed the questionnaires, thereby guaranteeing the authenticity and validity of the data. Considering the completeness and efficiency of the survey, the number of questionnaires collected exceeded the required sample size.

After exporting the data from the questionnaire collection website, the gathered data was cleaned and checked to ensure its accuracy and completeness, preparing it for subsequent statistical analysis.

3.2.6 Data Processing

This study aimed to examine the goodness-of-fit between the proposed structural model and the sample data using structural equation modeling (SEM). We chose Partial Least Squares Structural Equation Modeling (PLS-SEM) as the primary analytical tool to explore the relationships among independent variable, dependent variable, and moderating variables. PLS-SEM was selected due to its suitability and flexibility in handling small samples and complex models. Descriptive statistics were conducted using SPSS, while the measurement and structural model analyses were performed using Smart PLS 4 software. This software provides convenient and efficient analytical tools, facilitating a deeper understanding of the key relationships in our research.

The details of the data analysis for this study are as follows:

1. Analysis of respondents' demographic data, including gender, age, educational level, occupation. Descriptive statistics were used, and statistical analysis was performed on the obtained data. Statistical values included frequency and percentage.

2. Descriptive statistics for the questionnaire data were conducted using SPSS software.

3. In this study, we utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze our proposed structural model. The analysis process was divided into two main stages: measurement model analysis and structural model analysis.

During the measurement model analysis stage, we focused on assessing the reliability and validity of the measurement indicators collected from the data. Reliability indicators typically included Cronbach's Alpha, which evaluates the internal consistency of the measurement tool, reflecting its stability. For convergent validity, we used

Composite Reliability (CR) to assess the consistency of the measurement indicators with their corresponding constructs. Additionally, we examined the Average Variance Extracted (AVE), which represents the proportion of variance explained by the measurement indicators for a construct, to evaluate the convergent validity of the measurement tool. For assessing discriminant validity, we employed the Fornell-Larcker criterion to verify the distinctiveness among constructs, meaning that each construct's measurement indicators should correlate more highly with their own construct than with other constructs. We also used Cross Loadings and the Heterotrait-Monotrait (HTMT) Ratio of Correlations to further assess discriminant validity, ensuring that each measurement indicator could be effectively distinguished from other constructs.

Subsequently, we proceeded to the structural model analysis stage. At this stage, we focused on evaluating the goodness-of-fit and predictive power of our proposed structural model. By analyzing statistical indicators such as covariance, path analysis, coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2), we could comprehensively assess the model's fit and explanatory power. In Smart PLS, we also utilized the t-values of path coefficients to test the significance of the paths, further confirming whether the relationships in our model were significant.

3.2.7 Statistical Methods for Data Analysis

3.2.7.1 Descriptive Statistics

Utilized to present the fundamental characteristics of study subjects, such as the Mean, Standard Deviation, and Coefficient of Variation.

The analysis of perceived risk evaluation includes: 1) performance risk, 2) psychological risk, 3) financial risk and 4) social risk. Assessment of brand extension success, including: 1) attitudes toward the extension product, 2) behavioral intention, 3) acceptance of price premiums. Perceived fit includes: 1) usage fit, 2) feature fit, 3) image fit. Brand trust comprises: 1) product quality trust, 2) brand image trust, 3) customer satisfaction. In addition, there is an analysis of psychological contract violations. Statistical analyses are presented in table format, with results including mean values, standard deviations (SD) and coefficient of variation (CV).

Has the highest level of opinion	set to 5 points
Has a high level of opinion	set to 4 points

Has a moderate level of opinion set to 3 points

Has a low level of opinion set to 2 points

Has the lowest level of opinion set to 1 point

Then, find the average score of the questionnaire responses and interpret using the meaning of the average score, details as follows:

1.00-1.50 means least agree.

1.51-2.50 means less agree.

2.51-3.50 means agree.

3.51-4.50 means more agree.

4.51-5.00 means most agree.

3.2.7.2 Reliability Testing

The reliability of questionnaire data is typically assessed using Cronbach's Alpha coefficient. The value of Cronbach's Alpha ranges from 0 to 1, with higher values indicating greater internal consistency among the measurement items in the questionnaire, thus signifying more reliable data. Generally, a Cronbach's Alpha coefficient of 0.70 or higher is considered acceptable (Carmines & Zeller, 1979). Additionally, we employed Composite Reliability (CR) to evaluate the consistency between the measurement items and their corresponding constructs. According to studies by Bagozzi and Yi (1988) and Hair *et al.* (2010) , a CR value greater than 0.70 is considered to indicate good reliability for the construct.

Table 3.9 Interpretation of the Cronbach's α coefficient values

Cronbach's α	**Meaning**
$\geqslant$ 0.9	Excellent
$\geqslant$ 0.8	Good
$\geqslant$ 0.7	Acceptable
$\geqslant$ 0.6	Questionable
$\geqslant$ 0.5	Poor
$<$ 0.5	Unacceptable

3.2.7.3 Validity Testing

(1) Convergent Validity

The convergent validity of a structural equation model is evaluated using the Average Variance Extracted (AVE). If the AVE value is $\geqslant 0.50$, it meets the acceptable standard (Fornell & Larcker, 1981; Hair *et al.*, 2010). Standardized Factor Loading normalizes the original factor loadings, with an acceptable criterion being that the Standardized Factor Loading should exceed 0.60 (Hair *et al.*, 2010).

(2) Discriminant Validity

Discriminate validity serves as a pivotal indicator for assessing the quality of measurement models. To ensure the reliability and validity of these models, factors such as factor loading values and the Average Variance Extracted (AVE) must be considered. Scholars such as Fornell and Larcker (1981), Bagozzi and Yi (1988) and Hair (2009) underscore the critical importance of these metrics in evaluating the appropriateness and credibility of measurement models.

The Fornell-Larcker criterion is a commonly employed method for assessing discriminant validity. This criterion compares the AVE of latent variables with their cross-loadings on other latent variables to gauge the degree of differentiation among them. When the AVE of a latent variable significantly exceeds its cross-loadings on other variables, it suggests that the variable exhibits higher explained variance within its construct, thereby ensuring discriminant validity.

In structural equation modeling, Cross Loadings also play a crucial role. They denote the loading relationships between observed variables and their respective latent variables, as well as with other latent variables. Effective cross-loadings should manifest as observed variables exhibiting substantially higher loadings on their respective latent variables compared to other latent variables, thus ensuring robust discriminant validity of the measurement model.

Furthermore, Henseler *et al.* (2015) proposed the Heterotrait-Monotrait ratio of correlations (HTMT) as another method to assess discriminant validity between two latent variables. This method calculates the ratio of correlations between different latent variables, with a ratio below 0.90 indicating sufficient differentiation between reflective structures. Therefore, the integrated use of AVE, factor loading values, HTMT, and other indicators contribute comprehensively to evaluating the discriminant validity of measurement models.

Table 3.10 Measurement model evaluation metrics

Measurement	**Index**	**Criterion**
Construct Reliability	Cronbach's Alpha	>0.70 Hair Jr et al. (2010)
	Dijkstra-Henseler's rho (ρ_A)	>0.70 (Henseler et al., 2016)
	Jöreskog's rho (ρ_c)	>0.70 (Henseler et al., 2016)
Convergent Validity	Average Variance Extracted (AVE)	>0.50 Fornell and Larcker (1981); Hair Jr et al. (2010)
Discriminant Validity	Fornell-Larcker criterion	The variance within a latent variable concept should significantly exceed its cross-loadings with other latent variables.
	Cross Loadings	Additionally, the factor loading of an indicator on its construct should surpass the loading between the indicator and other constructs in the model (Fornell & Larcker, 1981).
	Heterotrait-Monotrait Ratio of Correlations (HTMT)	HTMT<0.9 (Henseler et al., 2015).

3.2.7.4 Structural model

1. Collinearity test

This study employed the Variance Inflation Factor (VIF) to assess whether multicollinearity exists in the research model, which can destabilize model parameters and affect their interpretability. Typically, when the tolerance value is greater than or equal to 0.2 and the VIF is less than or equal to 5, it indicates no significant collinearity among the indicators (Hair et al., 2011). When the VIF values are between 5 and 10, moderate collinearity should be taken into account.; When VIF values exceed 10, high collinearity **is** suggested, requiring caution. VIF values below 5 indicate low collinearity and are considered acceptable (Hair Jr et al., 2010). This criterion is widely recognized as one of the primary methods in the field of structural equation modeling, providing researchers with a reliable means to validate the robustness and credibility of their models.

2. Structural model path analysis

The bootstrapping method in PLS-SEM was initially applied to analyze the structural model and reveal the path relationships between variables. Additionally, given the aim of this study to examine the moderating role of PCV in the mediation effect and considering that PROCESS can effectively handle the complex combination of mediation and moderation effects, the PROCESS macro in SmartPLS was employed to analyze this moderated mediation effect. This analysis provided the path coefficients, p-values, t-statistics, and confidence intervals.

In structural model path analysis, it is crucial to assess the explanatory power and predictive relevance of the model, as well as the strength of individual path coefficients. According to Henseler et al. (2016), several key metrics should be considered, as summarized in Table 3.11. First, R-squared (R^2) values are used to determine the explanatory power of the dependent variables. Based on Chin (1998) guidelines, R^2 values below 0.19 suggest weak explanatory power, values between 0.33 and 0.67 indicate moderate power, and values above 0.67 reflect strong explanatory ability. Second, the Predictive Relevance (Q^2) value, when greater than 0, indicates that the model has adequate predictive relevance. Third, the effect size (f^2) measures the impact of specific variables, with thresholds for small ($0.02 < f^2 \leq 0.15$), medium ($0.15 < f^2 \leq 0.35$), and large ($f^2 > 0.35$) effects. Path analysis further emphasizes the importance of the magnitude, sign, and statistical significance of the path coefficients. A p-value less than 0.05 indicates statistical significance, while the sign of the coefficient reveals the direction of the relationship. Additionally, a t-value greater than 1.96, coupled with a 95% confidence interval that excludes zero, confirms the statistical significance of the path.

Table 3.11 Measurement criteria structural model

Measurement index	Description	Criterion
Collinearity (VIF)	Variance inflation factor (VIF) for assessing multicollinearity.	VIF (outer model) less than 5; VIF (inner model) less than 3 (Hair *et al.*, 2011; Hair *et al.*, 2019).
Coefficient of Determination, R^2	Endogenous variables. The ability to explain variance.	R^2, adjusted R2 of 0.67 (large), 0.33 (medium), 0.19 (small) (Chin, 1998).
Predictive Relevance, Q^2	Stone-Geisser's test for model predictive relevance.	Q^2 larger than 0 are meaningful (Geisser, 1975; Stone, 1974); Q^2 of 0.02, 0.15, and 0.35 correspond to small, medium, and large predictive relevance (Cohen, 1988).
Effect size, f^2	Magnitude of variable's impact.	f^2 values of 0.02, 0.15, and 0.35 denote small, medium, and large effects (Cohen, 2013).
Path coefficients	Path coefficient or direct impact of path analysis	Path significance determined by p-value < 0.05, t-value > 1.96, and confidence intervals excluding 0 (Hair Jr et al., 2010).

3.3 Qualitative Research

In this study, we primarily relied on quantitative data as the main source of information. However, to interpret this data in depth, provide contextual background, and explore potential meanings, we also adopted qualitative research methods. The objective of qualitative research is not only to collect and analyze non-numerical data but more importantly, to reveal the underlying phenomena, motivations, and contexts behind quantitative results. This approach offers us an in-depth understanding of participants' genuine perspectives, attitudes, and emotions, thereby corroborating and enriching our understanding of the quantitative findings. For this purpose, the study specifically utilized a one-on-one in-depth interview strategy to ensure genuine, detailed, and insightful feedback from participants.

3.3.1 Participants of Qualitative Research

3.3.1.1 Interview Participants

In this qualitative study, which used the example of Chinese time-honored brand to explore the impact of consumer brand trust, perceived fit, perceived risk, and psychological contract violation on brand extension success, the participants were consumers of the Chinese time-honored brand (parent brand: WLY). These consumers not only had direct connections and experience with these brands but also possessed deep and comprehensive insights into the brands' understanding and attitudes. They had unique perspectives on the traditional values of heritage brands, brand image, and brand extension strategies, and exhibited a keen awareness of the various risks that may arise in brand extension strategies.

3.3.1.2 Sample

In qualitative research, the determination of the interview sample size is primarily based on the principle of theoretical saturation. Theoretical saturation refers to the point at which no new information or insights are obtained from the interviews, indicating that the data has reached saturation, and further interviews can be ceased. According Marshall *et al.* (2013), in cases where the complexity is not high, a sample of 8-15 respondents is sufficient to reach theoretical saturation. Empirical research by Guest *et al.* (2006) also demonstrated that most studies achieved theoretical saturation after 12 interviews; however, in groups with high homogeneity, 6 to 12 interviews are sufficient to uncover the main themes. Given that qualitative research focuses more on depth rather than breadth, and based on the findings of the aforementioned scholars, this study selected 10 consumers of the parent brand for interviews. The aim was to thoroughly explore the specific experiences, perspectives, and attitudes of the consumers, ensuring that theoretical saturation of the data was achieved within the constraints of available resources and time.

3.3.2 Acquisition of Research Participants

Participants for this qualitative study were recruited through three different channels:

1. Invitation during the survey phase of quantitative research: As part of the data collection process in the quantitative phase, potential respondents were invited to participate in the qualitative stage. This approach allowed for a seamless transition from quantitative survey respondents to qualitative interview participants.

2. Social media promotion: To broaden the range of participants and incorporate diverse viewpoints, recruitment announcements were disseminated across various Chinese social media platforms, including WeChat and QQ.

3. Through introductions at brand retail stores: In an effort to obtain consumers for the interviews, researchers considered establishing collaborations with parent brand retail outlets. Through such partnerships, the retail stores' channels were utilized to introduce potential participants. Specifically, we established cooperative relationships with the staff of the retail stores. With their assistance, we were able to connect with consumers shopping in-store and invite them to participate in our interview research.

3.3.3 Research Instrument

Qualitative research employed a one-on-one semi-structured interview method for in-depth interviews. The advantage of the semi-structured interview technique lies in its flexibility; it allows researchers to pose questions based on a predetermined outline, ensuring key issues are explored, while simultaneously providing interviewees with sufficient freedom to share their views and experiences in detail and depth. This approach, grounded in phenomenological science, enables researchers to uncover valuable information beyond pre-designed questions, capturing the feelings, attitudes, and interpretations of the respondents, thus enriching the research findings with profound insights. The semi-structured interviews were divided into six parts.

Part 1: Interview about general information of the respondents.

Part 2: Semi-structured interview on perceived risk.

Part 3: Semi-structured interview on the causal relationship of perceived risk.

Part 4: Semi-structured interview on the outcomes of perceived risk.

Part 5: Semi-structured interview on psychological contract violation.

Part 6: Interview on suggestions for controlling perceived risk and enhancing brand extension success.

3.3.4 Reliability

To ensure the credibility of the qualitative component in this study, we integrated methods of Member Checking and Prolonged Engagement. Reliability ensured that the research results authentically and accurately reflected the perspectives and experiences of the participants. Commonly used methods are as indicated in the Table 3.12.

Table 3.12 Common methods to ensure reliability in qualitative research

Validation Strategies	Description & Implementation	Source
Member Checking	After completing the preliminary data analysis, we shared the primary findings with some of the participants. This approach ensures that our interpretations are aligned with their experiences and perspectives.	Lincoln and Guba (1985)
Prolonged engagement	Prolonged Engagement: Through in-depth interviews, the researchers engaged with each participant for one hour. This extended interaction aids in gaining a more comprehensive understanding of their experiences and perceptions of the brand.	Creswell and Miller (2000)
Data triangulation	In interpreting participants' insights, we referenced other potential data sources, such as reviews, testimonials, or historical purchase data, to ensure a multi-faceted perspective in the research.	Denzin (2017)

This study selected two methods based on the research content: Prolonged Engagement and Member Checking. On one hand, by employing one-on-one in-depth interviews, we ensured sufficient time and opportunity for interaction with participants. This approach facilitated a more comprehensive understanding of their experiences and perceptions of the brand. On the other hand, after completing the preliminary data analysis, we shared the main findings with some participants. This method guaranteed that our interpretations aligned with their experiences and views. Respondents had the opportunity to calibrate, correct, or provide additional insights, thereby enhancing the accuracy and depth of our interpretations.

3.3.5 Data Collection

The qualitative data in this study were collected according to the following details:

1. The study selected 10 consumers as interview participants.

2. Data collection was conducted through one-on-one in-depth interviews. Considering that interviews may last for an extended period, we communicated in advance with the interviewees, clearly informing them of the expected duration, content, and purpose of the interview to obtain their full consent and cooperation. In return for their time investment, we provided appropriate gifts.

3. In the in-depth interviews, researchers acted as the key tool for data collection. During the interviews, researchers used recording devices, notebooks, and pens to document information, facilitating subsequent organization and research analysis.

4. Given that the research involved personal information, we adhered to the ethical considerations outlined by Creswell and Creswell (2017) throughout the study, strictly following ethical guidelines, respecting the wishes of all participants, and ensuring privacy and information security. Before the interview, researchers introduced the nature, purpose, and implementation details of the study to the interviewees, who had the right to accept or refuse the interview. All data in the recording devices or notes were processed and stored on the premise of ensuring anonymity, and any information that could reveal the identity of the participants was removed or appropriately handled to conceal their real names.

Data Analysis: After the interviews, the recordings were transcribed verbatim, and thematic analysis was used to categorize and analyze the data, revealing core themes and patterns in consumer behavior and attitudes.

3.3.6 Data Analysis

This study adopted Martin Heidegger's Phenomenological Approach as its research methodology. The phenomenological method is a philosophical approach aimed at exploring and describing the essence of phenomena, with a particular emphasis on the significance of subjective experience and consciousness. Based on Heidegger's ideas, this study sought to uncover the deeper meanings and essence of consumer experiences. To enhance theoretical sensitivity, the researcher conducted an extensive review of relevant theories and research literature.

For data analysis, the manual summarization method was employed, a widely accepted approach in small-sample qualitative research. The researcher manually organized, categorized, and analyzed respondents' perspectives using a systematic thematic analysis framework to ensure the scientific rigor and accuracy of the analysis. The researcher's theoretical background and insights played a key role in ensuring a deep understanding of the respondents' views.

To ensure the reliability of the data, two strategies were employed: member checking and prolonged engagement. Member checking involved obtaining feedback from participants to verify the authenticity of the findings. Prolonged engagement allowed the researcher to gain a deeper understanding of the research context and participants. During the interviews, recording devices and notes were used to capture detailed information, ensuring the completeness and accuracy of the data. In qualitative research, the researcher’s role was critical, requiring skills in deep questioning, listening, and observation to capture key information and understand the emotions and perspectives of respondents.

After the interviews, the data analysis followed three steps: data organization, data display, and summarizing, interpreting, and validating the findings.

Data Organization: The researcher systematically organized and coded the data. During the manual coding process, relevant information was extracted based on the research objectives, ensuring logical and consistent categorization. Similar viewpoints were assigned to facilitate data aggregation and comparison.

Data Display: The coded data was reorganized into thematic groups to facilitate an in-depth exploration of the research questions. For instance, the impact of perceived risk on brand extension success, the role of psychological contract violation, and the factors influencing brand trust and perceived fit were discussed. This approach allowed the researcher to systematically present the relationships between different themes.

Conclusion, Interpretation, and Validation: The findings were presented through descriptive analysis. The researcher summarized and interpreted the data, ensuring the reliability, accuracy, and relevance of the conclusions. To enhance the credibility of the study, member checking was employed, and transparency was maintained throughout the data analysis process. The systematic processing and presentation of the data ensured a close alignment between the findings and the research objectives.

CHAPTER 4
RESEARCH RESULTS

The objective of the research is to investigate the mediating role of perceived risk in the relationships between brand trust, perceived fit and brand extension success, and to examine the moderating effect of psychological contract violation on the two causal chains brand trust and perceived fit, through perceived risk, to brand extension success. A mixed-methods approach was employed, integrating both quantitative and qualitative analyses. The data analysis process is outlined in the following sequence:

1. Introduction to the steps of data analysis;
2. Quantitative analysis;
3. Qualitative analysis.

4.1 Steps of Data Analysis

4.1.1 Steps of Quantitative Research Analysis

The analysis of data for the study on the causal relationship of consumer-perceived risk in brand extension is structured as follows:

1. Fundamental data from questionnaire survey and descriptive statistics
2. Measurement model analysis;
3. Structural model analysis;
4. Summary of hypothesis testing

4.1.2 Steps of Qualitative Research Analysis

Qualitative analysis is conducted in the following sequence:

1. Assessment of consumer perceptions of risk.
2. Investigation into how perceived risk affects the brand extension success.
3. Exploration of the reasons behind consumer-perceived risk.
4. Exploration of the impact of psychological contract violation
5. Comparison and integration of qualitative and quantitative research

4.2 Quantitative Analysis

To ensure clear understanding of the quantitative analysis, researchers defined and explained the statistical symbols and variables, allowing readers to accurately interpret the data and analysis procedures.

Abbreviation	Meaning
SD	Standard Deviation
CV	Coefficient of Variation
n	Sample Size
t-value	Test statistic with a t-distribution (t-distribution)
p-value	Observed Significance Level
β	Path Coefficient
f^2	Effect Sizes
R^2	Coefficient of Determination
Q^2	Predictive Relevance
HTMT	Heterotrait-Monotrait Ratio of Correlations
VIF	Variance Inflation Factor
CR	Composite Reliability
AVE	Average Variance Extracted
QT	Quality Trust
IT	Image Trust
CS	Customer Satisfaction
PF	Perceived Fit
UF	Usage Fit
FF	Feature Fit
PR	Perceived Risk
PER	Performance Risk
PSR	Psychological Risk
FIR	Financial Risk
Abbreviation	Meaning
BES	Brand Extension Success
AEP	Attitude toward Extension Product

BI	Behavioral intention
APP	Acceptance of Price Premium
PCV	Psychological Contract Violation
VAF	Variance Accounted For

4.2.1 Data Preparation and Descriptive Statistics

4.2.1.1 General Information of Participants

Descriptive statistics pertaining to participants in the quantitative study, including age, gender, level of education, occupation, and duration of residence in Sichuan..

Table 4.1 Participant distribution

n=605

General Information	Grouping	Quantity	Percentage
Gender	Male	311	51.40
	Female	294	48.60
Age	30 years or under	116	19.17
	31-40years	218	36.03
	41-50years	175	28.93
	51-60 years	73	12.07
	Over 60 years	23	3.80
Education	Below high school	78	12.89
	High school	187	30.91
	Associate/ Bachelor degree	252	41.65
	Master's degree or above	87	14.38
Occupation	Unemployed (non-student)	24	3.97
	Others	58	9.59
	Corporate/Company Employee	168	27.77
	Government/Institutional Employee	44	7.27
	Professionals	72	11.90
	Freelancers	126	20.83
	Sole Proprietor/Small Business Owner	113	18.68
Length of residence in Sichuan	Less than 2 years	27	4.46
	2-3 years	81	13.39
	4-6 years	114	18.84
	7-10 years	184	30.41
	More than 10 years	199	32.89

In Table 4.1, the distribution of survey respondents shows a relatively balanced gender ratio. Males account for 51.4%, while females constitute 48.6% of the participants.

Regarding the age distribution of respondents in the research questionnaire, those aged 31-40 constitute the largest proportion with 218 individuals, accounting for 36.0% of the total. Participants aged 30 and below amount to 116 individuals, representing 19.2%. The age group 41-50 consists of 175 individuals, making up 36.0%. Respondents aged 51-60 and those above 60 account for 12.1% and 3.8%, respectively.

In terms of educational background, respondents with high school education or below are 78 individuals, constituting 12.9%. Those with a high school diploma are 187 individuals, making up 30.9%. Participants with college and bachelor's degrees are 252 individuals, representing 41.6%. Those with a master's degree or above are 87 individuals, accounting for 14.4%.

Regarding occupation, unemployed individuals constitute 4.0%, corporate/ company employees account for 27.8%, freelancers represent 20.8%, sole proprietor/ small business owners make up 18.7%, professionals account for 11.9%, government/ institutional employees represent 7.3%, and others make up 9.6%.

Concerning the duration of residence in Sichuan, 27 individuals have lived for less than 2 years, constituting 4.5%. Those residing for 2-3 years are 81 individuals, making up 13.4%. Participants residing for 4-6 years constitute 114 individuals, representing 18.8%. Those with 7-10 years of residence amount to 184 individuals, accounting for 30.4%. The highest proportion is found in those residing for more than 10 years, with 199 individuals, making up 32.9%.

In summary, the descriptive statistics provide a comprehensive overview of the survey participants' characteristics. The gender distribution is fairly balanced, with a slightly higher representation of males. The age distribution reveals a predominant presence of respondents aged below 50 years, and educational backgrounds are diverse, with a notable percentage holding college and bachelor's degrees. The occupational composition encompasses a variety of roles, with corporate/company employees constituting the largest group. The majority of respondents have been residents in Sichuan for more than 4 years, indicating a significant portion of long-term residents. These findings lay the groundwork for a nuanced understanding of the participant demographics, setting the stage for further quantitative analysis in exploring the causal relationship and effects of perceived risk in the context of brand extension.

4.2.1.2 Descriptive statistics

This study comprises 605 valid samples, where 605 Chinese consumers responded to five variables: perceived risk, brand extension success, brand trust, perceived fit, and psychological contract violation, encompassing a total of 56 items. In this section, we conduct descriptive statistical analysis on the collected data, including mean, standard deviation (SD), and coefficient of variation (CV). The questionnaire employs a Likert 5-point scale for assessment, ranging from “5 - Most agree” to “1 - Least agree”. Using the Likert five-point scale, an average score of “1.00-1.50” indicates the lowest level of agreement “1 - Least agree”; “1.51-2.50” represents a low level of agreement “Less agree”; “2.51-3.50” signifies a moderate level of agreement “Agree”; “3.51-4.50” indicates a high level of agreement “More agree”; and “4.51-5.00” signifies “Most agree”. Data analysis was interpreted using this scale.

The standard deviation (SD) is a statistical measure used to quantify the dispersion of a set of data values. In this study, the standard deviation is employed to measure the consistency of consumer responses regarding perceived risk, brand extension success, brand trust, perceived fit, and psychological contract violation. Specifically, a smaller standard deviation indicates that most data values are clustered around the mean, suggesting a consensus among consumers; conversely, a larger standard deviation indicates that data values are more dispersed, reflecting greater variance in consumer opinions.

The Coefficient of Variation (CV) is an indicator used to measure the relative dispersion of data, often employed to compare the degree of variation across different datasets, especially those with different units or dimensions. The CV is calculated as the ratio of the standard deviation to the mean. Typically, a larger CV indicates greater dispersion, meaning that the data points are more spread out relative to the mean; conversely, a smaller CV suggests that the data points are more concentrated around the mean.

The interpretation of CV values is as follows: CV less than 0.1: Is considered low variation, indicating that the data is relatively concentrated, and the measurement results are fairly stable. CV between 0.1 and 0.3: Is viewed as moderate variation, suggesting that the data has a certain degree of fluctuation. CV higher than 0.3: Indicates high variation, implying that the data is highly volatile, and the stability of the measurement results is relatively low.

1. Perceived Risk

In the evaluation of perceived risk, this study utilizd four sub-constructions for measurement, namely performance risk (PER), psychological risk (PSR), financial risk (FIR), and social risk (SR), each consisting of four questionnaire items. Descriptive statistical results are presented in Table 4.2, which includes the mean, standard deviation, and coefficient of variation for each variable.

Table 4.2 Descriptive statistics for Perceived Risk

n=605

Variable / Sub-constructs / Items	**Mean**	**SD**	**CV**
Perceived Risk	3.67	0.872	0.238
Performance Risk	3.93	0.980	0.249
PER1	3.93	1.072	0.273
PER2	3.97	1.112	0.280
PER3	3.95	1.089	0.276
PER4	3.88	1.085	0.280
Psychological Risk	3.70	1.040	0.281
PSR1	3.70	1.118	0.302
PSR2	3.72	1.095	0.294
PSR3	3.73	1.140	0.306
PSR4	3.66	1.111	0.304
Financial Risk	3.78	1.030	0.272
FIR1	3.72	1.177	0.316
FIR2	3.80	1.134	0.298
FIR3	3.79	1.173	0.309
FIR4	3.82	1.158	0.303
Social Risk	3.26	1.012	0.310
SR1	3.28	1.174	0.358
SR2	3.22	1.154	0.358
SR3	3.25	1.159	0.357
SR4	3.27	1.156	0.354

From the perspective of overall perceived risk, the mean was 3.67, the standard deviation was 0.872, and the coefficient of variation was 0.238. This indicated that respondents generally perceived a high level of purchasing risk, and this perception was relatively consistent within the sample. Scores for performance risk, psychological risk, and financial risk were high, ranging from 3.70 to 3.93. Most respondents expressed strong opinions, with the average indicating "More agree," suggesting significant perceived risks in these areas and a uniformly high level of concern among most respondents. By contrast, the evaluation for social risk was lower (mean of 3.26), reaching only the "Agree" level, indicating that perceived social risks were relatively lower. This may reflect that when purchasing new perfume products, consumers were more concerned with the product's performance, psychological impact, and financial cost, rather than social implications.

A more in-depth analysis of specific sub-constructs and items reveals further details. The standard deviation for all items measuring perceived risk ranged between 1.072 and 1.177. The Coefficient of Variation (CV) was used to assess the extent of variation relative to the mean. In this study, the CV for perceived risk fell between 0.273 and 0.358. Specifically, the CV values for the performance risk (PER) sub-construct ranged from 0.273 to 0.280, indicating a moderate level of dispersion. Generally, a CV between 0.1 and 0.3 is considered to represent moderate variation, suggesting that while there was some fluctuation in the data, it was not overly dispersed. Although the data points were relatively concentrated around the mean, some degree of variability remained, which could have resulted from external influences or natural variations within the sample. For the psychological risk (PSR) and financial risk (FIR) dimensions, apart from one item in each with a CV below 0.3, most items had CV values exceeding 0.3. All items within the social risk (SR) dimension had CV values greater than 0.3, ranging between 0.354 and 0.358. Overall, the higher CV values in the psychological, financial, and social risk dimensions suggest a greater level of dispersion, indicating significant variability in participants' perceptions and attitudes towards these risks. For example, the relatively high CV in the financial risk dimension may reflect substantial differences in individuals’ economic situations, risk tolerance, and expectations regarding future financial conditions.

2. Brand Extension Success

For evaluating brand extension success, we employed three sub-constructs: attitudes toward the extension product, behavioral intention, and acceptance of price premiums. Each sub-construction included four questionnaire items. Table 4.3 presents the descriptive statistical analysis results for "brand extension success" and its sub-constructs, along with individual questionnaire items, including means, standard deviations, and coefficients of variation.

Table 4.3 Descriptive statistics for Brand Extension Success

n=605

Variable / sub-constructs / Items	**Mean**	**SD**	**CV**
Brand Extension Success	2.59	0.86	0.332
Attitudes toward extension product	2.65	1.050	0.396
AEP1	2.64	1.106	0.419
AEP2	2.69	1.137	0.423
AEP3	2.63	1.153	0.438
AEP4	2.65	1.132	0.427
Behavioral intention	2.59	1.070	0.413
BI1	2.62	1.132	0.432
BI2	2.59	1.134	0.438
BI3	2.56	1.152	0.450
BI4	2.61	1.164	0.446
Acceptance of price premiums	2.53	1.060	0.419
APP1	2.54	1.169	0.460
APP2	2.53	1.107	0.438
APP3	2.51	1.128	0.449
APP4	2.54	1.155	0.455

Overall, the mean value for brand extension success was 2.59, with a standard deviation of 0.86 and a coefficient of variation of 0.332. These figures suggest that respondents' overall evaluation of brand extension success was moderate, with a relatively low degree of dispersion in the data. Upon further examination of the sub-constructs, it was observed that the means ranged from 2.53 to 2.65, indicating a balanced distribution of evaluations across the three dimensions: attitudes toward the extension product, behavioral intentions, and acceptance of price premiums. Most respondents expressed opinions at a moderate level, with the average score interpreted as "agree".

A more detailed analysis of specific sub-constructs and items revealed additional insights. The standard deviation for all items measuring brand extension success (BES) ranged between 1.106 and 1.155. The Coefficient of Variation (CV) was used to assess the degree of variation relative to the mean. In this study, the CV for BES fell between 0.419 and 0.460, with all items having CV values above 0.3, indicating a high level of dispersion. This suggests that there was significant variability in the participants' attitudes towards brand extensions, their willingness to purchase extended products, and their acceptance of brand premiums.

In other words, consumers had notably different perspectives on the success of brand extensions, which may have been related to factors such as their previous experiences or perceptions of the market. These differences highlight the heterogeneous nature of consumer responses, which could have been influenced by personal biases, brand loyalty, or varying levels of familiarity with the brand.

3. Brand Trust

The evaluation of brand trust was measured using three sub-constructs: quality trust, image trust, and customer satisfaction. The descriptive statistics for the variable "brand trust" and its sub-constructs and items, including mean, standard deviation, and coefficient of variation, are detailed in Table 4.4.

Table 4.4 Descriptive statistics for Brand Trust

n=605

Variable / sub-constructs / Items	**Mean**	**SD**	**CV**
Brand Trust	3.41	0.837	0.245
Quality Trust	3.43	1.004	0.293
QT1	3.43	1.182	0.345
QT2	3.43	1.188	0.346
QT3	3.46	1.178	0.340
QT4	3.39	1.162	0.343
Image Trust	3.45	1.020	0.296
IT 1	3.45	1.200	0.348
IT2	3.48	1.159	0.333
IT3	3.47	1.210	0.349
IT4	3.41	1.191	0.349
Customer Satisfaction	3.36	1.004	0.299
CS1	3.32	1.164	0.351
CS2	3.36	1.183	0.352
CS3	3.35	1.186	0.354
CS4	3.40	1.190	0.350

In the descriptive statistics presented in Table 4.4, the average score for brand trust is 3.41, with a standard deviation of 0.837. This mean indicates that overall brand trust is at a moderate level, suggesting that participants have a moderate degree of trust in the brand. Specifically, the scores for Quality Trust, Image Trust, and Customer Satisfaction all reflect opinions related to brand extension at a moderate level, with the average rating meaning "agree".

A further analysis of specific sub-constructs and items reveals additional insights. The standard deviation for all items measuring brand trust (BT) ranges between 1.106 and 1.155. The Coefficient of Variation (CV) is used to measure the degree of variation relative to the mean. In this study, the CV for brand trust (BT) ranges from 0.333 to 0.354, with all items having CV values above 0.3, indicating a high level of dispersion. This suggests that there is considerable variability in how participants perceive and evaluate brand trust, particularly in terms of brand quality, brand image, and brand satisfaction. Such differences may be influenced by factors like consumers' personal experiences, brand awareness, market conditions, or the frequency of brand exposure. The high CV values reflect the diverse attitudes consumers hold toward the trustworthiness of brands, highlighting the importance of understanding these variations in order to effectively manage brand trust.

4. Perceived Fit

In assessing perceived fit in brand extensions, we employed three sub-constructs: Usage Fit, Feature Fit, and Image Fit. Table 4.5 provides detailed descriptive statistical data for these constructs, including the means, standard deviations, and coefficients of variation for each item and sub-construct.

Table 4.5 Descriptive statistics for Perceived Fit

n=605

Variable/ sub-constructs / Items	Mean	SD	CV
Perceived Fit	2.65	0.829	0.312
Usage Fit	2.66	0.986	0.371
UF1	2.67	1.005	0.376
UF2	2.63	1.012	0.385
UF3	2.68	1.002	0.374
UF4	2.65	1.003	0.378
Feature Fit	2.65	0.979	0.370

Table 4.5 Descriptive statistics for Perceived Fit (Cont.)

n=605

Variable/ sub-constructs / Items	Mean	SD	CV
FF1	2.62	1.012	0.386
FF2	2.69	1.033	0.384
FF3	2.68	1.022	0.381
FF4	2.59	1.003	0.387
Image Fit	2.67	0.989	0.371
IF1	2.65	1.012	0.382
IF2	2.63	1.003	0.381
IF3	2.68	1.008	0.376
IF4	2.70	1.006	0.373

In the descriptive statistics presented in Table 4.5, we observe that the average score for perceived fit was 2.65, with a standard deviation of 0.829. This mean fell within the 2.51-3.50 range, indicating a level of agreement but leaning toward the lower end. This suggests that respondents generally believe there is some degree of fit between the brand extension and the parent brand across the measured dimensions, though the perception of this fit is not particularly strong. Specifically, the scores for usage fit, feature fit, and image fit reflected a moderate but somewhat low level of perceived alignment, indicating that consumers had a "somewhat agreeable" attitude toward the brand extension's fit, but their stance is not particularly strong.

A deeper analysis of specific sub-constructs and items revealed more details. The standard deviation for all items measuring perceived fit (PF) ranged between 1.002 and 1.033. The Coefficient of Variation (CV) was used to assess the degree of variation relative to the mean. In this study, the CV for perceived fit (PF) fell between 0.374 and 0.387, with all items having CV values above 0.3, indicating high data dispersion. This suggests that participants exhibited considerable variability in their perception of the fit between the extension product and the parent brand, particularly in terms of market usage, product functionality, and brand image. These differences in perceived fit may stem from the diverse needs, functional expectations, and brand perceptions of consumers regarding the brand extension, leading to significant variation in how they assess the fit.

5. Psychological Contract Violation

To measure psychological contract violation (PCV), we utilized a direct measurement approach. Descriptive statistics, including mean, standard deviation, and coefficient of variation, are detailed in Table 4.6.

Table 4.6 Descriptive statistics for Psychological Contract Violation

n=605

Variable/ Items	Mean	SD	CV
PCV	3.28	1.073	0.307
PCV1	3.29	1.148	0.349
PCV2	3.27	1.124	0.344
PCV3	3.23	1.155	0.358
PCV4	3.31	1.150	0.347

From the data in Table 4.6, we can observe that the average score for psychological contract violation was 3.28, which fell within the 2.51-3.50 range, indicating an overall level of "agreement." This suggests that respondents generally perceived a noticeable violation of the psychological contract in the context of the Chinese time-honored brand [WLY] launching a new perfume product.

Furthermore, the Coefficient of Variation (CV) for all items ranged between 0.344 and 0.358, which was above 0.3, indicating a high level of data dispersion. The CV was used to measure the degree of variation relative to the mean, and a CV greater than 0.3 suggests that the data is relatively spread out. This meant that there was significant variability among the respondents in terms of whether the launch of this brand extension triggered feelings of psychological contract violation.

4.2.2 Measurement Model Evaluation

4.2.2.1 Measurement Models

This study developed a second-order construct with a reflective-reflective measurement model. Subsequently, we established a second-order model using the repeated indicators approach. This approach was applied consistently across both the measurement model and the structural model assessments, as illustrated in Figure 4.1.

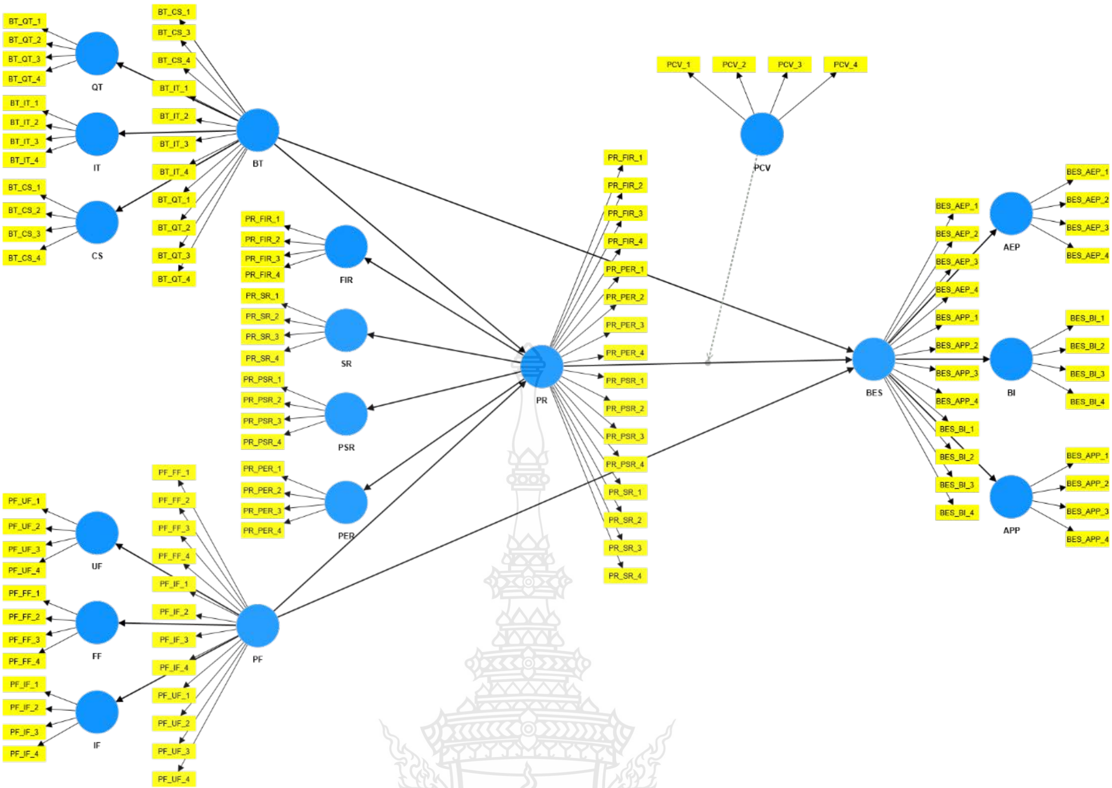

Figure 4.1 Constructed using reflective measurement model (Model 1)

4.2.2.2 Testing Criteria

This study adopted the partial least squares structural equation modeling (PLS-SEM) method, using SmartPLS analysis. The relationship between latent variables and observed variables was modeled as reflective variables. The statistical standards of the measurement model were as follows: Construct Reliability, measured through Cronbach's Alpha, Dijkstra-Henseler's rho (ρA), Jöreskog's rho (ρc), and Composite Reliability (CR), all of which should exceed 0.70 (Bagozzi & Yi, 1988; Hair Jr et al., 2010; Henseler et al., 2016). Convergent validity was assessed through Average Variance Extracted (AVE), which should be greater than 0.50 (Fornell & Larcker, 1981; Hair et al., 2010). Discriminant Validity was ensured using the Fornell-Larcker criterion, where the variance within a latent variable concept should significantly exceed its cross-loadings with other latent variables. Additionally, the factor loading of an indicator on its construct should surpass the loading between the indicator and other constructs in the model

(Fornell & Larcker, 1981). The Heterotrait-Monotrait ratio of correlations (HTMT) should be less than 0.9 to establish discriminant validity (Henseler et al., 2016).

4.2.2.3 Assessment of the Measurement Model

This study's questionnaire included five measurement scales: perceived risk, brand extension success, brand trust, perceived fit, and psychological contract violation. The perceived risk scale included four sub-constructs with a total of 16 items; the brand extension success scale comprised three sub-constructs with a total of 12 items; the brand trust scale also consisted of three sub-constructs with a total of 12 items; the perceived fit scale included three sub-constructs with a total of 12 items; and psychological contract violation was a first-order variable directly measured by four items.

1. Construct Reliability and Validity

This study employed a higher-order reflective-reflective model consisting of four second-order constructs. Using SmartPLS software, we developed and analyzed the complete model, as depicted in Figures 4.1. The assessment of data quality was conducted based on the loadings of the higher-order constructs, ensuring alignment with the model structure. Key evaluation metrics, including Cronbach's Alpha, composite reliability, Average Variance Extracted (AVE), Heterotrait-Monotrait Ratio of Correlations (HTMT), and Variance Inflation Factor (VIF), were calculated to ensure model fit and to validate the reliability and validity of the measurement model.

Reliability assessment was crucial for deciding whether to use the questionnaire for further analysis, as it helped ensure the usability of the measurements. Each dimension's Cronbach's alpha coefficient should be greater than 0.70, and the Composite Reliability (CR) should be greater than 0.70. The results could examine the attributes of the measurement scales and provide reliability information of the items regarding their interrelationships within the scales.

After running the PLS-SEM algorithm for Model 1, the results for construct reliability and validity were obtained. The detailed examination of the reliability and validity of the measurement model is presented in Table 4.7 and Table 4.8.

From the data in Table 4.7, it was evident that the Cronbach's alpha coefficient for each sub-construct was greater than 0.70, indicating good internal consistency. The Composite Reliability (CR) values exceeded 0.70, further confirming the reliability of each sub-construct. The Average Variance Extracted (AVE) values were all above 0.50, demonstrating strong convergent validity. Therefore, it can be concluded that the construct reliability and convergent validity of each sub-construct had been verified. Next, the examination of each latent variable followed.

Table

Table 4.7 First-order construct reliability and validity of measurement model

Indicators	**Items**	**Cronbach's α**	**Composite reliability**		**AVE**
			rho_a	**rho_c**	
Quality trust (QT)	4	0.882	0.882	0.919	0.739
Image trust (IT)	4	0.890	0.890	0.924	0.752
Customer satisfaction (CS)	4	0.884	0.884	0.920	0.742
Usage fit (UF)	4	0.868	0.868	0.910	0.716
Feature fit (FF)	4	0.871	0.872	0.912	0.721
Image fit (IF)	4	0.874	0.874	0.913	0.725
Performance risk (PER)	4	0.896	0.896	0.927	0.762
Psychological risk (PSR)	4	0.910	0.911	0.937	0.788
Financial risk (FIR)	4	0.949	0.949	0.963	0.867
Social risk (SR)	4	0.885	0.885	0.920	0.743
Attitude toward extension product (AEP)	4	0.890	0.890	0.924	0.752
Behavioral intention (BI)	4	0.888	0.888	0.923	0.749
Acceptance of price premiums (APP)	4	0.890	0.89	0.924	0.752
Psychological Contract Violation (PCV)	4	0.885	0.895	0.920	0.743

Table 4.8 Second-order reliability and validity of measurement model

Latent variables	Cronbach's α	Composite reliability		AVE
		rho_a	rho_c	
Brand extension success (BES)	0.922	0.922	0.932	0.665
Brand trust (BT)	0.900	0.900	0.916	0.663
Perceived fit (PF)	0.907	0.907	0.921	0.661
Perceived risk (PR)	0.909	0.909	0.923	0.584

Based on the data from Table 4.8, it was clear that the reliability coefficients, as measured by Cronbach's α. Cronbach's α values consistently exceeded the threshold of 0.7, underscoring the robustness of these measures. Composite Reliability (CR) values exceeded 0.70. These figures confirm the reliability of the measurement tools employed. Additionally, the Average Variance Extracted (AVE) varied from 0.584 for perceived risk (PR) to 0.665 for brand extension success (BES), with all values exceeding the 0.5 benchmark, demonstrating strong convergent validity of the model. This was in line with the established criteria suggested by Henseler et al. (2016).

4.2.2.4 Discriminant Validity

Discriminant validity assessed the extent to which a construct was empirically distinct from other constructs within a theoretical model. The Fornell–Larcker criterion, a fundamental measure for this validity, stipulated that the square root of the Average Variance Extracted (AVE) for a construct must have surpassed its correlations with any other constructs (Fornell & Larcker, 1981). The AVE quantified the proportion of variance in observed measures that a construct uniquely explained, emphasizing the construct's uniqueness.

Table 4.9 presented the first-order discriminant validity. The bold numbers in the diagonal of the table represented the square roots of the AVEs for the first-order variables, while the numbers below the diagonal were the correlation coefficients between the measured variables. The comparison indicated that the square root of the AVE for each measured variable was greater than the corresponding values in the correlation coefficient matrix. According to the findings presented in Table 4.10, the correlation coefficient of the latent variable with itself must have been higher than its correlation with other latent variables to be considered discriminant valid. It was observed that the correlation coefficient of the latent variable with itself was higher than its correlation with other latent variables, indicating high discriminant validity. The diagonal elements of the matrix, representing the Average Variance Extracted (AVE) for each construct, were as follows: BES= 0.816, BT=0.814, PCV=0.862, PF=0.813 and PR=0.764. These values had exceeded the squared correlations between constructs, which were represented in the off-diagonal cells, to satisfy the criterion for discriminant validity. These results affirmed that discriminant validity was substantiated for all constructs, as the AVE of each construct was higher than any of its respective squared correlations with other constructs, thereby upholding the conditions set by the Fornell-Larcker criterion.

Table 4.9 Fornell-Larcker criterion (First-order)

	AEP	APP	BI	CS	FF	FIR	IF	IT	PCV	PER	PSR	QT	SR	UF
AEP	**0.867**													
APP	0.484	**0.867**												
BI	0.546	0.464	**0.865**											
CS	0.292	0.252	0.265	**0.861**										
FF	0.279	0.268	0.248	0.311	**0.849**									
FIR	-0.222	-0.153	-0.193	-0.220	-0.200	**0.931**								
IF	0.289	0.301	0.266	0.293	0.519	-0.225	**0.852**							
IT	0.335	0.265	0.293	0.506	0.292	-0.245	0.255	**0.867**						
PCV	-0.318	-0.269	-0.304	-0.315	-0.287	0.208	-0.269	-0.323	**0.862**					
PER	-0.234	-0.212	-0.226	-0.178	-0.178	0.437	-0.158	-0.230	0.253	**0.873**				
PSR	-0.238	-0.196	-0.245	-0.172	-0.258	0.389	-0.245	-0.199	0.239	0.427	**0.887**			
QT	0.259	0.300	0.253	0.474	0.292	-0.221	0.253	0.508	-0.28	-0.239	-0.253	**0.860**		
SR	-0.291	-0.229	-0.259	-0.233	-0.290	0.450	-0.264	-0.299	0.326	0.483	0.488	-0.271	**0.862**	
UF	0.255	0.270	0.234	0.284	0.467	-0.222	0.489	0.279	-0.324	-0.191	-0.245	0.276	-0.301	**0.846**

Table 4.10 Fornell-Larcker criterion (Second-order)

	BES	BT	PF	PR	PCV
BES	**0.816**				
BT	0.420	**0.814**			
PF	0.402	0.423	**0.813**		
PR	-0.365	-0.374	-0.378	**0.764**	
PCV	-0.365	-0.374	-0.362	0.34	**0.862**

Note: The bolded values the square root of the average variance extracted (AVE) from each construct.

To assess discriminant validity, the current study utilized the Heterotrait-Monotrait ratio of correlations (HTMT) (Henseler et al., 2015). The HTMT ratio, when approaching 1, indicates a lack of discriminant validity in path analysis (Henseler et al., 2016). The results of this study, as detailed in Table 4.11 and Table 4.12, revealed that the HTMT ratio values were less than 0.9. Accordingly, the findings substantiate the discriminant validity across all evaluated constructs, confirming the absence of validity concerns (Kline, 2023).

Table 4.11 Heterotrait-Monotrait ratio of correlations (HTMT) (1)

	AEP	**APP**	**BI**	**CS**	**FF**	**FIR**	**IF**	**IT**	**PCV**	**PER**	**PSR**	**QT**	**SR**
APP	0.544												
BI	0.614	0.521											
CS	0.329	0.284	0.298										
FF	0.317	0.306	0.282	0.355									
FIR	0.241	0.166	0.210	0.240	0.218								
IF	0.328	0.340	0.302	0.333	0.594	0.247							
IT	0.377	0.297	0.329	0.569	0.332	0.266	0.290						
PCV	0.355	0.298	0.340	0.356	0.327	0.228	0.305	0.363					
PER	0.262	0.237	0.254	0.200	0.202	0.474	0.178	0.257	0.282				
PSR	0.264	0.217	0.271	0.191	0.290	0.418	0.275	0.221	0.266	0.473			
QT	0.293	0.338	0.286	0.537	0.332	0.241	0.288	0.572	0.316	0.269	0.283		
SR	0.328	0.258	0.292	0.263	0.330	0.491	0.299	0.337	0.368	0.542	0.543	0.307	
UF	0.290	0.307	0.267	0.324	0.536	0.245	0.562	0.317	0.369	0.217	0.276	0.315	0.344

Table 4.12 Heterotrait-Monotrait ratio of correlations (HTMT) (2)

	BES	**BT**	**PF**	**PR**	**PCV**
BT	0.463				
PF	0.447	0.471			
PR	0.393	0.404	0.408		
PCV	0.401	0.418	0.403	0.370	
PCV x PR	0.364	0.285	0.274	0.059	0.149

Cross loadings analysis in discriminant validity assessed the relationships between the outer loadings of the indicators of each latent variable against those of other latent variables within the model. This analysis revealed that the outer loadings of the observed variables for the latent constructs exceeded the predetermined threshold, achieving values equal to or greater than 0.7. Additionally, when the relationships between the outer loadings of observed variables of each latent variable and those of other latent variables in the model were examined, it was noted that the correlation levels were significantly lower, as detailed in Table 4.13 and Table 4.14.

Table 4.13 Cross-loading of first-order construct

Items	AEP	APP	BI	QT	IT	CS	UF	FF	IF	PER	PSR	FIR	SR	PCV
AEP_1	**0.856**	0.424	0.459	0.228	0.333	0.278	0.233	0.231	0.251	-0.202	-0.235	-0.215	-0.255	-0.259
AEP_2	**0.857**	0.416	0.519	0.240	0.275	0.263	0.260	0.255	0.265	-0.226	-0.198	-0.190	-0.293	-0.295
AEP_3	**0.876**	0.419	0.449	0.220	0.287	0.240	0.202	0.257	0.239	-0.199	-0.181	-0.182	-0.209	-0.281
AEP_4	**0.879**	0.420	0.466	0.212	0.268	0.231	0.189	0.223	0.248	-0.183	-0.211	-0.182	-0.251	-0.267
APP_1	0.442	**0.875**	0.419	0.275	0.253	0.203	0.243	0.232	0.286	-0.191	-0.197	-0.161	-0.222	-0.250
APP_2	0.430	**0.858**	0.405	0.256	0.217	0.229	0.236	0.224	0.276	-0.208	-0.165	-0.135	-0.199	-0.241
APP_3	0.420	**0.867**	0.399	0.245	0.249	0.227	0.221	0.235	0.225	-0.183	-0.171	-0.112	-0.181	-0.230
APP_4	0.386	**0.867**	0.385	0.264	0.199	0.215	0.237	0.240	0.254	-0.151	-0.147	-0.122	-0.191	-0.210
BI_1	0.465	0.400	**0.861**	0.223	0.308	0.260	0.207	0.195	0.216	-0.220	-0.215	-0.193	-0.228	-0.278
BI_2	0.502	0.400	**0.876**	0.227	0.254	0.239	0.188	0.223	0.219	-0.176	-0.229	-0.183	-0.226	-0.289
BI_3	0.453	0.438	**0.861**	0.206	0.225	0.185	0.181	0.213	0.242	-0.223	-0.216	-0.167	-0.240	-0.239
BI_4	0.471	0.367	**0.864**	0.219	0.227	0.231	0.234	0.227	0.245	-0.164	-0.187	-0.124	-0.202	-0.246
QT_1	0.247	0.256	0.237	**0.873**	0.425	0.395	0.254	0.260	0.212	-0.218	-0.245	-0.202	-0.220	-0.252
QT_2	0.247	0.249	0.219	**0.849**	0.448	0.390	0.233	0.205	0.182	-0.209	-0.197	-0.194	-0.196	-0.222
QT_3	0.196	0.247	0.182	**0.859**	0.458	0.422	0.255	0.258	0.245	-0.183	-0.212	-0.154	-0.231	-0.256
QT_4	0.202	0.279	0.233	**0.858**	0.413	0.424	0.205	0.279	0.231	-0.213	-0.217	-0.209	-0.285	-0.232
IT_1	0.303	0.214	0.243	0.429	**0.874**	0.416	0.242	0.251	0.215	-0.210	-0.186	-0.203	-0.274	-0.299
IT_2	0.277	0.242	0.226	0.445	**0.873**	0.439	0.216	0.243	0.230	-0.197	-0.155	-0.204	-0.234	-0.274
IT_3	0.292	0.231	0.278	0.459	**0.861**	0.467	0.253	0.258	0.210	-0.206	-0.196	-0.249	-0.273	-0.273
IT_4	0.290	0.232	0.269	0.426	**0.860**	0.431	0.255	0.263	0.230	-0.186	-0.152	-0.192	-0.254	-0.276
CS_1	0.235	0.208	0.220	0.383	0.395	**0.858**	0.225	0.290	0.259	-0.177	-0.107	-0.192	-0.199	-0.268
CS_2	0.238	0.210	0.254	0.422	0.470	**0.865**	0.244	0.265	0.271	-0.178	-0.168	-0.196	-0.214	-0.270

Table 4.13 Cross-loading of first-order construct (Cont.)

Items	AEP	APP	BI	QT	IT	CS	UF	FF	IF	PER	PSR	FIR	SR	PCV
CS_3	0.264	0.209	0.216	0.431	0.438	**0.858**	0.259	0.223	0.215	-0.148	-0.172	-0.185	-0.203	-0.268
CS_4	0.268	0.242	0.221	0.396	0.437	**0.864**	0.249	0.295	0.264	-0.109	-0.144	-0.184	-0.185	-0.277
UF_1	0.211	0.230	0.217	0.213	0.210	0.220	**0.847**	0.401	0.401	-0.184	-0.224	-0.213	-0.271	-0.267
UF_2	0.211	0.252	0.202	0.249	0.233	0.233	**0.859**	0.399	0.417	-0.161	-0.195	-0.152	-0.238	-0.261
UF_3	0.204	0.213	0.168	0.221	0.269	0.273	**0.845**	0.394	0.411	-0.151	-0.174	-0.197	-0.231	-0.297
UF_4	0.238	0.219	0.204	0.250	0.231	0.235	**0.834**	0.386	0.427	-0.152	-0.237	-0.191	-0.282	-0.272
FF_1	0.207	0.197	0.199	0.248	0.226	0.283	0.428	**0.862**	0.476	-0.130	-0.225	-0.221	-0.257	-0.248
FF_2	0.195	0.214	0.178	0.241	0.223	0.256	0.367	**0.834**	0.426	-0.169	-0.214	-0.137	-0.253	-0.204
FF_3	0.229	0.233	0.197	0.247	0.249	0.264	0.387	**0.850**	0.427	-0.128	-0.212	-0.128	-0.194	-0.263
FF_4	0.316	0.269	0.267	0.254	0.295	0.253	0.400	**0.850**	0.431	-0.176	-0.226	-0.188	-0.279	-0.258
IF_1	0.239	0.246	0.244	0.201	0.220	0.256	0.397	0.451	**0.848**	-0.133	-0.201	-0.161	-0.167	-0.251
IF_2	0.273	0.290	0.227	0.241	0.198	0.261	0.432	0.445	**0.862**	-0.185	-0.206	-0.216	-0.271	-0.217
IF_3	0.256	0.285	0.235	0.197	0.216	0.243	0.417	0.434	**0.850**	-0.071	-0.176	-0.158	-0.171	-0.211
IF_4	0.218	0.202	0.200	0.223	0.235	0.236	0.420	0.437	**0.846**	-0.149	-0.252	-0.230	-0.287	-0.239
PER_1	-0.199	-0.181	-0.200	-0.223	-0.169	-0.179	-0.181	-0.173	-0.126	**0.869**	0.375	0.340	0.391	0.194
PER_2	-0.205	-0.177	-0.205	-0.179	-0.194	-0.157	-0.151	-0.126	-0.137	**0.866**	0.369	0.386	0.401	0.223
PER_3	-0.202	-0.193	-0.180	-0.226	-0.223	-0.162	-0.171	-0.152	-0.139	**0.873**	0.391	0.402	0.453	0.229
PER_4	-0.209	-0.188	-0.205	-0.207	-0.216	-0.123	-0.166	-0.169	-0.150	**0.883**	0.356	0.397	0.439	0.236
PSR_1	-0.230	-0.196	-0.234	-0.236	-0.154	-0.136	-0.225	-0.236	-0.221	0.399	**0.893**	0.352	0.451	0.244
PSR_2	-0.233	-0.175	-0.223	-0.227	-0.221	-0.140	-0.228	-0.232	-0.216	0.355	**0.886**	0.378	0.429	0.219
PSR_3	-0.242	-0.174	-0.247	-0.202	-0.173	-0.169	-0.200	-0.215	-0.211	0.400	**0.894**	0.335	0.430	0.207
PSR_4	-0.137	-0.151	-0.162	-0.235	-0.158	-0.167	-0.217	-0.235	-0.223	0.362	**0.876**	0.315	0.422	0.175

Table 4.13 Cross-loading of first-order construct (Cont.)

Items	AEP	APP	BI	QT	IT	CS	UF	FF	IF	PER	PSR	FIR	SR	PCV
FIR_1	-0.231	-0.125	-0.182	-0.181	-0.229	-0.189	-0.193	-0.196	-0.224	0.409	0.372	**0.929**	0.389	0.201
FIR_2	-0.202	-0.129	-0.187	-0.216	-0.211	-0.185	-0.223	-0.188	-0.223	0.419	0.373	**0.929**	0.426	0.189
FIR_3	-0.176	-0.135	-0.163	-0.207	-0.216	-0.213	-0.199	-0.181	-0.189	0.388	0.339	**0.935**	0.423	0.179
FIR_4	-0.217	-0.182	-0.187	-0.218	-0.257	-0.231	-0.212	-0.179	-0.202	0.412	0.362	**0.931**	0.437	0.204
SR_1	-0.285	-0.177	-0.225	-0.205	-0.228	-0.196	-0.244	-0.249	-0.234	0.410	0.439	0.403	**0.867**	0.274
SR_2	-0.244	-0.189	-0.250	-0.250	-0.269	-0.235	-0.252	-0.252	-0.200	0.420	0.389	0.371	**0.859**	0.310
SR_3	-0.251	-0.196	-0.231	-0.240	-0.256	-0.167	-0.250	-0.254	-0.216	0.417	0.429	0.405	**0.854**	0.243
SR_4	-0.223	-0.228	-0.187	-0.241	-0.277	-0.206	-0.294	-0.244	-0.258	0.418	0.425	0.372	**0.868**	0.298
PCV_1	-0.259	-0.220	-0.224	-0.222	-0.255	-0.268	-0.264	-0.265	-0.237	0.200	0.196	0.170	0.282	**0.856**
PCV_2	-0.303	-0.277	-0.290	-0.217	-0.284	-0.267	-0.266	-0.227	-0.232	0.241	0.212	0.190	0.306	**0.877**
PCV_3	-0.233	-0.177	-0.242	-0.229	-0.266	-0.267	-0.266	-0.226	-0.205	0.213	0.222	0.204	0.269	**0.846**
PCV_4	-0.290	-0.238	-0.284	-0.296	-0.306	-0.284	-0.318	-0.272	-0.252	0.214	0.195	0.155	0.264	**0.868**

As shown in Table 4.13, the loading factors for various constructs exhibited strong discriminant validity. Specifically: Attitudes toward Extension Product (AEP) standardized item loadings ranged from 0.856 to 0.879, surpassing the cross-loadings with other variables. Acceptance of Price Premiums (APP) standardized item loadings ranged from 0.858 to 0.875, also exceeding cross-loadings. The standardized item loadings for Behavioral Intention (BI) ranged from 0.861 to 0.876, higher than cross-loadings with other variables.

Quality Trust (QT) and Image Trust (IT) displayed standardized item loadings between 0.849 to 0.873 and 0.861 to 0.874, respectively, each surpassing the corresponding cross-loadings. Customer Satisfaction (CS) standardized item loadings spanned 0.858 to 0.865, consistently greater than cross-loadings.

For sub-constructs related to perceived fit: Usage Fit (UF) had standardized item loadings ranged from 0.834 to 0.859, which was greater than the cross loading with other variables. Feature Fit (FF) had standardized item loadings ranged from 0.834 to 0.862, which was greater than the cross loading with other variables. Image Fit (IF) had standardized item loadings ranged from 0.846 to 0.862, higher than cross-loadings with other variables.

In terms of perceived risk, performance risk (PER) had standardized item loadings ranged from 0.866 to 0.883, all of which were greater than the cross loadings with the other variables. Psychological Risk (PSR) had standardized item loadings ranged from 0.876 to 0.894, all of which are greater than the cross loadings with the other variables. Financial risk (FIR) had standardized item loadings ranged from 0.929 and 0.935, all of which were greater than the cross loadings with the other variables. The standardized item loadings social risk (SR) ranged from 0.854to 0.868, each well above the cross-loadings.

Moreover, psychological contract violation (PCV) had standardized item loadings ranged from 0.846 to 0.877, which was greater than the cross-loading with other variables. This indicated that the model had good discriminant validity.

Applying a reduced-order Model through our algorithm generated a second-order variable cross-loading table, as depicted in Table 4.14.

Table 4.14 Cross-loading of sub-construct

Construct	BES	BT	PF	PR
AEP	**0.846**	0.362	0.337	-0.325
APP	**0.771**	0.335	0.344	-0.26
BI	**0.828**	0.331	0.306	-0.304
QT	0.329	**0.825**	0.337	-0.323
IT	0.367	**0.835**	0.339	-0.321
CS	0.331	**0.782**	0.364	-0.264
FF	0.324	0.365	**0.814**	-0.308
UF	0.309	0.342	**0.810**	-0.319
IF	0.348	0.325	**0.815**	-0.295
PER	-0.275	-0.267	-0.217	**0.749**
PSR	-0.279	-0.258	-0.307	**0.755**
FIR	-0.235	-0.281	-0.265	**0.728**
SR	-0.320	-0.33	-0.351	**0.821**

As shown in Table 4.14, the factor loadings for Brand Extension Success (BES) ranged from 0.771 to 0.846, each exceeding the cross loadings with other variables. Similarly, Brand Trust (BT) factor loadings ranged from 0.782 to 0.835, Perceived Fit (PF) factor loadings ranged from 0.810 to 0.815, and Perceived Risk (PR) ranged from 0.728 to 0.821, all surpassing their respective cross loadings with other variables.

Combining the data from Table 4.13 and Table 4.14, it was evident that all indicator values (highlighted in bold) for external loading for each construct exceeded their cross loadings value on other constructs. Consequently, this confirmed the discriminant validity established through the cross-loading values test.

4.2.3 Structural Model Evaluation

In Structural Equation Modeling (SEM), model fit is considered a key indicator for assessing the quality and reliability of the model. This section addresses the evaluation of model fit by following a systematic process. The evaluation of the structural model was carried out in several stages.

First, inner model collinearity was examined through the calculation of Variance Inflation Factor (VIF) values to ensure no multicollinearity issues were present. Subsequently, a bootstrapping procedure was employed to assess the statistical significance of the model's parameters, providing robust estimates and confidence intervals. Following this, the coefficient of determination (R^2) was calculated to assess the explanatory power of the model in predicting the dependent variables. Afterward, during the fourth phase, the effect size (f^2) was computed to quantify the contribution of each independent variable to the dependent variables, thereby highlighting the significance of specific paths within the model. Finally, the blindfolding procedure was conducted to evaluate the model's Predictive Relevance (Q^2), which assesses the model's ability to predict the dependent variables. This multi-step evaluation ensures that both the predictive power and the fit of the structural model are rigorously validated.

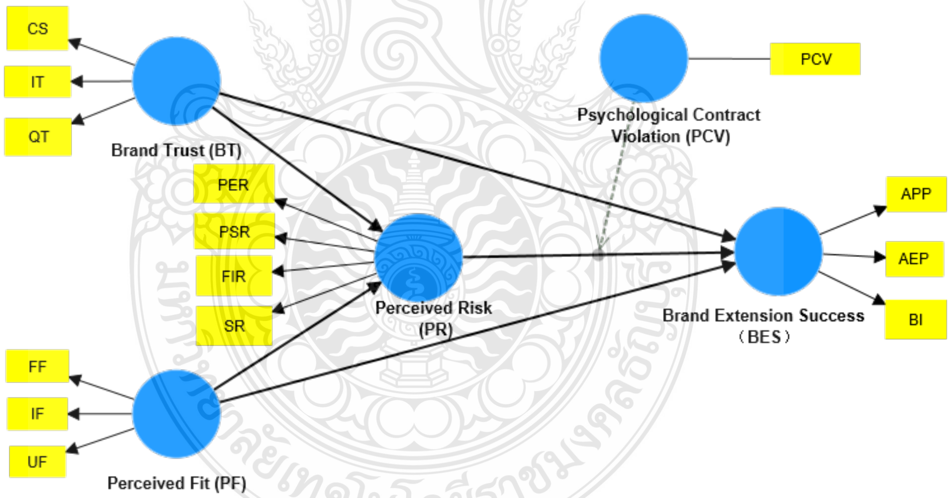

Figure 4.2 Reduced-order model for structural model evaluation (Model 2)

4.2.3.1 Model fit

The quality and reliability of the model was assessed through model fit, utilizing fit indices such as SRMR, d_{ULS}, d_G and Chi-square. Fit indices including SRMR (<0.08), d_{ULS} (<95%) and d_G (<95%) (Dijkstra & Henseler, 2015; Schuberth et al., 2023) indicated that the model had a good fit with the sample data set. The results as shown in Table 4.15.

Table 4.15 Model fit

	Saturated model	Estimated model
SRMR	0.057	0.073
d_{ULS}	0.500	0.808
d_{G}	0.187	0.213
Chi-square	671.631	749.776

From Table 4.15, the SRMR values are below 0.08, the estimated model d _ ULS value of the model is 0.808, higher than the saturated model of 0.500, the estimated model d_G value is 0.213, higher than the saturated model of 0.187, but all three values are 95% below the bootstrap quantile. Indicating that the model fit is good, it means the model has a good quality and reliability.

4.2.3.2 Collinearity test

Due to the potential instability and interpretative issues that multicollinearity might introduce to model parameters, we used the Variance Inflation Factor (VIF) to assess whether multicollinearity was present in our research model. Typically, when the tolerance value is greater than or equal to 0.2 and the VIF value is less than or equal to 5, it indicates that there is no significant collinearity between the indicators (Hair et al., 2011). Specifically, 5<VIF<10, moderate collinearity, should be considered; VIF>10, high collinearity, needs to be vigilant; VIF<5 low collinearity, acceptable. An instrument is deemed suitable for further analysis if its VIF value is less than 3 for the inner model and less than 5 for the outer model (Hair et al., 2019). This standard is considered one of the mainstream methods in the field of structural equation modeling, providing researchers with a reliable means to verify the robustness and credibility of their models.

Running model 1 for the algorithm, the Outer Model of Collinearity Statistics of measurement items were presented in Table 4.16, Running model 2 (Figure 4.2) for the algorithm, the Outer model of collinearity statistics of sub-constructs was shown in Table 4.17, while the inner model of collinearity statistics was shown in Table 4.18.

Table 4.16 Outer model of collinearity statistics (measurement items)

Measurement item	VIF	Measurement item	VIF
AEP_1	2.235	IT_1	2.491
AEP_2	2.386	IT_2	2.526
AEP_3	2.557	IT_3	2.249
AEP_4	2.535	IT_4	2.313
APP_1	2.428	PCV_1	2.299
APP_2	2.311	PCV_2	2.306
APP_3	2.426	PCV_3	2.260
APP_4	2.437	PCV_4	2.285
BI_1	2.353	PER_1	2.578
BI_2	2.456	PER_2	2.510
BI_3	2.262	PER_3	2.584
BI_4	2.338	PER_4	2.614
CS_1	2.278	PSR_1	2.850
CS_2	2.407	PSR_2	2.803
CS_3	2.334	PSR_3	3.086
CS_4	2.312	PSR_4	2.599
FF_1	2.428	QT_1	2.440
FF_2	2.114	QT_2	2.129
FF_3	2.270	QT_3	2.299
FF_4	2.231	QT_4	2.231
FIR_1	4.343	SR_1	2.470
FIR_2	4.219	SR_2	2.315
FIR_3	4.648	SR_3	2.200

Table 4.16 Outer model of collinearity statistics (measurement items) (Cont.)

Measurement item	VIF	Measurement item	VIF
FIR_4	4.334	SR_4	2.523
IF_1	2.115	UF_1	2.115
IF_2	2.367	UF_2	2.367
IF_3	2.221	UF_3	2.221
IF_4	2.085	UF_4	2.085

(Note: The table is truncated for brevity.)

Table 4.17 Outer model of collinearity statistics (first-order)

Sub-construct	VIF
AEP	1.578
APP	1.411
BI	1.539
UF	1.431
FF	1.490
IF	1.396
QT	1.473
IT	1.532
CS	1.470
PER	1.535
PSR	1.477
FIR	1.436
SR	1.583

Table 4.18 Inner model of collinearity statistics

	BES	BT	PF	PR	PCV	PCV*PR
BES						
BT				1.217		
PF				1.218		
PR	1.131					
PCV	1.150					
PCV*PR	1.020					

From the provided tables, it was evident that all VIF values for both the outer model of measurement items and sub-constructs were below the threshold of 5. Additionally, the inner model of collinearity statistics revealed that VIF values for the inner model range from 1.020 to 1.218, well below the commonly accepted threshold of 3. Therefore, it can be conclusively stated that there were no significant issues of multicollinearity within the structural model. Consequently, in this study, it is unlikely that multicollinearity will adversely impact the path coefficients of the structural model.

4.2.3.3 Inner Model Evaluation

Following the assessment of the model's measurement, also referred to as model evaluation externally by testing the validity and reliability of the measuring instrument until confident that the latent variables under study were reliable and appropriate, then proceeded to assess the structural model for PLS-SEM, which is also known as inner model evaluation. This section focused on explaining the variance of latent variables internally, the size of the influence of independent variables on dependent variables, the predictive ability of latent variables, and the testing of hypotheses (path coefficients and significance levels).

The assessment of the structural model focused on the variance explained in the dependent latent variables, the size and significance of the path coefficients, the predictive relevance of the model, and hypothesis testing. Commonly used indicators included R2, f2 and Q2. In path analysis, we primarily considered the magnitude, sign, and significance level of the path coefficients. The significance level was typically measured by the p-value, with a p-value less than 0.05 indicating statistical significance. In addition to p-values, we also considered the t-value and confidence intervals to ensure the reliability of the path coefficient interpretations.

To clearly understand the relationships between all variables in the research framework, this study employed the bootstrap algorithm to obtain t-values and p-values, thereby testing the research hypotheses within the model. The bootstrap algorithm is a resampling technique that estimates the distribution of parameters by randomly drawing a large number of samples from the original data set. We used 5000 bootstrap subsamples to ensure accurate estimation of model parameters and enhance the robustness of the results. Figure 4.4 presents an overview of the structural model results. In addition to depicting the coefficient paths between dependent and independent variables, the figure also displays other key indicators. This information helps us understand the relationships between variables in the model and their impact on the target variable, providing a more comprehensive assessment of model fit and explanatory power. The model includes all variables in the research framework: the independent variables, brand trust (BT) and perceived fit (PF); the mediating variable, perceived risk (PR); the dependent variable, brand extension success (BES); the moderator variable, psychological contract violation (PCV).

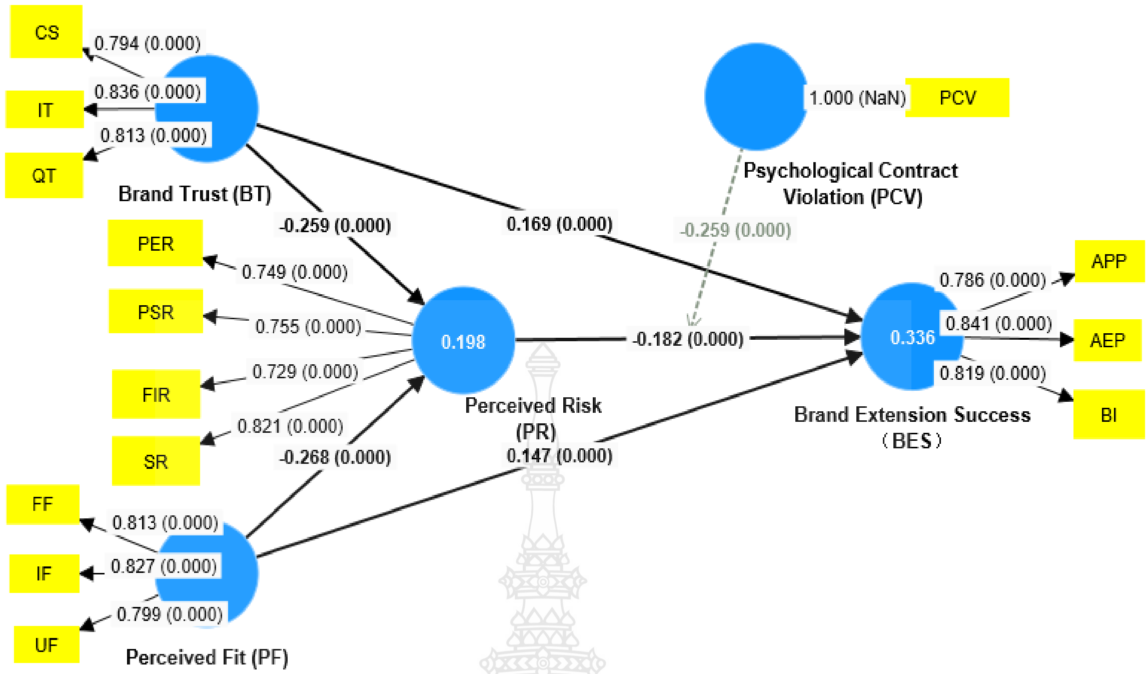

Figure 4.3 Results of path analysis

1. Path analysis and hypotheses test

This study used the PLS-SEM method to evaluate the structural model and test hypotheses through the bootstrapping process for statistical significance testing of parameters. This employed a two-tailed hypothesis test with a significance level of 0.05, meaning $p < 0.05$ and t-statistic values greater than or equal to 1.96, indicating that the path coefficients support the research hypotheses. Path model coefficients were evaluated, representing hypothesized relationships between constructs and ranging from −1 to 1 (Hair et al., 2017). We employed bootstrapping to run the lower-order model, with the path coefficients between variables, specific indirect effects and total effects shown in Table 4.19 to Table 4.21, respectively.

Table 4.19 Path coefficients (direct effects)

Path	Original sample	Sample mean	SD	t-value	p-value
BT→BES	0.169	0.170	0.044	3.886	0.000
PF→BES	0.147	0.148	0.042	3.529	0.000
BT→PR	-0.259	-0.261	0.041	6.269	0.000
PF→PR	-0.268	-0.268	0.042	6.421	0.000
PR→BES	-0.182	-0.182	0.043	4.212	0.000
PCV→BES	-0.154	-0.153	0.039	3.968	0.000
PCV × PR→BES	-0.259	-0.258	0.040	6.517	0.000

Table 4.20 Indirect effects

Path	Original sample	Sample mean	SD	t-value	p-value
BT→ PR→ BES	0.047	0.048	0.014	3.449	0.000
PF→PR→ BES	0.049	0.049	0.014	3.509	0.000

Table 4.21 Total effects

Path	Original sample	Sample mean	SD	t-value	p-value
BT→ BES	0.216	0.217	0.043	5.052	0.000
PF→ BES	0.196	0.197	0.040	4.880	0.000
BT→ PR	-0.259	-0.261	0.041	6.269	0.000
PF→ PR	-0.268	-0.268	0.042	6.421	0.000
PR→ BES	-0.182	-0.182	0.043	4.212	0.000
PCV→ BES	-0.154	-0.153	0.039	3.968	0.000
PCV × PR→BES	-0.259	-0.258	0.04	6.517	0.000

From Table 4.19, it was seen that the path coefficient from Brand Trust (BT) to Brand Extension Success (BES) was 0.169, which was significant (t-value = 3.886, p-value < 0.001); the path coefficient from Perceived Fit (PF) to Brand Extension Success (BES) was 0.147, which was significant (t-value = 3.529, p-value < 0.001); the path coefficient from Brand Trust (BT) to Perceived Risk (PR) was -0.259, which was significant (t-value = 6.269, p-value < 0.001); the path coefficient from Perceived Fit (PF) to Perceived Risk (PR) was -0.268, which was significant (t-value = 6.421, p-value < 0.001); and the path coefficient from Perceived Risk (PR) to Brand Extension Success (BES) was -0.182, which was significant (t-value = 4.212, p-value < 0.001). The interaction term between Perceived Risk (PR) and Psychological Contract Violation (PCV) had an effect coefficient on Brand Extension Success (BES) of -0.259 (t-value = 6.517, p-value < 0.001), verifying that Psychological Contract Violation (PCV) moderates the relationship between Perceived Risk (PR) and Brand Extension Success (BES).

As shown in Table 4.20, the specific indirect effect of the path BT→PR→BES was 0.047 (t-value = 3.449, p-value < 0.001), indicating that Brand Trust (BT) affected Brand Extension Success (BES) through its impact on Perceived Risk (PR). The specific indirect effect of the path PF→PR→BES was 0.049 (t-value = 3.509, p-value < 0.001), indicating that Perceived Fit (PF) affected Brand Extension Success (BES) through its impact on Perceived Risk (PR).

Table 4.21 presents the total effects of Brand Trust (BT) on Brand Extension Success (BES) and Perceived Risk (PR) on Brand Extension Success (BES), which were the sum of direct and indirect effects. The total effect of BT on BES was 0.216 (t-value = 5.052, p-value < 0.001), and the total effect of PF on BES was 0.196 (t-value = 4.880, p-value < 0.001).

The hypotheses of this study were then tested based on the path coefficients (including direct, indirect, and total effects), while considering the confidence intervals. Based on the model results, we analyzed the relationships between Brand Trust (BT), Perceived Fit (PF), Perceived Risk (PR), Brand Extension Success (BES), and Psychological Contract Violation (PCV).

Firstly, the direct effects (H1 and H2) and mediating effects (H3 and H4) were tested. Next, the moderating effect of PCV (H5 and H6) were examined. The details are as follows:

Testing Hypothesis 1 and Hypothesis 2

H1: BT significantly affects BES.

H2: PF significantly affects BES.

The results showed that there was a positive correlation between Brand Trust (BT) and Brand Extension Success (BES), Table 4.22 shows the path coefficient of BT→BES was 0.169 with a t-value greater than 1.96, and a p-value of less than 0.001, and a confidence interval of 0.098 to 0.241 excluding 0. All these values indicated that Brand Trust (BT) significantly affected Brand Extension Success (BES). Therefore, Hypothesis 1 was supported.

Table 4.22 Analysis results for testing H1 and H2

	Path	**β**	**t-value**	**p-value**	**Confidence intervals**		**Result**
					5.00%	**95.00%**	
H1	BT→BES	0.169	3.886	0.000	0.098	0.241	Support
H2	PF→ BES	0.147	3.529	0.000	0.079	0.217	Support

The results showed that there was a positive correlation between Perceived Fit (PF) and Brand Extension Success (BES), Table 4.22 shows the path coefficient of BT→BES was 0.147 with a t-value greater than 1.96, and a p-value of less than 0.001, and a confidence interval of 0.079 to 0.217 excluding 0. All these values indicated that Perceived Fit (PF) significantly affected Brand Extension Success (BES). Therefore, Hypothesis 2 was supported.

(2) Testing Hypothesis 3: PR transmits effects of BT to BES.

When testing Hypothesis 3, the focus was on examining whether Brand Trust (BT) affects Brand Extension Success (BES) through the mediation of Perceived Risk (PR). The results of the analysis, including total effect, direct effect and indirect effect, were summarized in Table 4.23.

Table 4.23 Analysis results for testing H3

	Effect	β	t-value	p-value	Confidence intervals		VAF	Result
					5.00%	95.00%		
BT→ PR→ BES (H3)	Total	0.216	5.052	0.000	0.147	0.288	-	Support
	Direct	0.169	3.886	0.000	0.098	0.241	78.24%	
	Indirect	0.047	3.449	0.000	0.026	0.071	21.76%	

As shown in Table 4.23, the analysis results for Hypothesis 3 indicated that Brand Trust (BT) had both direct and indirect effects on Brand Extension Success (BES) through Perceived Risk (PR). Specifically, the direct effect of BT on BES was 0.169, with a t-value of 3.886 (p-value < 0.001), and its confidence interval ranging from 0.098 to 0.241, demonstrating a significant direct relationship between BT and BES. The indirect effect of BT on BES through PR was 0.047, with a t-value of 3.449 (p-value < 0.001), and its confidence interval ranges from 0.026 to 0.071. This further confirmed the significance of the mediating role of PR in transmitting the effects of BT to BES.

The Variance Accounted For (VAF), which measures the proportion of the total effect that is mediated, was calculated to be 21.76%, indicating a partial mediation effect. This implies that while BT directly effects BES, PR also plays an important, though not dominant, mediating role in this relationship. Given that the confidence intervals for both the direct and indirect effects did not include 0, the significance of these effects is further strengthened.

Thus, Hypothesis 3 was supported, PR transmitted effects of BT to BES.

(3) Testing Hypothesis 4: PR transmits effects of PF to BES.

When testing Hypothesis 4, the focus was on examining whether Perceived Fit (PF) affects Brand Extension Success (BES) through the mediation of Perceived Risk (PR). The results of the analysis, including total effect, direct effect and indirect effect, were summarized in Table 4.24.

Table 4.24 Analysis results for testing H4

Path	Effect	β	t-value	p-value	Confidence intervals		VAF	Result
					5.00%	95.00%		
PF→ PR→ BES (H4)	Total	0.196	4.880	0.000	0.132	0.265	-	Support
	Direct	0.147	3.529	0.000	0.079	0.217	75.00%	
	Indirect	0.049	3.509	0.000	0.028	0.073	25.00%	

As shown in Table 4.24, the analysis results for Hypothesis 4 indicated that Perceived Fit (PF) had both direct and indirect effects on Brand Extension Success (BES) through Perceived Risk (PR). Specifically, the direct effect of PF on BES was 0.147, with a t-value of 3.529 (p-value < 0.001), and its confidence interval ranging from 0.079 to 0.217, demonstrating a significant direct relationship between PF and BES. The indirect effect of PF on BES through PR was 0.049, with a t-value of 3.509 (p-value < 0.001), and its confidence interval ranges from 0.028 to 0.073. This further confirmed the significance of the mediating role of PR in transmitting the effects of PF to BES.

The Variance Accounted For (VAF), which measures the proportion of the total effect that is mediated, was calculated to be 25.00%, indicating a partial mediation effect. This implies that while PF directly influences BES, PR also plays an important, though not dominant, mediating role in this relationship. Given that the confidence intervals for both the direct and indirect effects did not include 0, the significance of these effects is further strengthened.

Thus, Hypothesis 4 was supported, PR transmitted effects of PF to BES.

(4) Testing hypothesis 5 and hypothesis 6

H5: The causal chain BT→PR→BES changes under the conditions of PCV.

H6: The causal chain PF→PR→BES changes under the conditions of PCV.

To test Hypotheses 5 and 6, this study examined the moderating role of psychological contract violation (PCV) on the causal chain among brand trust (BT), perceived risk (PR), and brand extension success (BES) (H5), as well as perceived fit (PF), PR, and BES (H6). The analysis was conducted using the PROCESS macro in SmartPLS, which was particularly suitable for testing complex causal models with both moderation and mediation effects, aligned well with the structure of the proposed hypotheses. The primary focus was on deriving Conditional Indirect Effects to assess whether PCV significantly moderates the strength and significance of the indirect effects under varying conditions (i.e., at +1 SD, mean, and -1 SD of PCV).

The transition from Model 2 to the PROCESS procedure was performed to evaluate the moderating role of PCV in the hypothesized causal relationships. By employing Bootstrapping with 5,000 resamples, conditional indirect effects were computed, and the results were presented in Table 4.25. These findings offered critical insights into how mediation pathways were affected by different levels of PCV.

Table 4.25 Conditional indirect effects (testing H5 and H6)

Path	**Conditional on PCV**	**β**	**SD**	**t-value**	**p-value**	**Confidence intervals**	
						5.00%	**95.00%**
BT→PR→BES	at +1 SD	0.112	0.024	4.688	0.000	0.069	0.161
	at Mean	0.047	0.014	3.456	0.001	0.023	0.076
	at -1 SD	-0.019	0.014	1.315	0.189	-0.047	0.008
PF→PR→BES	at +1 SD	0.114	0.025	4.566	0.000	0.07	0.167
	at Mean	0.048	0.014	3.473	0.001	0.023	0.077
	at -1 SD	-0.019	0.014	1.308	0.191	-0.049	0.008

As shown in Table 4.25, for the BT→PR→BES causal chain, at +1 SD of PCV, the indirect effect was 0.112 (t-value = 4.688, p-value < 0.001, with a confidence interval ranging from 0.069 to 0.161, indicating a significant mediation effect at high levels of PCV. At the mean level of PCV, the indirect effect was 0.047 (t-value = 3.456, p-value = 0.001), with a confidence interval ranging from 0.023 to 0.076, still showing significance but with reduced magnitude. At -1 SD of PCV, the indirect effect was non-significant, with a value of -0.019 (t-value = 1.315 < 1.96, p-value = 0.189 > 0.05), and the confidence interval ranging from -0.047 to 0.008 (including 0), indicating that at lower levels of PCV, the mediation effect is diminished.

Similarly, for the PF→PR→BES causal chain, at +1 SD of PCV, the indirect effect was 0.114 (t-value = 4.566, p-value < 0.001, with a confidence interval ranging from 0.070 to 0.167, indicating a significant mediation effect at high PCV levels. At the mean level of PCV, the indirect effect was 0.048 (t-value = 3.473, p-value = 0.001, with a confidence interval ranging from 0.023 to 0.077. At -1 SD of PCV, the effect was non-significant, with a value of -0.019 (t-value = 1.308 <1.96, p-value = 0.191 > 0.05), and the confidence interval ranging from -0.049 to 0.008 (including 0), showing the diminishing effect at low PCV levels.

The results of the analysis confirmed that PCV played a significant moderating role in both causal chains (BT→PR→BES and PF→PR→BES). At higher levels of PCV (+1 SD), the indirect effects were relatively strong and significant, indicating that the mediating role of PR was amplified when PCV was higher. At the mean level of PCV, the indirect effects were still significant but less pronounced. However, at lower levels of PCV (-1 SD), the indirect effects became non-significant, suggesting that the mediating influence of PR diminished as PCV decreased.

These findings supported Hypothesis 5 and Hypothesis 6, demonstrating that the strength of the causal chains between BT, PF, PR, and BES was contingent upon the level of PCV. Higher PCV strengthened the mediation effects, whereas lower PCV weakened them, indicating that consumer value perception played a crucial role in determining the success of brand extensions.

Thus, Hypothesis 5 and Hypothesis 6 were supported.

2. Coefficient of Determination (R2)

To evaluate the explanatory power of the structural equation model in this study, it was necessary to examine it. In PLS, the coefficient of determination (R^2) is commonly used to measure the explanatory power of a structural equation model, representing the "squared correlation between the actual and predicted values of a specific dependent variable," and is considered an in-sample prediction. To avoid bias towards more complex models, an adjusted coefficient of determination is used, which adjusts for the sample size relative to independent structures and systematically compensates for insignificant independent structures that would otherwise increase the explained variance. The values of R^2 and Adjusted R^2 range from 0 to 1, with higher values indicating higher model precision and better predictive ability. Chin (1998) introduced a standard that categorizes R-squared into three levels. He classified R-squared values less than 0.19 as small, those 0.33 as medium, and those above 0.67 as large, reflecting the strength of the explanation, representing weak, moderate, and substantial, respectively.

Table 4.26 Coefficient determination (R^2)

Variable	**R^2**		**R^2 adjusted**		**Explanatory power**
	β	**t-value**	**β**	**t-value**	
PR	0.198***	11.182	0.195***	10.907	Small
BES	0.336***	6.714	0.330***	6.602	Medium

Note: ***p<0.001.

Table 4.26 presented the coefficient of determination (R^2) for the key variables in the model. The R^2 value for Perceived Risk (PR) was 0.198, indicating small explanatory power. As a mediating variable, this suggested that approximately 19.8% of the variance in PR was explained by the independent variables, highlighting its role in transmitting the effects of these variables to the dependent variable. For Brand Extension Success (BES), the R^2 value was 0.336, representing moderate explanatory power, indicating that 33.6% of the variance in BES was explained by the model. Both R^2 values were statistically significant at the $p < 0.001$ level, indicating that the relationships observed between the predictors and outcomes were not due to random chance.

Although the R^2 values for PR and BES were not large, they remained statistically significant. The R^2 value for PR indicated that approximately 19.8% of its variance was explained by the independent variables, suggesting a small level of explanatory power. However, the R^2 value for BES, at 0.336, represented a moderate level of explanatory power, suggesting that about 33.6% of the variance in BES was attributable to the predictors.

Both R^2 values demonstrated significance at the $p < 0.001$ level, ensuring that the relationships observed were unlikely to be the result of random fluctuations. While the model explained only a portion of the variance in PR and BES, the independent variables still exerted a statistically significant influence on both variables.

In social sciences and marketing research, lower R^2 values are common due to the inherent complexity of human behavior and perceptions, which introduce a greater degree of variability. As a result, the small R^2 value for PR is typical for such research contexts, whereas the moderate R^2 value for BES suggests relatively stronger explanatory power. It is also crucial to note that statistical significance should not be confused with practical significance. Even when R^2 values are small or moderate, they can provide meaningful insights in applied contexts, especially when guiding business strategies and decision-making.

In conclusion, although the R^2 values did not indicate strong explanatory power, their statistical significance at the $p < 0.001$ level confirmed the reliability of the predictors' influence on PR and BES outcomes. These findings provide valuable insights for further research and practical applications.

3. Predictive Relevance (Q2)

The predictive validity of the model was assessed by running the Blindfolding program in SmartPLS to calculate Q^2. The Stone-Geisser test (Q^2) measures the model's ability to generate observed values and evaluates the explained variance of the dependent variable by the predictors. Q^2 indicates the predictive relevance of independent variables for dependent variables. Higher Q^2 values signify stronger predictive relevance, implying that the latent variables within the model better predict changes in other latent variables. Generally, a Q^2 value greater than 0 indicates that the model has predictive relevance, while a Q^2 value less than 0 indicates a lack of predictive relevance (Geiser, 1974). Cohen (2013) established criteria for determining predictive relevance: a Q^2 value of 0.02 suggests that the independent structure has small predictive relevance, a Q^2 value of 0.15 indicates moderate predictive relevance, and a Q^2 value of 0.35 signifies large predictive relevance.

Table 4.27 Predictive relevance

Independent variable	Q^2 (= 1-SSE/SSO)	Predictive Relevance
Perceived Risk (PR)	0.111	Near medium
Brand Extension Success (BES)	0.214	Medium

As shown in Table 4.27, in terms of predictive relevance value Q^2, Perceived risk (PR) Q^2 was 0.111, which is near medium predictive relevance, and Brand extension success (BES) $Q^2$was 0.214, indicating medium predictive relevance. Therefore, this study constructed the paths "BT, PR, PCV (moderation), BES", "PF, PR, PCV (moderation), BES" with overall medium predictive relevance.

4. Effect Size (f2)

According to the f2 value evaluation principle (Cohen, 2013), when $0.02 < f2 \leqslant 0.15$, it is a small effect, when $0.15 < f2 \leqslant 0.35$, it is a medium effect, and when $f2 > 0.35$, it is a large effect. By running the PLS algorithm program in SmartPLS, we obtained the f^2 values as shown in Table 4.28:

Table 4.28 Effect size (f^2)

Path	f^2	Consideration
BT→BES	0.033*	Small effect
BT→PR	0.072**	Small effect
PF→BES	0.026*	Small effect
PF→PR	0.076**	Small effect
PR→BES	0.041*	Small effect
PCV→BES	0.030*	Small effect
PCV × PR→BES	0.077**	Small effect

Note: *$p < 0.05$, **$p < 0.01$.

Based on the results in Table 4.28, we evaluated the effect sizes of the paths. According to Cohen (2013) standards, when f^2 values ranged between 0.02 and 0.15, they are considered small effects. Therefore, we found that in our model, the effects of all paths were classified as small. Despite being classified as small effects, these values still revealed some important relationships within the model. For example, the small effect size of the path PF→PR indicated that PF had a low explanatory power for PR in terms of variance. However, even small effects could be practically significant.

These results reminded us that in interpreting and understanding the effects within the model, we should consider not only the size of the effects but also the theoretical framework, research context, and practical significance. Small effects could still have a certain degree of impact on organizations or policymakers. The presence of small effects might imply that there were other unaccounted variables or complexities within the model, providing directions for future research.

4.2.4 Summary of Hypothesis Testing

Finally, the hypothesis testing results regarding perceived risk in brand extension, using the example of Chinese time-honored brands, were summarized. As shown in Table 4.29.

Table 4.29 Summary of hypothesis testing

Hypothesis		Testing Result
Hypothesis 1	BT significantly affects BES.	Supported
Hypothesis 2	PF significantly affects BES.	Supported
Hypothesis 3	PR transmits effects of BT to BES.	Supported
Hypothesis 4	PR transmits effects of PF to BES.	Supported
Hypothesis 5	The causal chain BT→PR→BES changes under the conditions of PCV.	Supported
Hypothesis 6	The causal chain PF→PR→BES changes under the conditions of PCV.	Supported

4.3 Qualitative Analysis

The primary purpose of the qualitative research was to explore the consumer perceptions in the extension of Chinese time-honored brands. The researcher collected relevant data by conducting in-depth interviews with consumers of the selected parent brand to provide complementary support for the quantitative research results.

A total of 10 consumers of [WLY] were interviewed in this study. The data gathered from these key informants aimed to validate and enrich the findings of the quantitative research, making them more nuanced. The basic characteristics of the 10 participants are outlined in the table below.

Table 4.30 Information about the participants in quantitative research

ID	Information
P1	Aged 46, with a consumption history of 8 years. He usually opts to purchase [WLY] from specialty stores that sell various alcoholic beverages
P2	At the age of 35, he has a consumption history of 5 years with [WLY]. He sees wine tasting as a way to enjoy life and is deeply attracted to this culture.
P3	Aged 45, with a consumption history of 10 years. She typically buys [WLY] to give as unique gifts for relatives and clients during important occasions.
P4	Aged 38, with a consumption history of 4 years. Every year before the Spring Festival, he purchases [WLY] to prepare for family reunions and create a festive atmosphere.
P5	Aged 52, with a consumption history of 8 years. He has a strong preference for the taste of [WLY], considering it a part of his refined lifestyle.
P6	Aged 38, with a consumption history of 4 years. He prefers the convenience of online purchases and often buys a larger quantity, using [WLY] for gifting and family reunions.
P7	Aged 56, with a consumption history of 8 years. She enjoys buying [WLY] from liquor specialty stores and takes pleasure in selecting different varieties.
P8	Aged 42, with a consumption history of 5 years. He has unique insights into the selection and taste preferences when it comes to [WLY].
P9	Aged 36, with a consumption history of 7 years. Due to her father's love for [WLY], she occasionally enjoys it with him. She purchases it annually, showcasing it during important occasions.
P10	Aged 28, with a consumption history of 4 years. He typically enjoys [WLY] during festive occasions and also uses it as a gift for elders and clients.

In this study, the participants were selected as the primary sources of information for qualitative research based on the following considerations:

Firstly, Considering the extensiveness of consumption experience: The participants' consumer history spans from 4 to 10 years, representing diverse levels of consumer experiences. By selecting participants with varying lengths of consumer history, the study can gain a more comprehensive understanding of consumers' perceptions and reactions to brand extensions, including both long-term loyal customers and newer consumers.

Secondly, Considering the diverse backgrounds: The participants range in age from 28 to 56, covering different age groups. This not only reflects the brand’s broad consumer base but also highlights differences in consumption habits, purchasing motives, and usage scenarios across different age levels, enabling the study to encompass a variety of consumer perspectives.

Thirdly, Considering the variety of consumption channels: The participants made purchases through different channels, including offline specialty liquor stores and online platforms. These varied purchasing methods reflect the diversity of consumer preferences and also illustrate the brand’s performance across different sales channels, providing a richer background for exploring brand extensions.

Lastly, Considering the diversity in consumption motives: The motives for purchasing [WLY] among the participants vary, covering scenarios from personal enjoyment and gift-giving to family gatherings. These diverse motives help researchers deeply understand how consumers perceive the risks and benefits of the brand and its extended products in different contexts, providing important references for brand extensions.

In summary, these 10 participants not only represent the typical consumer group of the [WLY] brand but also provide deep insights into different consumer behaviors, purchasing channels, usage scenarios, and brand perceptions, offering rich qualitative data for the study. Through this diverse group of consumers, the research can more comprehensively reveal the perceived risks and potential outcomes faced by Chinese time-honored brands during the extension process.

4.3.1 Insights into Consumer Risk Perceptions

Perceived risk refers to consumers' subjective awareness and psychological feelings about potential adverse outcomes during purchase decisions. It involves subjective expectations of potential adverse consequences or losses. When facing brand extension products of Chinese time-honored brand, consumers may perceive certain consumption risks. Through interviews with key information sources, their perceptions of risk related to the brand extension of Chinese time-honored brand were explored. The results revealed that perceived risks shared similarities with previous studies, primarily involving concerns about quality and product professionalism, worries about meeting actual needs, expectations gaps and feelings of disappointment, social evaluation concerns, cost-effectiveness considerations, and concerns about alignment with personal preferences. These align with dimensions of perceived risk measurement found in literature reviews and quantitative studies: performance risk, psychological risk, economic risk, and social risk. Some significant findings from the interviews are outlined below:

1. Concerns about Product Quality and Professionalism

In the interviews, most information providers expressed concerns about product quality, believing that a major liquor-focused company like [WLY] might lack expertise and experience in the perfume field. There were worries about whether the new product could match the core product's quality and performance and whether it underwent sufficient quality testing. These concerns reflect consumers' expectations of brand professionalism, suggesting that consumers believe brands should possess relevant expertise and quality control capabilities when extending into new product domains.

2. Concerns about Meeting Actual Needs

Most information providers expressed concerns about whether the new product could meet actual needs. This included concerns that the new product might lack the high quality of the original product, leading to an unpleasant consumer experience, and doubts about whether the new product genuinely fulfills individual practical needs. This highlights consumers' focus on the practicality of products and their contribution to daily life in purchasing decisions.

3. Expectations Gaps and Feelings of Disappointment:

Many information providers expressed concerns about the product not meeting psychological expectations, potentially leading to consumer disappointment. Worries included the fear that the new product might not maintain the established brand style and quality, causing emotional distress if an unsuitable product is purchased. This reflects consumers' expectations for brand extension products to continue the reputation and characteristics of the original brand.

4. Social Evaluation Concerns:

In the interviews, many information providers mentioned concerns about the opinions of others and social evaluations. This includes considerations about the reasonableness of product prices, alignment with societal values and expectations, and potential questioning and criticism from family members. Concerns about social evaluation reflect consumers' high sensitivity to others' perceptions during the shopping decision process.

5. Cost-Effectiveness Concerns

Information providers in the interviews commonly expressed concerns about the cost-effectiveness of the products, closely related to economic risk. Consumers pay special attention to the reasonableness of product prices and whether the product can provide corresponding value, reflecting their willingness to conduct cost-benefit analyses in shopping decisions. Concerns about price premiums may directly impact purchase decisions, especially when compared with mainstream brands in the extension product category.

6. Concerns about Alignment with Personal Preferences:

Many information providers expressed concerns about whether the new product aligns with their personal preferences, emphasizing consumers' desire for personalized shopping experiences. Concerns revolved around worries that the new product might not fully cater to individual tastes and aesthetics, indicating consumers' recognition of the importance of alignment between products and personal preferences in shopping decisions.

The concerns about alignment with personal preferences directly influence the direction of decisions, as consumers are more inclined to choose products that align with their unique tastes and aesthetic standards. Expressing concerns about personal preferences mainly involves worries that the new product may not meet individual unique tastes, potentially leading to hesitations and unpleasant shopping experiences, resulting in economic losses.

Details of the interview summaries are provided below:

P1: I have doubts that this ‘perfume’ from [WLY] can meet my expectations for a fragrance. [WLY] is known for producing liquor, not perfume, and I’m not sure they can produce good quality perfume. Also, using a perfume from the [WLY] brand feels a bit odd to me. Psychologically, I’m not very receptive to it. Imagine, it feels like spraying liquor on myself. In recent years, [WLY]’s brand premium has been quite significant. To match its brand value, the new product is likely to be expensive. I think buying such a perfume poses a significant risk of wasting money, considering the mismatch between value and price, and the possibility that it might not be fully utilized, making it a waste if not used. Moreover, if my friends knew I bought [WLY] perfume, they would probably find it unbelievable. They might think I should buy widely accepted perfume brands like Dior or Chanel, which are professional.

P2: Personally, I’m worried that the quality and effectiveness of this product might not meet expectations, and I’m concerned that the actual usage experience might be disappointing.

P3: I feel the new product might not meet my anticipated needs. For instance, the new product may not possess the high-quality of the original. It might lead to an unpleasant shopping experience. Likely, it would be a waste of money without getting something suitable, and I might even be criticized by my family.

P4: I might worry about [WLY] being a company primarily known for liquor, not perfume, questioning their expertise and experience in the perfume field. If [WLY]’s perfume is positioned in the high-end market, I would be concerned about whether its price is reasonable and how it compares in terms of value for money with other internationally renowned perfume brands. Whether it would be liked if given as a gift is also uncertain.

P5: Product performance is my primary concern. For the newly launched extension product, I might worry whether its quality standards are consistent with [WLY]'s existing products and whether it is professional enough. [WLY]'s liquor has always had a high-end and sophisticated image, but if the perfume is also exorbitantly priced, I would temporarily consider it not worth it. In considering trying the new product, I would worry that it might not meet my psychological expectations and not suit my preferences. These uncertainties and concerns might make me hesitate to decide whether to buy the new product.

P6: When considering trying a new extended product, I perceive risks in the following aspects. Firstly, the most crucial concern is that the quality and performance may not match up to the brand's core products. It's akin to buying a new brand of smartphone, but the user experience falls far short of the satisfaction derived from the trusted original product, potentially leading to a sense of disappointment. Secondly, there's the risk of purchasing an unsuitable product. This not only involves a financial loss but could also lead to questioning and criticism from family members. Friends and family might wonder, "What's going on with you? Why did you buy this?" because they might perceive the purchase of certain new products as unnecessary. This lack of understanding could make the shopping experience less enjoyable.

P7: When purchasing a new product, I might be concerned about whether its price is reasonable and if it provides value for money. I could worry about the cost-effectiveness of the product and whether I will receive corresponding benefits after the purchase. Considering the perceptions and attitudes of those around me towards the new product is also important, along with assessing whether the product aligns with societal values and expectations. If the new product deviates from societal expectations or is seen as unconventional, it could potentially impact my purchasing decision.

P8: When considering trying a new extended product, my primary concern would be whether the product can maintain the consistent style and quality of the original brand. I would also be interested in the product's performance and effects since it's my first time trying it, and I wouldn't want to be disappointed.

Price is also a factor for consideration; I hope to get a worthwhile experience for the money spent. Additionally, I would check reviews from other people and see if there is positive feedback about the new product on social media. Overall, I want to ensure that trying the new product won't bring too much uncertainty and regret.

P9 I feel that the cost-effectiveness may not be high, especially if it's priced similarly to [WLY]'s core products. Considering that perfume is not their expertise, pricing it at the same level might make it seem overpriced. In such a scenario, I would perceive a lower likelihood of getting value for the money spent, with the pricing relying more on brand effects, potentially leading to a significant premium. If I were to purchase it, I might not use it much, and it would feel a bit peculiar. If my family sees me buying [WLY] perfume, they might find it quite surprising. For purchasing perfumes, I would prefer to choose products from more commonly known perfume brands available in the market.

P10: When considering trying a new extended product, I would contemplate potential risks. Firstly, I would be concerned about whether the product's quality meets the expected standards and whether the funds spent provide value for money. Additionally, there is the worry that the new product may not align with my initial expectations and preferences, leading to a subpar user experience. I would also pay attention to whether the product genuinely fulfills my actual needs to avoid discovering post-purchase that it doesn't contribute practically to my life, turning it into an unnecessary expense.

4.3.2 Insights into the Effects of Perceived Risks

All interviewees unanimously agreed that perceived risk would influence their evaluation of brand extensions, mainly manifesting in purchase intention, acceptance and support tendencies, price considerations, value perception, and overall brand impact assessment. In terms of acceptance or willingness to purchase, the presence of perceived risk makes them more cautious in decision-making. Firstly, when consumers contemplate buying a brand's extended product, their primary concern is the product's quality and efficacy. If consumers feel uncertain or skeptical about the quality of the extended product, it directly impacts their overall evaluation of the brand extension. In cases of higher performance risk, consumers may adopt a reserved attitude toward the extended product. Secondly, for expensive extended products, financial risk becomes a crucial consideration. If consumers perceive that the financial investment in purchasing such products is not justified, they may have a negative evaluation of the brand extension. Additionally, social-psychological risk is also a significant consideration, especially when purchasing decisions involve personal identity and self-expression, potentially leading to negative evaluations of the brand extension. Lastly, consumers may feel both excitement and caution towards innovative and differentiated brand extensions. If innovation is seen as value-added and aligns with the brand image, perceived risk is low, and the evaluation of the brand extension may be more positive. However, if innovation is considered to deviate from the brand's core or is deemed insignificant, perceived risk increases, and the evaluation may lean toward the negative side..

Details from specific interviews (excerpt) are provided below:

P1: If a product can meet my expectations for quality and tradition, I might consider making a purchase. However, if I have concerns about the performance of the new product, it would cause me some hesitation. Overall, I have a reserved opinion about the extension product you mentioned. Deciding whether to try it would depend on observing their performance in the perfume market. If [WLY] can effectively convey the unique charm of perfume while ensuring product quality, I might consider purchasing it in the future. It's positive for brands to explore new territories, but they must be cautious about potential negative impacts. When introducing new products, [WLY] needs to carefully evaluate market potential and risks to ensure consistency between product quality and brand image.

P2: I feel that the brand has fully leveraged its advantages by expanding its brand influence into new market areas through a diversified product portfolio. This is a good development strategy. Regarding the perfume product launched by [WLY], I have some concerns if you ask me whether I would buy it. During the Chinese New Year, I usually purchase their liquor, but the likelihood of buying their perfume is relatively low. If they are considering developing new products, I hope they focus on developing peripheral products related to liquor and avoid venturing too far. If they introduce products that are too different, I might not be very accepting. On the one hand, it's because I don't have a need for such products. On the other hand, if I do need them, I am more likely to choose well-known brands that specialize in perfumes.

P3: [WLY] planning to launch perfumes seems a bit far-fetched. I'm just observing it, find it quite novel. However, if I were to buy, due to concerns about the possibility of shopping failure, honestly, I might not consider trying it. Psychologically, I find it a bit hard to accept, feels strange, and somewhat amusing. [WLY] introducing this new perfume product might be attractive to some people, but for me, I prefer to continue treating it as liquor, avoiding these fancy things.

P4: As mentioned earlier, I believe there are risks associated with purchasing [WLY] perfume. If they indeed launch this product, I might not consider buying it. When it comes to buying perfume, I tend to lean towards other well-known brands, as I'm not very confident that [WLY]'s perfume can truly compete with internationally renowned brands. Stick to buying alcoholic products from [WLY]; the leap is too broad, and I find it hard to accept. Perhaps, if the market response is good later on, I might consider purchasing it as a gift for family or friends, a new attempt, and also a way to support the innovative development of a liquor brand I like. Willingness to explore new methods to break through the dimensional barrier of young consumers is commendable. This also indicates that traditional liquor enterprises are gradually feeling the pressure from newcomers like Jiang Xiaobai. However, as an old consumer like me, it was somewhat unexpected. Launching perfume might be a marketing strategy for the [WLY] brand to gain popularity and exposure. From my perspective, in the long run, this may be a bit inappropriate and could damage [WLY]'s image among existing customers.

P5: [WLY], as a representative of high-end Chinese liquor, has a brand image closely associated with sophistication and high quality. The introduction of a new product like perfume requires ensuring consistency with its market positioning and brand image. If the product's positioning and quality cannot align with [WLY]'s established brand image, it may confuse consumers and even harm the brand's reputation. Regarding [WLY] venturing into perfume production, I sense the presence of purchasing risks. Although I appreciate [WLY] liquor, I might be less inclined to consider purchasing [WLY] perfume. [WLY] liquor has always portrayed itself with a high-end and sophisticated image. However, if the price of the perfume is comparable to that of the liquor, I might feel that the purchase lacks significant value.

P6: I enjoy trying new things and usually purchase new products, which brings me a lot of joy. If [WLY] introduces some small-sized perfumes at a reasonable price, I feel it's worth a try. However, if they come in 50ml bottles, I might need to consider it more carefully.I believe there must be reasons and planning behind the launch of new products, and I support my favorite brands in their innovative development. If [WLY] can apply their consistent rigorous standards and quality control to the new product line, producing high-quality items, I would consider supporting their new venture.

P7: I have an open attitude towards [WLY] launching perfumes. While there are potential risks such as maintaining quality and brand image, I believe brand innovation is positive and helps expand product lines to meet the needs of different consumers. If [WLY] can offer competitive prices, ensure the quality of the perfume, and align with my personal taste in product design, I might consider making a purchase. However, overall, since I currently have limited knowledge about this product, I would still carefully consider whether to buy it or not.

P8: Due to the perceived risks associated with purchasing [WLY]'s perfume, it lowers my willingness to make the purchase. I want to ensure that my shopping is safe and worthwhile. If I encounter issues or dissatisfaction after buying the perfume, it could potentially impact my overall impression of [WLY] and lead to a skeptical attitude toward the brand extension strategy.

P9: I believe that the perceived risks will influence my perception of the extended product introduced by [WLY] and their overall brand extension strategy. There is a significant sensory difference between white wine and perfume, and I am concerned about whether [WLY] can perform as well in the perfume industry as they do in the white wine sector.

P10: As a consumer, I have some reservations about [WLY] launching a perfume as an extension product. [WLY], being a renowned liquor brand, venturing into the perfume industry is quite surprising to me. I am concerned that they may lack the necessary expertise and experience in this entirely new product category. These doubts have influenced my intention to purchase this new product. Although I am curious about this bold move, I still hope [WLY] will proceed cautiously with its brand extension while maintaining its tradition and quality.

4.3.3 Identifying Reasons Behind Consumer Risk Perceptions

1. Impact of Extension Fit on Perceived Risks

In the interviews, it was observed that the fit of the extension plays a crucial role in influencing consumer perceived risks. This primarily manifests in the consistency of the extended product with the existing product category of the parent brand, specialization in the field, alignment of the new product category with the brand image, consistency in quality, alignment with values, and the degree of consumer usage and acceptance.

Respondents highlighted that for a brand looking to expand its product line, understanding the consumer acceptance of the new product is essential. Considering the demands and preferences of the target market for the new product category is also crucial. If the extended product aligns well with the core values and brand image of the parent brand, consumers perceive lower risks associated with this new product. This is because consumers already have a certain level of awareness about the parent brand, leading them to believe that the new product will likely possess similar quality and values.

Conversely, if the new product contradicts the image and core values of the parent brand, it may cause consumer confusion, increase doubts regarding product quality and brand consistency, consequently raising perceived risks.

Excerpt from the interview is provided below:

P1: Possibly, the main concern arises from the significant difference between perfume and [WLY]'s original products. Therefore, I tend to consider this aspect more critically. Despite [WLY] being a renowned company, I feel that they lack the experience and expertise in producing perfumes. As a business primarily focused on liquor, [WLY] may lack the necessary experience and specialized knowledge required for manufacturing high-quality perfumes. Perfume production involves unique formulations, careful selection of fragrances, and blending techniques, which significantly differ from the production of liquor. Moreover, there is a mismatch between the brand image of perfume and that of [WLY]. [WLY], as a liquor producer, is associated with a high-end, traditional liquor culture. It might be challenging for me to accept the association of this brand image with an entirely different field like perfumes. Using [WLY]'s perfume might evoke thoughts of the taste and ambiance of liquor, potentially impacting the pleasant experience expected from the perfume.

P2: The primary distinction in product categories is quite substantial. While both perfume and liquor are liquids, their purposes and product categories are entirely different. There's also uncertainty regarding the manufacturing process. [WLY]'s brand was not originally associated with perfumes, and there's a saying, "Changing industries is like crossing a mountain," highlighting the uncertainties associated with venturing into a completely different domain.

P3: In recent years, I've been purchasing [WLY] liquor for personal use and as gifts for clients. However, when it comes to their new products like perfume, I perceive some risks because it deviates significantly from their core business of producing liquor. [WLY] has a long-standing reputation in white liquor production, and the notable differences between liquor and perfume raise concerns for me. There's a saying, "Leave professional matters to professionals." While I trust their expertise in producing liquor, I am less confident in their ability to produce quality perfumes.

P4: [WLY] is primarily known for its production of white liquor, and perfume belongs to a different product category. I might be concerned about whether they possess sufficient expertise and technology. The manufacturing processes for white liquor and perfume may have significant differences, involving distinct raw materials and production techniques. I worry about [WLY]'s ability to smoothly transition and ensure the quality and longevity of the perfume. Additionally, despite claims of maintaining a consistent style, the introduction of perfume by [WLY] doesn't align with its traditional image as a producer of white liquor. These various reasons contribute to my concerns about the potential risks associated with purchasing [WLY]'s perfume.

P5: The significant difference between [WLY]'s core product, white liquor, and its extended product, perfume, is a key factor. After all, liquor and perfume belong to two entirely different domains.

P6 The main source of concern stems from worries about quality and professionalism. [WLY] has consistently been a specialized producer of white liquor. Liquor and perfume are two different products with significant differences in manufacturing processes, ingredients, and techniques. Hence, I am concerned about whether [WLY] can maintain the same level of quality and professionalism in the field of perfume as they do in their white liquor products.

P7: If the information about [WLY]'s extended product is inconsistent with the existing brand impression consumers have of [WLY], it might lead to confusion and raise doubts about the product. If [WLY] has always presented itself with an image of high-end white liquor and suddenly introduces a product line in an entirely different category, consumers are likely to question this strategy.

P8: I would have some concerns about the new product, the perfume, introduced by [WLY]. Firstly, because I have always associated [WLY] as a brand of white liquor, the introduction of perfume feels somewhat unexpected and might contradict my long-standing expectations of the brand. I would question whether this perfume can maintain the consistent quality and image of [WLY]. Secondly, my expectations and understanding of perfume as a product are relatively limited, so I would worry about potential dissatisfaction after purchase. Lack of knowledge about the performance and effects of the perfume would make me uneasy. Lastly, price is also a consideration. If the perfume is priced on the higher side, I might contemplate whether it offers value for money and if it's worth trying.

P9: I believe there are some risks associated with purchasing [WLY] perfume, primarily because of the substantial differences in nature between perfume and [WLY]'s flagship white liquor products—they belong to completely different product categories. Typically, I consider [WLY] white liquor as a good choice for gifting during the Chinese New Year, while gifting perfume to friends might be interesting. However, I feel that my friends might not appreciate it as much because it deviates significantly from their traditional expectations of [WLY]. The divergence in product categories could raise doubts about the practical use and acceptance of the perfume for me.

P10: This new product is not of the same type as the ones I frequently purchase, and [WLY] lacks previous production experience in this area. I might think that they are introducing it to make money or to gain more attention, increasing exposure and traffic, with the product quality likely not being very good. If I were to buy it, I would feel like I'm being taken advantage of, charged a high price, and worry that the actual value of the product doesn't align with its price.

2. Brand Trust and Its Impact on Perceived Risks

In the interview, it was found that consumers' trust in the parent brand influences their perception of risks when purchasing extended products. They also believe that, relatively speaking, when faced with a new product launched by a brand they already trust, their uncertainty and hesitation are usually reduced. This trust is built on the long-term relationship between consumers and the brand, as well as the brand's past performance and market reputation. Brand trust helps establish a sense of security in consumers' minds, making them more willing to try the brand's new products. This trust stems from the brand's consistent record of providing high-quality products and services, along with consumers' personal positive experiences. Conversely, if consumers harbor skepticism about the brand or have had negative experiences in the past, even if the brand launches high-quality new products, consumers' perception of risks may increase correspondingly, leading them to hesitate when purchasing these new products. Here are some details excerpted from the interview:

P1: I have purchased liquor from [WLY] quite frequently, especially during the past few Chinese New Year celebrations. I have a high level of trust in [WLY], considering them reliable in the field of liquor with unquestionable quality. This trust stems from my recognition of the brand's past performance and reputation, as well as confidence in the brand's continuous delivery of high-quality products in the future. This trust might extend to their newly introduced products, as I believe they are likely to maintain a certain level of quality. Therefore, to some extent, this trust diminishes my perception of risk. Despite the introduction of a somewhat unconventional product, my trust in the brand might lead me to take the risk and try the new product, especially if the price is reasonable. The decision to try is influenced by a combination of trust, curiosity, and the product's affordability.

P2: When faced with numerous brands offering the same product, making a choice can become challenging. However, the trust we have in a particular brand might lead us to make more decisive decisions when considering a purchase. This is particularly true for me during regular shopping experiences. Regarding [WLY] perfume, the broad difference in product categories may create some hesitation, but my trust in the brand leads me to believe that they would adhere to high standards in producing new products. If any issues arise or if the product doesn't meet expectations, I trust that the [WLY] brand would take appropriate measures to address the problem, such as offering return policies or excellent customer service. These thoughts reduce my hesitation and make me feel that the risk of purchasing this new product is somewhat lower.

P3: As a longtime consumer of [WLY]'s alcoholic beverages, the extension of their product line into perfume comes from a brand ([WLY]) that has already built a good reputation and ensures quality. This, in turn, reduces consumers' perception of risk. Consumers typically believe that a brand with a good reputation and quality assurance is more likely to provide high-quality extended products. Compared to other brands that I may not trust, if they also ventured into producing perfume, I would trust [WLY].

P4: I have been purchasing [WLY] products for about four or five years, and I have a considerable trust in the [WLY] brand. This trust reduces my perception of risk when buying [WLY]'s extended products because I internally believe that the [WLY] brand is trustworthy, striving for high quality, and would not haphazardly introduce new products, ensuring they won't disappoint me. If I were willing to try the new product, [WLY] perfume, it would undoubtedly be the positive impact of the trust accumulated from my past consumer experiences.

P5: The level of trust I have in the [WLY] brand influences my perception of risk when considering the purchase of its extended products, such as perfume. Due to my long-term trust in the [WLY] brand, even though I acknowledge that perfume might not align well with [WLY]'s core products, my trust in the brand does slightly reduce the perceived risk of purchasing. I believe it may have a quality assurance similar to [WLY]'s white spirits. At some point, this sense of trust may diminish my perception of risk when buying [WLY] perfume, giving me more confidence in making the purchase decision.

P6: The trust I have in [WLY], to some extent, reduces my focus on the performance and characteristics of the perfume product itself. Trust in the brand plays a crucial role in influencing my decision-making. This simplified decision-making process may decrease my perceived risk when choosing extended products. Brand trust indeed impacts my purchasing decisions and perception of product risks. However, even for highly trusted brands, I maintain a cautious attitude and conduct sufficient research to ensure satisfaction with the purchased product. For brands with lower trust levels, I would evaluate the risk factors related to product quality and performance of its products.

P7 Brand trust doesn't guarantee that [WLY]'s "perfume" is necessarily a high-quality product. Therefore, when considering purchasing [WLY]'s "perfume," I would still conduct some research and comparisons to ensure that the "perfume" I'm buying meets my expectations and needs. Additionally, I'll pay attention to consumer reviews and professional evaluations to gather more information about [WLY]'s "perfume" for a more informed purchasing decision. Overall, trust might slightly lower my perceived risk. Without trust, I might not consider this unrelated product at all. However, even with brand trust influencing my perception of the risk of purchasing extended products, I would still maintain vigilance and make rational assessments to ensure a satisfactory purchase decision.

P8: When considering the purchase of [WLY]'s perfume as an extended product, my trust in [WLY] as the parent brand plays a significant role. I have consistently trusted this brand, considering its reputation and competence in the liquor industry, making me more willing to try their new products. However, because perfume is somewhat different from their original products, I would carefully consider various factors. I feel that this trust alleviates my concerns about potential risks in the purchase, making me believe that [WLY]'s introduced perfume should maintain their consistent quality and values. Therefore, brand trust has a substantial positive impact on my shopping decisions.

P9: As a seasoned consumer of [WLY], brand trust diminishes my perceived risk when considering the purchase of its extended product (perfume). Our past collaborations have been quite satisfactory and haven't disappointed me. I believe that the quality of their new products should still be reasonably assured, thereby reducing my awareness of purchasing risks.

P10: High brand trust can lead to the extension of this trust to other products from the same brand. Due to the established trust, consumers may believe in the quality and efficacy of these extended products, making it easier for them to make a purchase. However, if the extended product diverges significantly from the brand's core expertise, such as moving from alcoholic beverages to perfume, doubts about the quality and effectiveness of this cross-domain extended product may arise.

4.3.4 Findings on the Impact of Psychological Contract Violation

Research findings indicate that time-honored brands have established strong emotional connections with consumers, stemming from the brand's historical heritage and personal experiences of consumers. Consumers have a strong normative consciousness regarding Chinese time-honored brands, with clear perceptions of brand expectations and values. They believe that the brand should adhere to its traditions, holding relatively firm convictions. However, when a brand attempts to extend into new product areas, consumers may feel discomfort. This feeling arises from unmet expectations, leading consumers to believe that the brand has violated its original brand concept and commitments to consumers, thereby rupturing the psychological contract.

The violation of this psychological contract not only affects the emotional connection between consumers and the brand but may also increase consumers' perceived risks. When a brand fails to uphold its informal commitments and values, consumer trust in the brand diminishes, casting doubt on the brand's future performance and product quality. This loss of trust results in consumers experiencing higher uncertainty and risk in their purchasing decisions, especially when facing the brand's new products or services.

From the interview, several aspects can be summarized regarding consumers' subjective normative consciousness of the brand, manifesting as their persistence in traditional expectations and values. Discomfort caused by sudden changes in the brand's image is mainly reflected in consumers' resistance to brand extension activities. In the interviews, many consumers emphasized the importance of the brand focusing on its core business and addressing consumers' genuine needs. Additionally, brand responsibility became a crucial topic, suggesting that the brand needs to inherit traditional values during the extension process and find a balance between innovation and tradition.

Therefore, for time-honored brands, caution is essential when engaging in brand extension. Brands need to strike a balance between innovation and maintaining brand traditions, ensuring that new products align with the brand's core values and meet consumer expectations.

Details from the interviews (excerpt) are as follows:

P1: As a consumer with deep emotions and long-term attention to [WLY], I certainly hope that [WLY] can maintain its brand characteristics and core values. Therefore, regarding the question of whether it violates the psychological contract, I cannot provide a clear answer of yes or no. Firstly, we are in an era that emphasizes innovation, so I believe that [WLY]'s innovation and market expansion are positive things. However, concerning the introduction of the perfume product, the scope seems to be broad, and internally, I might feel that it could deviate from the main business. This is because it goes beyond the field of liquor and may give me that impression. As a well-established brand in the production of liquor, it might be more appropriate for [WLY] to focus on liquor production.

P2: I was quite surprised by [WLY]'s decision to launch a perfume, considering their traditional position as a representative of Chinese strong-flavor liquor. My perception of the brand has always been centered around traditional brewing and liquor culture. The move into the perfume market feels somewhat unexpected, as liquor and perfume have distinct cultural and usage differences. This introduction of a new product has caused a bit of unease for me, challenging the psychological contract I had with [WLY]. My understanding and expectations were rooted in their excellence in the liquor industry. The shift to perfume prompts a reassessment of my perception of the brand, creating a sense of perplexity. In essence, the launch of this new product has disrupted my longstanding view of [WLY], but with time, I might adapt and appreciate their endeavors in diverse domains.

P3: [WLY] has always been the epitome of Chinese liquor for us, preserving the age-old brewing techniques. The sudden venture into perfumes has left me a bit perplexed. I associate [WLY] with the psychological contract we have regarding liquor – the traditional and high-quality liquor culture. Introducing perfumes seems like a considerable stretch across different domains. If I were to see [WLY] selling perfumes in their store, it might take me some time to adapt to this new image.In general, whether brand extension violates the psychological contract depends on whether the new product is related to the original image and values. [WLY] launching perfumes feels a bit peculiar to me. The disparity between liquor and perfumes is quite significant. Although many brands are exploring cross-industry ventures nowadays, this leap seems substantial. I hope that [WLY], in introducing this new product, can maintain the traditional impression we hold of it and not deviate too far from its original path. After all, my visits to [WLY] are not just about buying liquor but also about experiencing the atmosphere of heritage and history. Compared to emerging brands, I believe that heritage brands like [WLY] should pay more attention to cultural preservation – it's part of their responsibility.

P4: The psychological contract reflects our expectations as consumers towards a brand. [WLY], being an old brand in the liquor industry, has always been associated with elements like tradition and a rich history. This image has shaped my expectations and trust in the [WLY] brand, making me willing to purchase their liquor. However, when [WLY] decides to introduce a new product like perfume, completely unrelated to its main business, I might feel some confusion and concern, wondering if [WLY] might lose focus on its core business of producing liquor while pursuing ventures in new areas. In my view, brand innovation is positive, but for established brands like [WLY], it is essential to concentrate on their core business and deeply cultivate their industry. I believe that for such heritage brands, expanding into too many other areas could potentially devalue the brand, giving the impression that they are shifting away from their original products. This not only may affect the sales of new products but could also lead to skepticism among the public about their expertise in the products they were originally known for.

P5: My impression of the [WLY] brand has always been associated with a high-end and classic image of liquor. When I learned that [WLY] is planning to launch a new product – perfume, my initial reaction was one of surprise. After all, there is a significant difference in product characteristics and consumer scenarios between perfume and liquor. This difference has led to a sense of confusion: is [WLY] still adhering to its consistent brand positioning and values? Upon deeper reflection, I believe that the introduction of perfume by [WLY] does not completely violate the psychological contract I have with the brand. As a brand that values quality and innovation, [WLY], while maintaining its traditional liquor manufacturing, is attempting to broaden its product line and explore more possibilities, which is commendable.

P6: From a product perspective, I don't believe that [WLY] introducing perfume contradicts the psychological contract I have with the brand. On the contrary, I see brand innovation as a positive development that provides consumers with more choices and showcases the brand's diverse facets. Considering business philosophy and social responsibility, I would argue that launching products with a significant deviation from the core business might be inconsistent with the social responsibility of preserving history. [WLY], as a brand with a long history, has its liquor products deeply rooted in culture and tradition. Therefore, I believe that while introducing new products, heritage brands like [WLY] should carefully protect and carry forward their unique historical heritage to meet consumer expectations for emotional connection with the brand.

P7: [WLY] needs to carefully balance the innovation of new products with the traditional values inherited by the brand when introducing perfume. Failure to organically integrate perfume with the core brand values may lead to a violation of the psychological contract, causing consumers to feel that it goes against their expectations for the brand. While some new brands may not experience this feeling strongly during extension, heritage brands with a significant history may face more apparent discord when extending into unrelated areas. Regarding [WLY]'s introduction of perfume, I find it both surprising and intriguing. Although I believe the brand has the capability to innovate while preserving traditions and offering high-quality products, if the new product fails to align with the core brand values, it triggers a slight sense of the brand violating our psychological contract. This emotion adds a touch of reluctance, making me more cautious in my shopping decisions.

P8: Regarding [WLY]'s launch of perfume products, I might perceive it as deviating from my long-standing expectations for the brand. Typically, I associate [WLY] more with traditional products like liquor, and introducing a perfume, a category significantly distant from its core business, might leave me feeling dissatisfied or somewhat surprised. This dissatisfaction could likely increase my concerns about the purchase risk. I would start questioning whether this perfume product can maintain the consistent quality and image of [WLY] and whether it truly aligns with my expectations for the brand. These concerns may influence my attitude towards the brand's extension products, making me more cautious in considering a purchase and potentially lowering my willingness to buy.

P9: I feel that traditional Chinese time-honored brand need to focus on continuing their traditions and maintaining stability. Balancing innovation and tradition is crucial to ensure that the brand's core values remain intact. Therefore, I might be a bit surprised and disappointed when traditional brands venture into unrelated areas, and there is a certain reluctance deep within me. In recent years, the development of new brands exploring various product categories doesn't evoke the same feelings. It’s probably because, deep down, our perceptions and impressions of these two types of brands are entirely different. The national recognition and honor they receive imply a greater responsibility to uphold cultural and craftsmanship traditions.

P10: If [WLY], as a traditional Chinese time-honored brand known for its white spirits, were to introduce a perfume product, I might feel that it deviates from my traditional expectations of the brand. Such an unexpected product might make me dissatisfied and increase my concerns about the purchasing risk. Generally, for a brand that primarily focuses on traditional white spirits, the introduction of non-traditional products like perfumes could lead me to question the brand’s positioning and authenticity. This could impact my attitude toward the brand’s extended products and, to some extent, reduce my willingness to make a purchase.

Through a comprehensive analysis of qualitative research, we found that it not only corroborates the conclusions drawn from quantitative research but also provides us with more in-depth insights. This deeper understanding enhances our knowledge of consumers’ psychological perceptions when facing the brand extension of traditional Chinese time-honored brand. The integrated summary of the qualitative research results is presented in Figure 4.4.

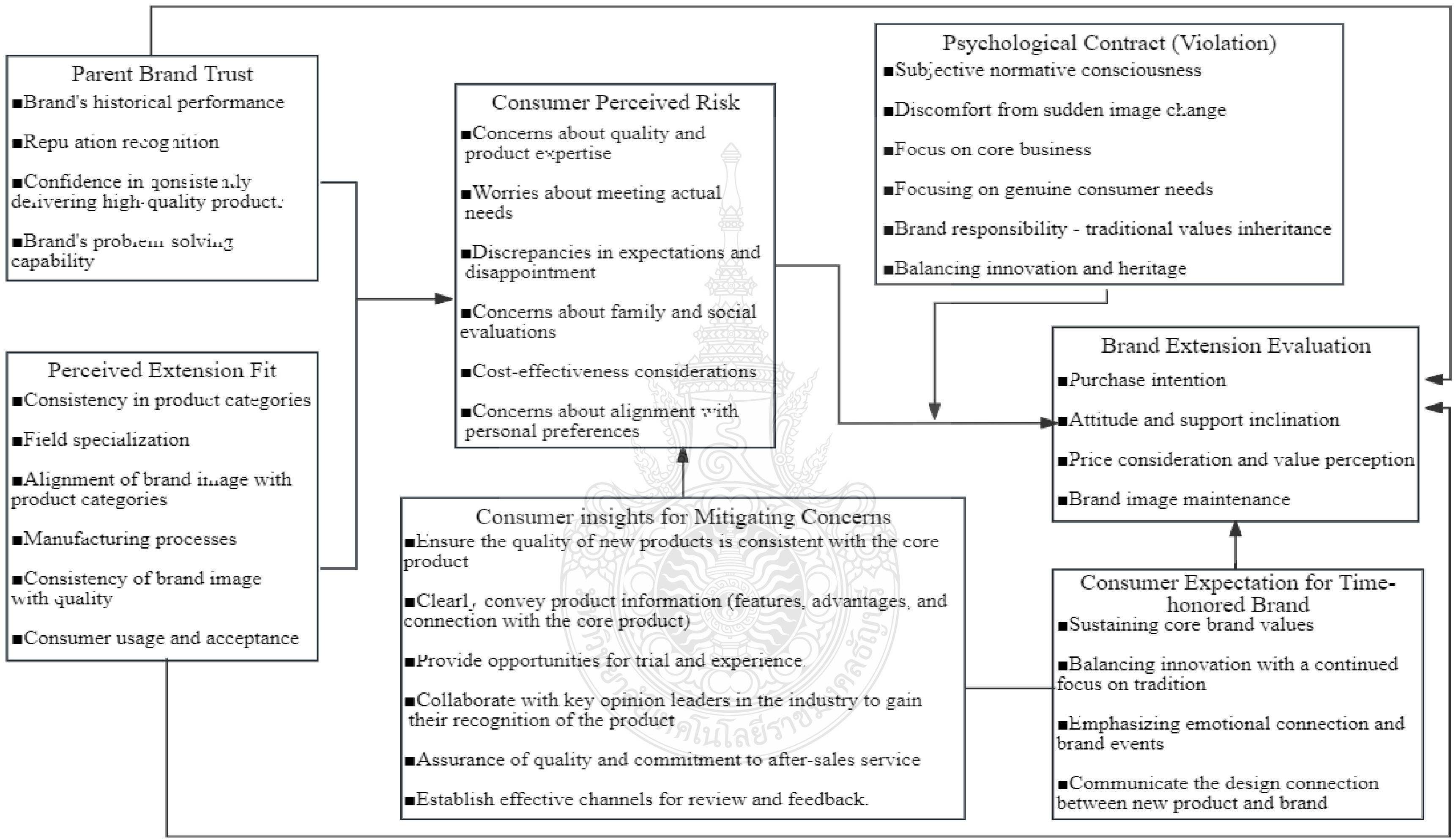

Figure 4.4 Summary of qualitative research

4.3.5 Comparison and Integration of Qualitative and Quantitative Research

This study investigates the role of perceived risk in the success of brand extensions from the perspective of consumers, focusing on the impact of perceived risk on brand trust, perceived fit, and brand extension success, while also exploring the effects of psychological contract violations. Consumer psychology and behavior represent a complex humanistic phenomenon. In this study, we employed both qualitative and quantitative research methods to thoroughly examine perceived risk in brand extensions. Quantitative analysis aimed to validate predetermined research hypotheses through statistical models, while qualitative analysis explored consumer perspectives through interviews, emphasizing interpretative understanding of phenomena to provide references for future related research. This section compares and integrates the qualitative and quantitative data analysis results of the study.

4.3.5.1 Qualitative Research Supporting Quantitative Research Hypotheses

In the quantitative research segment of this study, four hypotheses were tested using structural models: H1: PR transmits effects of BT to BES; H2: PR transmits effects of PF to BES; H3: The path chain BT-PR-BES changes under the conditions of PCV; H4: The path chain PF-PR-BES changes under the conditions of PCV.

The qualitative research findings supported these hypotheses. Specifically:

Firstly, many respondents expressed their trust in the time-honored brand [WLY] and extended this trust to new products. However, perceived risk influenced this transmission of trust. Consumers highly recognized [WLY]'s reliability and quality in the liquor sector but expressed concerns about [WLY]'s lack of experience in the perfume sector. This concern reflected the significant role of perceived risk in the transmission of brand trust. Even when consumers trust the brand itself, perceived risk can affect their confidence in new products introduced by the brand across different categories, thereby influencing their evaluation of brand extensions.

Secondly, respondents mentioned concerns about the fit between [WLY]’s extension products and its traditional products, noting that these differences increased their perceived risk and affected their expectations of brand extension success. Many consumers believed that [WLY], as a traditional high-end liquor brand, was incongruous in introducing a perfume, which did not align with its brand image and core values. This inconsistency caused consumers to feel uncertain and hesitant, raising perceived risk and impacting their acceptance of the brand extension. The alignment between the brand image and new products directly affects consumers' acceptance of brand extensions, indicating that perceived risk plays a crucial role in this process.

Furthermore, some respondents noted that when brand extension products do not align with their psychological contract with the brand, their evaluation of the brand extension process was affected. Consumers have certain psychological expectations about [WLY]'s traditional image and values. When the brand introduces products that deviate from its core values, it causes confusion and discomfort, thereby increasing the negative impact of perceived risk. This breach of psychological contract can damage consumers' trust and expectations towards the brand, affecting the evaluation of brand extensions. Consumers are accustomed to the brand's traditional positioning, and when the brand suddenly crosses into a new category, they question its expertise and the rationality of the extension.

Qualitative research shows that consumers' perceived risk in brand trust and perceived fit is a significant factor in the success of brand extensions. Particularly under conditions of psychological contract violation, consumers' emotional responses are more complex and intense. Qualitative research provides empirical support for these hypotheses, revealing deep emotional challenges and psychological stress faced by consumers during brand extensions. These insights offer valuable strategic recommendations for brands during product extensions, emphasizing the importance of maintaining emotional connection and trust with consumers throughout innovation and expansion processes.

4.3.5.2 In-depth Extension of Quantitative Research through Qualitative Research

Qualitative research provides deeper insights, including but not limited to the following aspects:

(1) Perceived Risk

In the quantitative research segment, based on the literature review, our structural model included four sub-structures: performance risk, financial risk, psychological risk, and social risk. Through in-depth interviews, we further discovered that respondents' primary concerns about purchasing extension products were reflected in several areas: concerns about product quality and expertise, meeting actual needs, gap between expectations and reality, family and social evaluation, cost-benefit considerations, and consistency with personal preferences. The qualitative research results aligned with the quantitative research findings and provide a more detailed perspective, further validating these primary concerns.

From the interview responses, it is clear how respondents perceive performance risk, financial risk, social risk, and psychological risk:

Specifically, consumers' focus on product quality and effectiveness highlighted their concern that the parent brand's lack of experience in producing extension products might result in inadequate quality and that the product's actual performance might not align with the brand's reputation. This skepticism reflected doubts about the brand's ability to meet high-quality standards in a new domain.

Regarding financial risk, consumers were concerned about the potential brand premium and the possible mismatch between the product's price and its value. They worried that the parent brand's high-end image might lead to an excessively high price for the extension product, which may not be justified by its performance. Such financial risks prompted consumers to be more cautious, fearing that a high cost may not deliver the expected benefits.

Social risk was evident in the form of social perception and pressure. Consumers were apprehensive about how friends and family might view their purchase of the extension product, including potential negative feedback or ridicule, and the possibility of causing family conflicts or dissatisfaction. This social risk made consumers consider the attitudes of those around them and the potential social implications when deciding to purchase.

Psychological risk arose from the brand image and personal expectations. Consumers found it difficult to accept the parent brand's extension product if it seems inconsistent with the brand image established through its core products. They worried that the extension may not meet their consistent expectations of the brand. This psychological discomfort led to resistance to the brand extension, affecting their willingness to make a purchase.

Qualitative research elucidated how these various risks influence consumers' willingness to accept and purchase extension products. It provided a comprehensive understanding of the deep-seated concerns and emotional responses associated with brand extensions, thus offering valuable context for interpreting the emotional reactions observed in quantitative data.

(2) Specifics of Psychological Contract Violation

In the quantitative research segment of this study, consumer emotional responses to perceived psychological contract violations in brand extensions were measured. This part of the research quantified feelings of betrayal, contract breach, and frustration experienced by consumers when a brand introduced a new product. However, the limitation of quantitative data lay in its ability to only capture the breadth of emotional responses, without delving into the underlying reasons and complex emotions behind these feelings. Qualitative research, through interviews, unveiled deeper insights beyond quantitative data. The interview data revealed several specific aspects of perceived psychological contract violation:

Deviation from brand image and core values: Consumers had clear psychological expectations regarding a brand's core values and traditional image. When a brand launched a new product that deviated from its core product category and established image, it triggered a strong sense of psychological contract violation. This violation arose from the brand's failure to meet consumers' expectations of its consistent image and values. Qualitative interviews indicated that consumers perceived [WLY]'s launch of a perfume as inconsistent with its high-end liquor brand image, leading to feelings of disappointment and confusion.

Neglect of consumer needs and expectations: When a brand extended its product line, failing to adequately consider and address consumer needs and expectations led to feelings of being overlooked and disrespected. Consumers expected brands to maintain an emotional connection and interaction when introducing new products, rather than focusing solely on market expansion. Many interviewees expressed that their expectations for [WLY] were primarily centered around the liquor sector, and they felt puzzled and neglected by the brand's foray into the perfume market.

Emotional discomfort and distrust: Consumers developed emotional reliance on a brand, and when the brand ventured into areas that do not align with its traditional image, it caused emotional discomfort and distrust. This discomfort stemed not only from the unfamiliarity of the new product but also from concerns about the brand's departure from its original values. Qualitative research showed that many consumers struggled to reconcile [WLY]'s perfume with the brand's liquor image, resulting in emotional detachment and distrust.

Conflict with social and cultural identity: Consumers' identification with a brand encompassed not just the functional aspects of the products but also the social and cultural significance the brand carried. When a brand extended into categories that conflicted with its original cultural image, consumers felt that their social and cultural identity was challenged. Interviews revealed that [WLY], as a traditional liquor brand with strong cultural symbolism, faced consumer resistance when entering the perfume market, as it clashed with the brand's cultural identity.

Through in-depth interviews, the root causes of psychological contract violations perceived by consumers were identified as follows: Firstly, consumers possessed a clear sense of subjective norms regarding brands, believing that brands should adhere to certain behavioral standards. These standards included the expectation that brands should focus on their core domains and avoid indiscriminate diversification. When a brand's actions exceeded these expectations, consumers experienced a sense of psychological contract violation, leading to a decrease in trust towards the brand.

Secondly, changes in the brand image conveyed by extension products could cause discomfort among consumers. Specifically, introducing extension products that cross into new categories disrupted consumers' established perceptions of the brand, resulting in psychological discomfort. Such changes made consumers feel that the brand had lost its original uniqueness and reliability.

Additionally, consumers expected brands to concentrate on their core businesses, maintaining professionalism and quality. When a brand extended beyond its core business, consumers worried that the brand's focus on its core offerings may diminish, potentially impacting the quality and image of its core products. Consumers believed that innovation should occur within the brand’s familiar and proficient areas, rather than venturing into entirely different markets.

Moreover, if a brand failed to adequately consider and address consumers' genuine needs during product extension, consumers might feel ignored and disrespected. They expected new products introduced by the brand to genuinely address their needs, rather than being driven solely by market expansion. Failure to meet consumers' expectations led to skepticism about the brand’s decisions.

It is particularly noteworthy that, as brands with rich historical and cultural heritage, traditional brands are expected to preserve and promote traditional values. During product extensions, if these traditional values are not maintained and carried forward, consumers may perceive a lack of brand responsibility. Brands need to strike a balance between innovation and tradition, ensuring that new products reflect the brand's core values while also meeting modern consumer needs. When [WLY] launched its perfume, it failed to effectively balance these aspects, leading to consumer skepticism and dissatisfaction with the brand's innovative actions. Consumers believed that the brand should focus on innovation within its traditional domain rather than venturing into entirely different markets.

Qualitative research allowed us to gain a deeper understanding of consumers' emotional responses and underlying reasons when they perceived psychological contract violations. These insights help to better interpret the emotional reactions captured in quantitative data and provide more targeted strategic recommendations for brands when extending their product lines. Brands need to pay greater attention to consumers' emotional needs and psychological contracts during product expansion, ensuring that innovation and expansion do not overlook the emotional connections and trust established with consumers.

In future research, quantitative studies can utilize these qualitative insights to further develop measurement tools for psychological contract violations between consumers and brands (enterprises). This will enhance the accuracy and comprehensiveness of measurements, providing crucial references for subsequent research and brand practices. Such tools will aid in systematically assessing the impact of psychological contract violations and formulating effective brand extension strategies.

(3) Respondent Perspectives on Conditions for Reducing Perceived Risk

Based on feedback from interviews, respondents identified several conditions that significantly reduce consumers' perceived risk associated with brand extension products. These conditions provided additional insights beyond the findings of the quantitative research. Specifically: Firstly, respondents emphasized the importance of ensuring that new products maintain quality consistency with the brand’s core products. This alignment strengthens consumer trust in the brand extension and alleviates concerns about the new products' quality. Additionally, respondents highlighted the need for clear communication about new products, including details about their features, benefits, and their connection to the core products. This transparency helps consumers better understand and accept the new products, thus reducing the risks associated with information asymmetry. Respondents also noted the value of providing opportunities for consumers to try and experience new products firsthand. Such direct experiences can diminish feelings of uncertainty and increase purchase confidence. Furthermore, the endorsement and recommendations from key opinion leaders within the industry were mentioned as effective means to enhance the credibility and appeal of new products, thereby lowering perceived risk. Offering explicit quality guarantees and robust after-sales service commitments were also identified as important factors. These measures can boost consumer trust and mitigate concerns about potential purchase risks. An efficient after-sales service system helps resolve any issues that arise during product use, further reducing perceived risk. Finally, respondents suggested that establishing effective channels for consumer feedback allows brands to promptly address consumer needs and concerns. This responsive interaction not only enhances consumer satisfaction but also reduces skepticism about the brand extension.

(4) Respondent Insights on Brand Extension of Time-Honored Brands

According to the interview records, respondents held various views and attitudes towards the extension of time-honored brands. These insights not only reflected their expectations for brand extension but also revealed their concerns and suggestions when facing brand diversification. Firstly, respondents emphasized that time-honored brands must maintain their core brand values when extending their product lines. Consistent brand values are the foundation of consumer trust and loyalty. Respondents generally believed that time-honored brands should embody their consistent quality and traditions in new products, rather than neglecting these core values in pursuit of innovation. Maintaining core values helps consumers retain a sense of familiarity and trust when encountering new products, thereby reducing their perceived risk. Secondly, respondents believed that time-honored brands need to balance innovation with tradition. While innovation is crucial for the ongoing development of the brand, excessive diversification may lead to brand image confusion. Respondents pointed out that brands should innovate within their areas of expertise and familiarity, while preserving traditional craftsmanship and quality. This balance can help brands attract new consumers while retaining their loyal customer base. Additionally, respondents highlighted the importance of emotional connection in brand extension. They expected brands to maintain relationships with consumers through emotional connections and brand activities. Brand activities and emotional interactions not only enhance consumer brand loyalty but also provide emotional support during the promotion of new products, making it easier for consumers to accept them. Respondents also noted that brands need to clearly communicate the design and conceptual connections between new products and the brand when launching new items. By establishing clear links between old and new products, brands can help consumers better understand and accept new products, thereby reducing doubts arising from information asymmetry. Clear product information and design connections can effectively lower perceived risk and increase purchase confidence.

Overall, respondents' attitudes towards the brand extension of time-honored brands were cautious yet hopeful. They hoped that brands can innovate moderately while preserving core values and traditional craftsmanship, and reduce perceived risk through emotional connections and clear product information. These insights provide valuable references and guidance for time-honored brands in their product extension efforts.

4.3.5.3 Comparison and Summary of Qualitative and Quantitative Analysis Results

In this study, quantitative and qualitative research methods provided insights at different levels. Quantitative research utilized structural models to test four hypotheses, quantifying the relationships between brand trust, perceived risk, and brand extension success. It offered extensive data support and statistical validation, highlighting the significant role of perceived risk in the brand extension process. Qualitative research, through in-depth interviews, uncovered consumers' emotional responses and specific reasons related to brand extension, such as deviations from brand image, neglect of consumer needs, and breaches of psychological contracts. Qualitative data complemented the limitations of quantitative data, offering a deeper understanding of consumers' emotional and psychological reactions.

Quantitative research provided broad statistical data, validating the relationships between brand trust, perceived risk, and brand extension success. In contrast, qualitative research revealed the underlying reasons and mechanisms behind these relationships through specific cases and detailed descriptions. The combination of both approaches made the research more comprehensive, incorporating both the breadth of data and the depth of emotional and psychological responses. Qualitative research supplemented the conclusions drawn from quantitative research, enhancing our understanding of consumer behavior and psychology. This integrated approach offers more targeted strategic recommendations for brand extension, enabling brands to address consumer needs and concerns more effectively.

CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the conclusions derived from the study on the moderating role of psychological contract violation in altering the effects of brand trust and perceived fit on brand extension success of Chinese time-honored products, mediated by perceived risk. A discussion of these findings follows. The chapter also highlights the contributions of the study and concludes with an exploration of research limitations and suggestions for future research.

5.1 Conclusions

The objective of this research was to investigate the mediating role of perceived risk (PR) in the relationships between brand trust (BT), perceived fit (PF) and brand extension success (BES), and to examine the moderating effect of psychological contract violation (PCV) on the two causal chains: brand trust and perceived fit, through perceived risk, to brand extension success.

Based on the theoretical framework and research objectives, this study proposed six research hypotheses. The quantitative research sample included 605 valid questionnaires, and descriptive statistics such as frequency, percentage, mean, standard deviation, and coefficient of variation were applied. Data quality, model fit, and the research hypotheses were tested using structural equation modeling with SmartPLS. Additionally, qualitative research involved in-depth interviews with 10 consumers of the parent brand to further validate the quantitative findings. By integrating both methods, the mixed-methods approach provided a more robust understanding of the research questions. The conclusions will summarize the findings from both quantitative and qualitative research.

Table 5.1 Summarizes the hypothesis testing results for each research question, including the analysis techniques used and the key findings.

Table 5.1 Summary of hypothesis testing for research questions

Research question	**Hypothesis**	**Analysis**	**Finding**
Whether perceived risk transmits effects of brand trust and perceived fit to brand extension success?	Hypothesis 1: BT significantly affects BES.	PLS-SEM	Brand trust has a significant positive impact on brand extension success.
	Hypothesis 2: PF significantly affects BES.	PLS-SEM	Perceived fit has a significant positive impact on brand extension success.
	Hypothesis 3: PR transmits effects of BT to BES.	PLS-SEM	Perceived risk significantly mediates the effect of brand trust on brand extension success, functioning as a partial mediator.
	Hypothesis 4: PR transmits effects of PF to BES.	PLS-SEM	Perceived risk significantly mediates the effect of perceived fit on brand extension success, functioning as a partial mediator.
What conditions of psychological contract violation make these causal chains best applicable?	Hypothesis 5: The causal chain BT→PR→BES changes under the conditions of PCV.	Process	At high levels of PCV, the conditional indirect effect of BT→PR→BES is most significant, suggesting that the mediation effect of PR is strongest under strong PCV conditions. At moderate levels of PCV, the effect weakens but remains; at low levels, it becomes non-significant. This indicates that the BT→PR→BES causal chain is most applicable in conditions of high PCV.
	Hypothesis 6: The causal chain PF→PR→BES changes under the conditions of PCV.	Process	At high levels of PCV, the conditional indirect effect of PF→PR→BES is most significant, suggesting that the mediation effect of PR is strongest under strong PCV conditions. At moderate levels of PCV, the effect weakens but remains; at low levels, it becomes non-significant. This indicates that the PF→PR→BES causal chain is most applicable in conditions of high PCV.

The findings from the hypothesis testing are presented as follows. Brand trust and perceived fit both have significant positive impacts on brand extension success, emphasizing the importance of establishing strong trust and alignment between a brand's core values and its extensions. Perceived risk serves as a partial mediator for both relationships, indicating that effectively managing perceived risks can facilitate the successful adoption of new market extensions. Furthermore, the influence of psychological contract violation (PCV) is evident in the conditional indirect effects of the causal chains. At high levels of PCV, both causal chains: brand trust influencing brand extension success through perceived risk, and perceived fit influencing brand extension success through perceived risk, show the strongest mediation effects of perceived risk. The finding suggests that these relationships are particularly crucial under conditions when consumer expectations are not met. As PCV decreases to moderate levels, the mediation effects weaken, and they become non-significant at low levels of PCV, highlighting the dependency of these dynamics on the degree of psychological contract violation experienced by consumers.

The results of the in-depth interviews with 10 consumers of the parent brand are as follows. 1) Respondents confirmed that brand trust affects their evaluation of brand extensions. This trust is built upon long-term relationships, past brand performance, and market reputation. It provides consumers with a sense of security, making them more willing to try new products from the brand, thus reducing uncertainty and hesitation during the purchase process. 2) Perceived fit is a key factor influencing consumers' evaluation of brand extensions, including product category consistency, domain expertise, consistency between the new product and brand image, quality consistency, and the degree to which consumers can use and accept the new product. Consumers' perceived risk largely depends on the perceived fit between the extension and the parent brand. When the extension is highly consistent with the core values and image of the parent brand, perceived risk is lower. 3) When purchasing brand extension products, consumers primarily focus on product quality, expertise, functionality, and brand consistency. They are concerned that new products may not meet professional standards or may fail to maintain the quality of the parent brand, reflecting their high expectations of brand expertise and quality control. Additionally, consumers care about whether the new product meets practical needs, maintains the traditional style of the brand, offers a good balance between price and value, and is viewed positively by society. These concerns reflect consumers’ attention to product functionality, as well as their sensitivity to economic and social risks, with a focus on their personalized needs in decision-making. Overall, psychological, economic, and social risks intertwine to form a comprehensive perception of brand extension risks. 4) Perceived risk affects consumers' evaluation of brand extensions. In terms of purchase intention, acceptance, support tendencies, price considerations, and value perception, consumers exhibit a cautious attitude, mainly influenced by product quality, financial risk, social and psychological risk, and innovation and differentiation. In their purchasing decisions, consumers focus on product quality and efficacy, as well as cost-effectiveness; for products related to personal identity expression, they also care about social evaluations. For innovative and differentiated products, consumers experience excitement but remain cautious. If the innovation is perceived as value-adding and aligned with the brand image, the evaluation is more positive. 5) In the brand extension process of time-honored brands, consumers show a strong psychological contract, which is based on expectations of the brand's tradition, long history, and high quality. When the brand extends into new product categories, consumers may feel confused and uncomfortable, perceiving that the brand has failed to fully meet its original commitments and values. This violation of the psychological contract weakens the emotional bond between consumers and the brand, increases their perceived risk, reduces brand trust, and ultimately leads to greater uncertainty and caution in their purchasing decisions. 6) Some respondents provided constructive suggestions, summarized as follows: when extending a brand, time-honored brands should maintain a cautious balance between innovation and tradition; and new product launches should ensure alignment with the brand’s core values and consumer expectations.

5.2 Discussion

This section presents the interpretations and discussions related to the research questions. This study primarily addresses two questions, and the discussion is divided into two corresponding parts.

5.2.1 The Mediating Effect of Perceived Risk on the Relationship Brand Trust and Perceived Fit on Brand Extension Success

The first research question is: "Whether perceived risk transmits effects of brand trust and perceived fit to brand extension success?" According to the literature review, brand trust, as a core element of brand equity, influences consumers' attitudes and behaviors towards brand extensions (Erdem & Swait, 2004; Peng et al., 2023). Brand trust focuses on three aspects: quality trust, image trust, and customer satisfaction (Rudzewicz & Strychalska-Rudzewicz, 2021). Similarly, consumers' perception of the fit between the parent brand and the extension product directly affects their acceptance of the brand extension (Völckner & Sattler, 2006). This study considers perceived fit in three dimensions: usage fit, feature fit, and image fit, which refer to the consistency between the parent brand's main products and the extension product in terms of usage scenarios, features, and brand image (Peng et al., 2023). Perceived risk involves four aspects: performance risk, psychological risk, financial risk, and social risk, reflecting various concerns consumers may have during brand extensions.

Based on hypothesis testing and interview results, the discussion of the first research question is as follows:

Firstly, brand trust has a significantly positive impact on brand extension success, and perceived risk significantly mediates the effect of brand trust on brand extension success with perceived risk functioning as a partial mediator (Table 4.23). This indicates that brand trust not only directly enhances the success of brand extensions but also indirectly increases consumers' acceptance of extension products by reducing perceived risk. When consumers trust a brand, they are more likely to view its extension products as reliable and worth purchasing, alleviating concerns related to performance, financial, psychological, and social risks. This result aligns with the findings of Elena and José (2005), which suggest that brand trust influences consumers' purchasing decisions by reducing perceived risk.

According to the path coefficients (Table 4.19), consumers' brand trust affects their perceived risk when purchasing brand extension products. Brand trust generally reduces perceived risk, thereby improving consumers' attitudes toward brand extensions, increasing purchase intentions, and enhancing their willingness to accept premium pricing. This trust is manifested in several ways, including the perceived excellence of the product quality, reliability, ability to meet needs, and cost-effectiveness. Consumers believe the brand will treat them responsibly and with care, enhancing their emotional security and reducing the psychological burden and social pressure associated with purchasing extension products. Additionally, based on past experiences, consumers' trust in the parent brand's ability to meet expectations or needs further decreases concerns about unknown risks. This finding is consistent with Chaudhuri and Holbrook (2001) , who emphasized the critical role of brand trust in reducing consumer uncertainty and perceived risk. In qualitative interviews, many respondents mentioned that their long-term experience with time-honored brand products significantly boosted their trust in the brand's extension products. Increased brand trust not only reduces hesitation during purchase decisions but also enhances consumers' acceptance of brand extensions, thereby promoting the market success of the extended products.

Secondly, the research found that perceived fit significantly impacts brand extension success, with perceived risk acting as a partial mediator. When consumers perceive a high fit between the extension and the parent brand, their perceived risk decreases, aligning with Park et al. (1991), who emphasized that high perceived fit reduces consumers' uncertainty about the extension's performance. In this study, consumers rated the perceived fit of the extension relatively low, indicating significant differences between the extension product and the parent brand. Consumers evaluate whether the extension product shares commonalities with the parent brand in terms of product category, manufacturing processes, and craftsmanship. They focus on whether the parent brand's existing resources, expertise, and reputation can support the production of the new product. This technical and process-related fit enhances consumers' confidence in the quality and reliability of the extension product. Furthermore, consumers are concerned about the consistency between the extension product and the parent brand in terms of usage and the type of needs it fulfills. This includes considerations of the usage scenarios and whether the product meets their specific needs. Perceptions of consistency and similarity in use contribute to a positive evaluation of the extension product. Brand image consistency is another key factor consumers consider when evaluating brand extensions. For Chinese time-honored brands, consumers hold inherent perceptions and expectations of the brand, including its representation of culture, values, and historical legacy. When the extension product aligns with the cultural significance and brand image of the parent brand, consumers are more likely to accept the new product. High perceived fit indicates that consumers view the extension product as highly consistent with the parent brand in terms of usage, features, and brand image, which enhances their acceptance of the extension product. When consumers believe that the extension product aligns with their expectations of the parent brand, perceived risk decreases, leading to more positive evaluations of the brand extension (Hem & Iversen, 2009).

Consumers' evaluations of brand extensions largely depend on their perception of the fit between the parent brand and the extension product. High perceived fit implies that consumers see the extension product as highly aligned with the parent brand in terms of usage, features, and brand image, increasing their acceptance of the extension. When the degree of innovation in the brand extension is high and the connection to the parent brand is low, consumers may lack relevant information about the new product's quality or performance, making it difficult to accurately assess its value. In such cases, perceived fit becomes a key factor in consumers' evaluations of the new product and their decision to purchase. Due to information asymmetry, low perceived fit can increase consumers' perceived risk (Shah et al., 2018). To address this issue, brands need to take steps to reduce information asymmetry. Specifically, they can increase transparency and communication by providing more detailed information about the new product, its development background, and quality assurance measures. Additionally, brands can use social media and brand websites to showcase the features and applications of the new product, highlight the brand’s history and reputation, and strengthen consumer education to help consumers better understand the characteristics and value of the new product (Palmié et al., 2020).

Furthermore, the study found that the level of perceived risk significantly affects the success of brand extensions. Specifically, the higher the perceived risk, the less likely consumers are to accept the extension product. When consumers harbor concerns about the performance, psychological, financial, and social aspects of an extension product, their likelihood of accepting the new product decreases, thereby challenging the success of the brand extension. This finding aligns with the studies by Tripathi et al. (2018) and

Van Weelden et al. (2016), which emphasize that consumers' acceptance of new products or services is largely influenced by their perceived risk.

Previous research has pointed out that perceived risk can trigger alertness or risk-averse behavior, leading to various actions aimed at controlling risk (Dowling & Staelin, 1994). This study found that when consumers' perceived risk decreases during the consideration of purchasing an extension product, their attitude, purchase intention, and willingness to accept premium pricing for the extension product increase, thereby enhancing the likelihood of a successful brand extension. In an environment where market competition intensifies and buyer power grows, paying close attention to the perceived risk in brand extensions is crucial for marketers. By gaining accurate insights into consumers' perceived risks, marketers can take targeted measures to minimize these risks and ensure they remain within acceptable limits for consumers, which is critical to the success of brand extensions.

Previous studies suggest that perceived risk challenges business success. Research in e-commerce, social networks, and new energy vehicles shows that reducing perceived risk boosts consumers' willingness to try innovations and improves new product evaluations (Aboulnasr & Tran, 2020; Lăzăroiu et al., 2020; Zhang et al., 2020). However, some studies report opposite findings. Javed et al. (2018) found that perceived risk positively influenced brand extension evaluation for Engro Corporation. Similarly, Zhang et al. (2019) showed that perceived risk did not directly impact consumers' willingness to adopt autonomous vehicles. These differences suggest that industry and product type may significantly affect results. This study's findings align with most prior research, showing a negative correlation between perceived risk and brand extension success.

For Chinese time-honored brands, perceived risk significantly impacts consumers' evaluations of brand extensions. These risks include concerns about product quality, economic cost, social-psychological factors, and innovation. Specifically, uncertainty about performance can cause hesitation in accepting the extension, while high-priced products without clear value may trigger negative evaluations. Social-psychological risks, especially in products tied to personal identity, become particularly important. Highly innovative and differentiated products can attract interest, but if these innovations align with the brand image and add value, perceived risk decreases, leading to more positive evaluations, such as increased acceptance, purchase intention, and price tolerance. Therefore, Chinese time-honored brands must reduce perceived risk by ensuring product quality, applying reasonable pricing, addressing social-psychological concerns, and balancing innovation with tradition. Effective brand extension strategies should be built on consumer trust, clear communication, and strong brand management to mitigate perceived risks and boost market acceptance.

The qualitative analysis highlights the role of cultural factors in brand management and marketing strategies. Chinese time-honored brands carry rich historical and cultural significance, which greatly influences brand extensions. Consumers' emotional connections and identification with these brands affect their acceptance of new products (Jeon, 2017). When extensions align with consumers' cultural identity and values, their success rates improve. The challenge for these brands lies in balancing tradition with modernity—preserving core values while embracing innovation. While consumers respect traditional values, they also expect the brand to evolve. Thus, communicating the brand's story effectively and innovating without losing uniqueness or tradition are crucial for successful brand extensions.

Marketers can reduce consumers' perceived risks through strategies such as enhancing brand-consumer interaction, using storytelling to emphasize cultural elements, and highlighting both innovation and heritage in user experience design. Additionally, maintaining high product and service quality as well as offering reasonable pricing are essential to lowering perceived risks. Overall, perceived risk is critical to the success of brand extensions, particularly for culturally rich Chinese time-honored brands. Understanding and managing consumers' perceived risks not only boosts extension success but also strengthens the bond between the brand and its consumers.

5.2.2 The Moderating Role of Psychological Contract Violation on the Effect of Brand Trust and Perceived Fit on Brand Extension Success through Perceived Risk

The second research question is: "Under what conditions of psychological contract violation make the two causal chains: brand trust and perceived fit through perceived risk to brand extension success most applicable?" The study examines the indirect effect of these causal chains under the condition of psychological contract violation. Findings indicate that psychological contract violation significantly moderates the mediating effect of perceived risk on the relationship between brand trust and perceived fit with brand extension success. The higher the level of psychological contract violation, the stronger the mediating effect of perceived risk on these two causal chains.

Psychological contract violation, a concept originating from organizational behavior, describes the psychological response when individuals perceive a failure by the organization to fulfill implicit promises or expectations. It is typically associated with negative work attitudes and behaviors, such as decreased job satisfaction, weakened organizational commitment, and reduced performance (Robinson et al., 1994). In the context of brand extension, psychological contract violation refers to the inconsistency between consumers' expectations of the brand and its actual behavior. When the brand fails to meet consumers' implicit expectations regarding consistency, commitment, and tradition, disappointment arises, amplifying perceived risk and weakening the positive impact of brand trust.

Consumers who experience disappointment, frustration, or a sense of betrayal over a parent brand's atypical extension reflect the gap between expected and actual brand behavior, illustrating the specific manifestations of psychological contract violation. Consumers' expectations of the brand form an implicit contract, and when brand decisions exceed these expectations, feelings of disappointment and betrayal may emerge. This finding aligns with the research of Malhotra et al. (2017) and Montgomery et al. (2018), who noted that psychological contract violation significantly affects individuals' attitudes and behaviors. This study confirms that psychological contract violation not only directly impacts consumers' acceptance of new products or services but also exacerbates the negative influence of perceived risk on behavioral intentions.

In-depth interviews reveal additional factors. In Chinese time-honored brands, the psychological contract between consumers and the brand extends beyond product functionality and quality to include cultural and historical values. These brands, often with rich historical backgrounds, are expected to uphold tradition and cultural heritage. When they extend into fields inconsistent with their traditional image, consumers may perceive psychological contract violation. This arises from the disconnect between consumers' expectations of the brand's longstanding image and its actual behavior. When consumers feel that the cherished values are being compromised, skepticism about the brand's other activities and extended products grows, reducing overall support and loyalty. The study finds that when a brand extension deviates from its traditional image, perceived psychological contract violation increases, amplifying perceived risk. This finding supports Zhang and Zhang (2021), who noted that psychological contract violation poses a threat to business success by influencing consumers' emotions and behaviors.

Consumers expect brands to focus on core business areas rather than deviate into unrelated areas. When a brand extends into unfamiliar territory, consumers not only feel disappointed but also express concern about the quality and consistency of the extension. Ke and Wang (2021) suggested that social norms exist not only in interpersonal relationships but also in consumer-brand interactions. In this study, consumers of Chinese time-honored brands expressed clear normative expectations of what the brand "should" and "should not" do. These expectations reflect beliefs about the brand's traditional values, cultural heritage, and operational philosophy, including the expectation that the brand will maintain product quality, preserve cultural identity, and adhere to historical business principles. Thus, consumers view their purchase as support for a brand representing specific cultural and historical values. This implies that, when developing new products or planning brand extensions, careful consideration must be given to consumers' expectations and the brand's historical values. Extension strategies should balance innovation with tradition, attracting modern consumers while respecting the brand's cultural heritage.

This study finds that psychological contract violation moderates the indirect effect of brand trust and perceived fit on brand extension success through perceived risk. According to the theories of Rousseau (1989) and Morrison and Robinson (1997), psychological contract violation occurs when consumers perceive the brand has failed to meet implicit promises. Under high PCV, consumers become more sensitive to unmet expectations, increasing focus on brand trust and the alignment of the extended product with the parent brand. This amplifies perceived risk, strengthening the indirect effect of brand trust and perceived fit on extension success. This finding aligns with the findings of Rousseau (1989) and Morrison and Robinson (1997), who argued that psychological contract violation heightens perceived risk, leading consumers to reassess their brand relationship. Conversely, when psychological contract violation is low, expectations are met, resulting in greater satisfaction and lower perceived uncertainty about the extension, weakening the role of perceived risk.

This study reveals that psychological contract violation significantly moderates the indirect effect of brand trust and perceived fit on brand extension success through perceived risk. These findings align with the literature (Danilwan et al., 2020), and offer new perspectives on how psychological contract violation influences consumer behavior in extensions, emphasizing its moderating role. Brand managers must pay close attention to consumers' implicit expectations, especially for Chinese time-honored brands with deep historical backgrounds. To avoid psychological contract violation, brands must ensure that their extended products remain consistent with their traditional values when pursuing innovation. This not only reduces consumers' perceived risk of extended products but also increases acceptance and success rates. Particularly when entering new markets or launching new products, brands must balance consumers' expectations of maintaining traditional values while reducing the risk of psychological contract violation through continuous communication and brand management.

5.3 Contributions of the Study

This research offers significant theoretical and practical value for brand management and new product marketing. Theoretically, it integrates relevant theories to establish a new knowledge framework. Practically, these findings can be applied to the operation of Chinese time-honored brands and similar heritage brands, providing the commercial sector with evidence to promote brand consumption and innovative development, thereby enhancing the effectiveness of brand extension.

5.3.1 Theoretical Contributions

This study integrates perceived risk theory, categorization theory, and psychological contract theory, with brand extensions of Chinese time-honored brands serving as the research subject. It constructs a theoretical framework to explain how perceived fit and brand trust influence brand extension success through perceived risk and incorporates the moderating effect of psychological contract violation on these relationships. The main theoretical contributions are as follows.

First, perceived risk theory explains the psychological and behavioral responses of individuals or organizations when facing uncertainty and potential losses. Applied in fields such as investment, project management, and consumer behavior, the theory helps to understand how people assess and respond to risks, particularly in complex environments. In consumer behavior, perceived risk theory explains how consumers evaluate potential losses in purchasing decisions, which influences their choice of more reliable brands and their information-seeking activities.

In the context of brand extensions, perceived risk theory not only explains how consumers perceive risk but also provides mechanisms for assessing the uncertainty of brand extensions, including performance, financial, psychological, and social risk analyses. These perceived risks directly impact the market success of brand extensions, determining consumers' acceptance, purchase intention, and recognition of the brand premium for the extended product. In this study, perceived risk mediates the influence of brand trust and the fit between the extension product and the parent brand on the success of brand extensions. First, brand trust can significantly reduce consumers' perceived risk, as trust alleviates concerns about product quality and brand reliability. Brand trust serves as a mechanism to reduce uncertainty and potential negative consequences, enhancing consumer acceptance of the extension product. Second, the perceived fit between the extension product and the parent brand influences consumers' risk expectations. A high level of fit reduces concerns about the uncertainty of the new product's performance, thereby increasing acceptance and purchase intention. This study reveals the critical role of perceived risk in the relationship between consumers and brand trust, as well as in the evaluation of brand extensions based on perceived fit. It enriches perceived risk theory and provides a new explanatory perspective on brand extension success.

Second, categorization theory, rooted in cognitive psychology, explains how individuals use "schemas" to simplify cognitive processes by organizing new information into pre-existing categories. This mental shortcut allows people to perceive new products based on their knowledge of the brand and product characteristics.

In brand extensions, categorization theory emphasizes perceived fit, that is, the degree to which consumers evaluate the relevance between the extension product and the parent brand. If the extension product aligns well with the parent brand in terms of function, style, or image, consumers naturally categorize it as part of the parent brand. This categorization reduces cognitive load, as they can rely on existing brand knowledge to evaluate the new product. When the extension product meets consumers' expectations of the parent brand, perceived risk is reduced because consumers feel they can better predict and control the purchase outcome. High fit strengthens the brand schema, reducing concerns about the uncertainty and potential negative consequences of the extension product. Furthermore, brand trust reflects consumers' confidence in the brand's ability to fulfill its promises. Through categorization theory, established brand trust is transferred to the extension product. When consumers trust the parent brand, they are more inclined to trust its extension products. This transfer of trust reduces perceived risk, as consumers believe the brand will maintain its quality and value standards.

Thus, categorization theory provides a framework for understanding how consumers process new information through brand schemas. This theory helps brand managers design more effective brand extension strategies to enhance consumer acceptance and reduce perceived risk.

Third, psychological contract theory, originating from organizational behavior studies, was initially used to explain informal agreements between employees and organizations. In recent years, it has been increasingly applied to marketing to explore the relationship between consumers and brands. Consumers often have expectations of brands that go beyond product functionality, especially for heritage brands, which have built deep emotional connections and identification with consumers through long-term cultural accumulation.

In the field of brand extensions, this study innovatively applies psychological contract theory to the consumer-brand relationship, demonstrating an interdisciplinary fusion of organizational behavior and brand management. A psychological contract represents consumers' expectations, trust, and commitment toward a brand. Although not a formal agreement, it profoundly influences consumer purchase behavior and brand evaluation. When a brand meets or exceeds consumer expectations, the psychological contract is reinforced, leading to enhanced brand trust and loyalty. However, when the brand fails to meet these expectations, resulting in a violation of the psychological contract, consumers may experience negative emotions such as disappointment or anger, which can impact their acceptance of the brand extension product.

This study explores the impact of psychological contract violation on brand extension success, particularly in the context of perceived risk. The findings indicate that psychological contract violation, as a moderating variable, intensifies the negative impact of perceived risk on brand extension success. By introducing psychological contract theory into brand extensions, this study enriches the theoretical foundation of brand management, emphasizing the importance of maintaining consumers' psychological contracts and providing new guidance and references for the formulation and implementation of brand extension strategies.

Fourth, research on Chinese time-honored brands contributes to brand management theory, particularly in the context of brand extensions. While brand extensions have been widely studied in various industries, less attention has been given to heritage brands, which rely on emotional connections through history, tradition, and culture. Most existing studies focus on Western heritage brands, with limited research on those in developing countries like China.

This study examines how perceived risk and psychological contract violation affect brand extensions of Chinese time-honored brands. Using both quantitative and qualitative methods, the study proposes a framework involving brand trust, perceived fit, perceived risk, psychological contract violation, and brand extension success. Findings from surveys and structural equation modeling reveal that perceived fit and brand trust significantly influence consumer attitudes, with perceived risk mediating this relationship. Psychological contract violation further moderates the process, amplifying perceived risk's negative effect. In-depth interviews highlight that consumers value brand responsibility, the continuation of traditional values, and alignment between the extension and the brand image.

By focusing on Chinese time-honored brands, this study enriches brand management theory and provides new insights and empirical evidence for the development of heritage brands in the global market.

Fifth, this study verifies the roles of perceived risk and psychological contract violation in the brand extension process. By incorporating the mediating role of perceived risk and the moderating effect of psychological contract violation, this study constructs a theoretical framework for brand extension success. The findings confirm that the positive effects of brand trust and perceived fit on brand extension success are partially mediated by perceived risk. At the same time, psychological contract violation, as a moderating variable, reveals that when consumer expectations are unmet, the positive impact of brand trust and perceived fit is weakened. The success of brand extension depends not only on mitigating perceived risk but also on the brand's ability to maintain consumers' psychological contracts effectively. This study provides important theoretical support for managing the risks and expectations in the balance between innovation and the continuation of core values in heritage brands.

Sixth, this study validates the structure of multidimensional variables, deepening the understanding of brand extension. Perceived risk is subdivided into performance, financial, psychological, and social risks, allowing for a more detailed analysis of consumers' risk perception processes. The dimensions of perceived fit in brand extensions include usage scenarios, product characteristics, and brand image, helping systematically evaluate brand extension fit and its impact on consumer perceptions from different angles. In addition, brand trust is divided into product quality trust, brand image trust, and customer satisfaction. For evaluating brand extension success, this study uses three sub-constructs: attitude, behavioral intention, and acceptance of premium pricing. This multidimensional evaluation system not only enriches the existing brand management theory but also provides a more systematic reference framework for future research, further advancing the development of brand extension theory.

5.3.2 Practical Contributions

5.3.2.1 Policy Implications

Recent Chinese government policies, such as the Opinions on Protecting and Promoting the Development of Time-honored Brands, emphasize innovation and market adaptability to support these brands. Based on the research findings, the following policy recommendations are proposed.

First, government agencies should encourage time-honored brands to balance innovation with tradition in brand extensions. While preserving core traditional products and techniques, brands should innovate to adapt to modern market demands and reinterpret brand values. Authorities should establish mechanisms that integrate protection and innovation, promote industry self-regulation, and ensure that brands "inherit without stagnation, innovate without losing their roots." The Ministry of Commerce should promote collaboration between time-honored brands, universities, research institutions, and experts to develop a comprehensive brand extension framework. This framework should encompass asset assessment, market research, consumer analysis, competitor strategies, fit evaluation, risk assessment, and sustainability. By supporting data-driven decisions, the framework will help brands align with market demands, achieve long-term growth, and maintain a balance between cultural heritage and innovation, enhancing consumer trust and acceptance.

Second, local governments should play an active role in building trust for regional time-honored brands by enhancing public awareness and confidence. First, governments should regularly release information on brand certification, industry awards, and positive consumer feedback to improve transparency and reliability. In case of incidents that may damage brand reputation, government communication departments should offer professional crisis management support, ensuring responsible and transparent responses to maintain consumer trust. Additionally, public relations efforts should include educational campaigns that highlight the consistency between extension and original offerings, emphasizing that extensions aim to preserve culture and skills while meeting modern demands. This approach can reduce consumers' perceived risk of purchasing extension products and alleviate concerns about psychological contract violation, thereby supporting brand extension success

Third, ongoing promotion is essential for time-honored brands to remain relevant in the age of globalization and new media. The adage "good wine needs no bush" no longer holds; local government public relations and cultural tourism departments should actively ensure effective dissemination of brand information. This can be achieved through dedicated media columns, articles, and videos that explore the historical and cultural significance of these brands, fostering public recognition and emotional connections. Documentaries and short films can vividly showcase the craftsmanship and history of these brands, enhancing cultural identity. Additionally, cultural products like books and illustrated catalogs can systematically introduce their unique characteristics and heritage. Utilizing new media platforms, such as social media and e-commerce, is essential for broadening brand influence, attracting younger consumers, and boosting market competitiveness.

5.3.2.2 Managerial Implications

Based on the research findings, this study offers several practical implications for brand managers and marketers.

First, reducing perceived risk through brand trust. Building brand trust requires not only high product quality but also a strong brand image and customer satisfaction. Time-honored brands should balance traditional values with modern innovation. Consistently offering high-quality products and services maintain credibility, while promotions that emphasize both heritage and the unique advantages of new products foster consumer trust. Providing excellent service and after-sales support further strengthens consumer confidence in brand extensions, reducing uncertainty and increasing success rates.

Second, reducing perceived risk by increasing perceived fit. The success of extended products depends on high levels of usage fit, feature fit, and image fit. Time-honored brands must ensure new products align with the core values and image of the parent brand. Managers should conduct market research to understand target market preferences, positioning extensions accordingly. For instance, products targeting younger consumers can incorporate modern designs to improve usage fit, while maintaining classic design elements to enhance image fit, thereby reducing perceived risks in purchasing decisions.

Third, establishing an effective risk communication mechanism. Perceived risk includes performance risk, psychological risk, financial risk, and social risk. Managers should proactively establish transparent risk communication mechanisms through official websites, social media, and press releases to communicate the advantages and details of brand extension products in a timely manner. For example, when introducing new products, they should provide detailed explanations of performance advantages to reduce concerns about performance risk, while openly sharing pricing and after-sales policies to lower perceived financial risk. Setting up an open feedback mechanism to encourage consumers to share their experiences and opinions, and responding promptly to improve products and services, can effectively reduce psychological and social risks.

Fourth, educating consumers to reduce perceived risk. Managers should educate consumers through various channels to enhance their understanding and awareness of brand extensions. For example, by publishing detailed product usage guides, organizing product experience events, and hosting online seminars, they can help consumers fully understand the features and benefits of brand extensions, reducing unfamiliarity and uncertainty. Additionally, showcasing successful brand extension cases and sharing positive consumer reviews can boost the credibility and attractiveness of new products, reducing performance and psychological risks.

Fifth, managing psychological contracts to reduce the negative impact of perceived risk. Psychological contract violation plays a crucial role in consumers' evaluations of brand extensions. Therefore, managers should pay attention to managing consumers' psychological contracts to reduce perceived risk and its negative effects on brand extensions. First, brands should fulfill their promises by consistently delivering high-quality products and services to reinforce consumer trust. By maintaining consistent product quality and upholding brand values, brands can reduce the likelihood of psychological contract violations, thereby increasing consumer loyalty. Second, transparent communication of extension strategies through channels like social media, websites, and offline events helps bridge expectation gaps and improves perceived fit. Engaging with consumers to understand their needs and expectations ensures extensions meet or exceed these expectations, minimizing the risk of psychological contract violations. If violations occur, managers should act quickly to restore trust with measures like public apologies, compensation, and product improvements. This can help restore consumer trust and reduce the intensifying effect of psychological contract violations on perceived risk. Additionally, interactive events, such as workshops or cultural festivals, can also strengthen emotional connections. Finally, brands should establish a long-term customer relationship management (CRM) system to continuously monitor consumer needs and feedback, preventing psychological contract violations. By using personalized marketing and services, brands can maintain close connections with consumers and boost their confidence in brand extensions. In summary, managing psychological contracts effectively reduces the negative effects of perceived risks on brand extension success, strengthens consumer trust, and supports the long-term growth and innovation of time-honored brands.

5.4 Research Limitations and Suggestions for Future Research

5.4.1 Research Limitations

First, this research has single brand and product case limitations. This study focused on a single brand, while allowing for an in-depth exploration of the complex dynamics of a specific brand, thereby limiting the generalizability of the results. Findings from a single brand may not be applicable to the broader market or diverse consumer groups. Future research could expand to include other brands and products for comparative analysis, offering a more comprehensive perspective and increasing the general applicability of the results.

Second, there are regional limitations on the sample. The research sample was confined to the region where the parent brand is based. Although this ensured that participants were familiar with the parent brand and minimized certain confounding factors, it also restricted the generalizability of the findings. Consumers from different regions may perceive brand extensions differently due to cultural, economic, and social variations. As a result, the study's conclusions may not fully reflect the attitudes of consumers across different regions and cultural backgrounds. Future research should encompass a broader geographic scope to enhance the generalizability of the findings.

Third, this study's theoretical framework primarily focused on perceived risk and brand extension from the perspective of consumer perceptions. While this framework provided valuable guidance, it did not fully account for all factors influencing brand extension, especially external factors such as market dynamics, competitive environments, socio-economic conditions, and consumer psychological traits. Future research should consider these factors for a more comprehensive explanation of the determinants of brand extension success.

5.4.2 Suggestions for Future Research

First, the scope of study could be expanded. This study was limited to a single Chinese time-honored brand, which may affect the generalizability of the conclusions. Given the diversity in size, industry, and market positioning among Chinese time-honored brands, future research could broaden the sample scope to include multiple brands and product cases. This would allow for the exploration of the challenges and opportunities faced by different types of time-honored brands during brand extensions. By increasing the sample size and diversity, the research findings will be more widely applicable. Future studies could also include participants from different regions, cultures, and demographic backgrounds to test the generalizability and representativeness of the results.

Second, additional influencing factors could be investigated. This study examined the influence of brand trust and perceived fit on perceived risk and brand extension evaluation, with psychological contract violation as a mediating factor. However, it did not consider external environmental factors or consumer personality traits. Future research could explore additional factors that may influence brand extension, such as brand loyalty, consumer innovation, and cultural differences. These factors may reveal deeper relationships between brand trust, perceived fit, and brand extension success, thereby enhancing the explanatory power of the theoretical model. Integrating insights from related fields such as behavioral economics, psychology, and marketing could help refine the theoretical framework and develop a more comprehensive model that accounts for a broader range of influencing factors.

Third, measurement tools could be enhanced. This study primarily relied on scales from behavioral research to study psychological contract violation. Future research could develop scales specifically tailored to the relationship between brands and consumer psychological contracts, thereby deepening the understanding of this relationship. Utilizing more precise and reliable measurement tools can improve the accuracy of the findings. Advanced psychometric instruments and longitudinal data collection methods could be adopted to capture the nuances of perceived risk and its impact on brand extension success more effectively.

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APPENDICES

APPENDIX A

Questionnaire

Questionnaire

Dear Sir/Madam,

Greetings!

This survey aims to delve into the impact of "entrepreneurial orientation and entrepreneurial action learning on entrepreneurial performance of SMEs in Sichuan Province." Seeking insights from accomplished individuals in the business community is an integral part of this study. We emphasize that this questionnaire is exclusively designed for academic research. Please rest assured and answer the questions based on objective facts. Kindly ensure you complete each question comprehensively, as omissions could affect the research value of the survey. Once again, we sincerely appreciate your participation!

Wishing you every success and a brilliant career! Best regards！

Research Team, August 2023

PART ONE: Personal and Company Information (Mark "√" next to the selected options, and provide relevant information on the blank lines).

1.Gender:

① Male ( )

② Female ( )

2.Age:

① Under 20 years old ( )

② 20-30 years old ( )

③ 31-40 years old ( )

④ 41-50 years old ( )

⑤ 51 years old and above ( )

3. Education Level：

① Associate degree or below ( )

② Bachelor's degree ( )

③ Master's degree ( )

④ Doctoral degree ( )

4.Position：

① Frontline managers ( )

② Middle managers ( )

③ Senior managers ( )

④ Company founders ( )

5.Company Name:____(Please fill in)

6.The company is located in______________________________________ Province

____ City (District, County)

(Please fill in).

7. Type of Enterprise：

① State-Owned ( )

② Private ( )

③ Foreign-funded ( )

④ Joint Venture ( )

⑤ Other

8. The industry category to which the company belongs;

① Wholesale and Retail Trade ( )

② Leasing and Business Services ( )

③ Agriculture, forestry, animal husbandry and fisheries ( )

④ Public administration, social security and social organizations ( )

⑤ Manufacturing industry ( )

9. Number of Employees：

① 10-30 people ( )

② 31-50 people ( );

③ 51-100 people ( );

④ 101～150people ( )

⑤ 151-200 people ( )

10. Years in Operation:

① Less than 3 years ( )

② 4-10 years ( )

③ 11-15 years ( )

④ 16-20 years ( )

⑤ Over 20 years ( )

11. Annual Sales of the Company:

① 100-500 million Yuan ( )

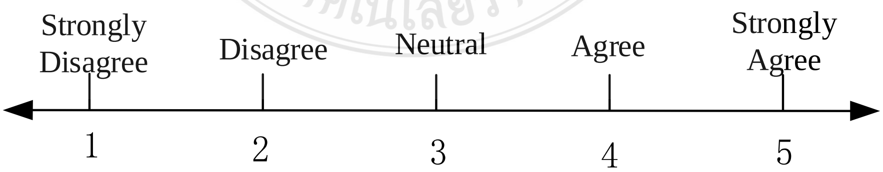
② 500-1000 million Yuan ( )

③ 1000-2000 million Yuan ( )

④ 2000-2500 million Yuan ( )

⑤ 2500-3000 million Yuan ( )

PART TWO: Main Content (Please mark "√" on the corresponding numbers based on your company's actual situation).



Note:Please mark your business in the truest option.
1=Disagree completely, 2=Disagree. 3=General. 4=Agree, 5=Agree completely

Serial Number	Question	Rating Level				
		1	2	3	4	5
Entrepreneurial Orientation						
Collaborative Innovation		Strongly disagree ⟺ Strongly agree				
1	Since its establishment, the company has launched numerous new products or services in response to changing environments.	1	2	3	4	5
2	Since its inception, the company has made significant changes to its product or service portfolio	1	2	3	4	5
3	The entrepreneur places great emphasis on research and development and technological innovation.	1	2	3	4	5
Leading Mobility		Strongly disagree ⟺ Strongly agree				
4	Entrepreneurs attach great importance to research and development, striving for technological and service leadership and innovation	1	2	3	4	5
5	In the industry, entrepreneurs are able to take the lead in introducing new products, services, management ideas, production techniques, etc.	1	2	3	4	5
6	Company start-ups and managers put a lot of emphasis on introducing new products or ideas ahead of competitors	1	2	3	4	5
Risk Sharing		Strongly disagree ⟺ Strongly agree				
7	Entrepreneurs tend to prefer projects with potential returns but lower risks.	1	2	3	4	5
8	Entrepreneurs lean towards projects that offer potential returns but lower risks.	1	2	3	4	5
9	To achieve entrepreneurial performance, entrepreneurs are inclined towards adopting relatively swift actions.	1	2	3	4	5
Dynamic Competition		Strongly disagree ⟺ Strongly agree				
10	Entrepreneurs adopt an assertive competitive stance and challenge competitors actively	1	2	3	4	5
11	Entrepreneurial enterprises are highly competitive and aggressive.	1	2	3	4	5
12	Entrepreneurs exhibit a strong inclination to surpass competitors in order to enhance their competitive position.	1	2	3	4	5
Entrepreneurial action learning						
Exploratory learning		Strongly disagree ⟺ Strongly agree				
13	Enterprises excel in comprehensive and multi-system exploratory thinking, thereby mastering entrepreneurial knowledge and abilities.	1	2	3	4	5
14	Entrepreneurial enterprises are adept at referencing, imitating, and learning from the accomplishments of larger companies or foreign pioneers.	1	2	3	4	5

Note:Please mark your business in the truest option.
1=Disagree completely, 2=Disagree. 3=General. 4=Agree, 5=Agree completely

Serial Number	Question	Rating Level				
		1	2	3	4	5
15	Entrepreneurial enterprises are adept at engaging in communication activities with customers to understand their needs.	1	2	3	4	5
16	Entrepreneurial enterprises are skilled at gathering relevant information about competitors to understand their business strategies.	1	2	3	4	5

Note:Please mark your business in the truest option. 1=Disagree completely, 2=Disagree. 3=General. 4=Agree, 5=Agree completely						
Serial Number	Question	Rating Level				
		1	2	3	4	5
Entrepreneurial Orientation						
Collaborative Innovation		Strongly disagree ⟺ Strongly agree				
1	Since its establishment, the company has launched numerous new products or services in response to changing environments.	1	2	3	4	5
2	Since its inception, the company has made significant changes to its product or service portfolio	1	2	3	4	5
3	The entrepreneur places great emphasis on research and development and technological innovation.	1	2	3	4	5
Leading Mobility		Strongly disagree ⟺ Strongly agree				
4	Entrepreneurs attach great importance to research and development, striving for technological and service leadership and innovation	1	2	3	4	5
5	In the industry, entrepreneurs are able to take the lead in introducing new products, services, management ideas, production techniques, etc.	1	2	3	4	5
6	Company start-ups and managers put a lot of emphasis on introducing new products or ideas ahead of competitors	1	2	3	4	5
Risk Sharing		Strongly disagree ⟺ Strongly agree				
7	Entrepreneurs tend to prefer projects with potential returns but lower risks.	1	2	3	4	5
8	Entrepreneurs lean towards projects that offer potential returns but lower risks.	1	2	3	4	5
9	To achieve entrepreneurial performance, entrepreneurs are inclined towards adopting relatively swift actions.	1	2	3	4	5
Dynamic Competition		Strongly disagree ⟺ Strongly agree				
10	Entrepreneurs adopt an assertive competitive stance and challenge competitors actively	1	2	3	4	5
11	Entrepreneurial enterprises are highly competitive and aggressive.	1	2	3	4	5
12	Entrepreneurs exhibit a strong inclination to surpass competitors in order to enhance their competitive position.	1	2	3	4	5
Entrepreneurial action learning						
Exploratory learning		Strongly disagree ⟺ Strongly agree				
13	Enterprises excel in comprehensive and multi-system exploratory thinking, thereby mastering entrepreneurial knowledge and abilities.	1	2	3	4	5
14	Entrepreneurial enterprises are adept at referencing, imitating, and learning from the accomplishments of larger companies or foreign pioneers.	1	2	3	4	5
15	Entrepreneurial enterprises are adept at engaging in communication activities with customers to understand their needs.	1	2	3	4	5
16	Entrepreneurial enterprises are skilled at gathering relevant information about competitors to understand their business strategies.	1	2	3	4	5

Note:Please mark your business in the truest option.
1=Disagree completely, 2=Disagree. 3=General. 4=Agree, 5=Agree completely

Serial Number	Question	Rating Level				
		1	2	3	4	5
Transformative learning		Strongly disagree ⟺ Strongly agree				
17	Entrepreneurial enterprises foster an atmosphere that encourages the sharing of experiences and lessons learned.	1	2	3	4	5
18	Entrepreneurial enterprises promote a culture of sharing experiences and lessons learned.	1	2	3	4	5
19	Entrepreneurial enterprises have formal rules for identifying misconceptions or erroneous notions in their operations.	1	2	3	4	5
Developmental learning		Strongly disagree ⟺ Strongly agree				
20	Entrepreneurial enterprises excel at transforming technical knowledge into new products.	1	2	3	4	5
21	Entrepreneurial enterprises frequently align new technologies with new products.	1	2	3	4	5
22	Entrepreneurial enterprises can swiftly identify how new technical knowledge complements existing knowledge.	1	2	3	4	5
23	Entrepreneurs in the company are aware of who the adept developers of new technologies are within the organization.	1	2	3	4	5
Dynamic capability						
Opportunity perception capability		Strongly disagree ⟺ Strongly agree				
24	Substantial investments have been made in research and development to explore various technological possibilities.	1	2	3	4	5
25	Considerable investments have been made in research and development to explore various technological possibilities.	1	2	3	4	5
26	Closely monitor the innovative activities of suppliers and competitors.	1	2	3	4	5
27	Keep a close watch on the latest research achievements in scientific or technological fields.	1	2	3	4	5
28	Regularly gather insights into the current status and trends of the industry through various channels.	1	2	3	4	5

Note:Please mark your business in the truest option.
1=Disagree completely, 2=Disagree. 3=General. 4=Agree, 5=Agree completely

Serial Number	Question	Rating Level				
		1	2	3	4	5
Resource integration capability		Strongly disagree ⟺ Strongly agree				
29	Effective utilization of knowledge from diverse technologies or application domains.	1	2	3	4	5
30	New knowledge acquired from external sources can be extensively shared within the company.	1	2	3	4	5
31	Successful implementation of new strategies or significant alterations to existing strategies based on changing circumstances.	1	2	3	4	5
32	Efficiently restructure and integrate existing resources.	1	2	3	4	5

Note:Please mark your business in the truest option. 1=Disagree completely, 2=Disagree. 3=General. 4=Agree, 5=Agree completely						
Serial Number	Question	Rating Level				
		1	2	3	4	5
Organizational restructuring capability		Strongly disagree⟺Strongly agree				
33	Ability to flexibly adjust the company's organizational structure.	1	2	3	4	5
34	The company delegates significant decision-making authority to different departments.	1	2	3	4	5
35	The company can timely redesign existing workflows and procedures.	1	2	3	4	5
36	The company can timely redesign departmental tasks and functions.	1	2	3	4	5
Entrepreneurial Performance						
Growth performance		Strongly disagree⟺Strongly agree				
37	Rapid growth in the number of employees.	1	2	3	4	5
38	Rapid development pace of new products or services.	1	2	3	4	5
39	Fast growth in market share.	1	2	3	4	5
40	Large proportion of total sales revenue from sales of new products or services.	1	2	3	4	5
Profitability performance		Strongly disagree⟺Strongly agree				
41	High net profit margin of entrepreneurial enterprises (Net profit / Total sales revenue).	1	2	3	4	5
42	High return on investment of entrepreneurial enterprises	1	2	3	4	5
43	Fast growth rate of net profits for entrepreneurial enterprises.	1	2	3	4	5
44	Rapid growth in total sales revenue of entrepreneurial enterprises.	1	2	3	4	5
Overall performance		Strongly disagree⟺Strongly agree				
45	Formulating products or services that can be sold.	1	2	3	4	5
46	The technologically developed products or services that have already been sold.	1	2	3	4	5
47	Attaining profit margins exceeding the industry average.	1	2	3	4	5

Wishing you a pleasant work and all the best in everything!

Questionnaire

尊敬的先生/女士：

您好！本调查旨在深入探讨“创业倾向、创业行动学习对四川省中小企业创业绩效的影响”，向商业界成功人士问询经验是本研究的重要组成部分。我们郑重强调，此问卷完全为学术研究而设计，敬请您放心，按照客观事实回答问题。请您务必全面填写每一道问题，因为遗漏可能会影响问卷的研究价值。再次对您的参与表示衷心感谢！

祝您一切顺利、事业辉煌！

课题组 2023 年 10 月

一、个人和公司情况(在所选项的后面打“√”，在横线的位置请填写相关信息)

1、性别：①男( ) ②女( )

2、年龄：①20 岁以下( ) ②20～30 岁( ) ③31～40 岁( )
④41～50 岁( ) ⑤51 岁以上( )

3、文化程度：①专科及以下( ) ②本科( ) ③硕士研究生( ) ④博士研究生( )

4、级别：①普通员工( ) ②基础管理人员( )③中层管理人员 ④高层管理人员( )

5、公司名称是____(请填写)

6、公司在__________省(直辖市)______________市(区、县)__________ (请填写)

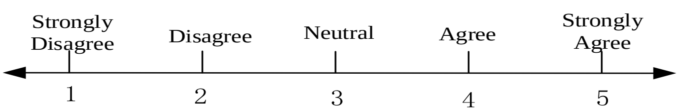
7、企业性质：①国有( ) ②民营( ) ③外资( ) ④合资( ) ⑤其他

8、员工人数：①1～50 人( ) ②51～300 人( ) ③301～1000 人( )
④1001～2000 人( ) ⑤2000 人以上( )

9、成立年数：①3 年以下( ) ②4～10 年( ) ③11～15 年( )
④15～20 年( ) ⑤20 年以上( )

10、公司年销售额：①小于 500 万元( ) ②500～2000 万元以下( )
③2000 万～1 亿元( )④1 亿～3 亿元以下( ) ⑤3 亿元以上( )

二、主体内容(请您根据贵公司的实际情况，在对应的数字上打“√”)



注：请在最真实的选项中标注您的选项 1=完全不同意，2=不同意。3=一般。4=同意，5=完全同意						
序号	问题	评价级别				
		1	2	3	4	5
		Strongly disagree ↔ Strongly agree				
创业导向						
	协同创新性	Strongly disagree ↔ Strongly agree				
1	企业自成立以来，适应环境的变化上马了很多新产品或新服务	1	2	3	4	5
2	企业自成立以来，对产品或服务组合进行了大幅变更	1	2	3	4	5
3	创业者非常注重研发与技术创新	1	2	3	4	5
	领先行动性	Strongly disagree ↔ Strongly agree				
4	创业者高度重视研究开发，努力追求技术、服务的领先与创新；	1	2	3	4	5
5	在行业内，创业者能率先引入新产品、新服务、管理思想和生产技术等	1	2	3	4	5
6	公司创业和管理者非常强调先于竞争者引入新产品或创意	1	2	3	4	5
	风险承担性	Strongly disagree ↔ Strongly agree				
7	创业者更偏好可能获得回报但风险低的项目	1	2	3	4	5
8	在面对动态复杂环境时，创业者易于采取积极行动来抓住机会而非守旧	1	2	3	4	5
9	为了达成创业绩效，创业者更倾向于采取较为快速的行动	1	2	3	4	5
	动态竞争性	Strongly disagree ↔ Strongly agree				
10	创业者采取积极竞争的态度向竞争者发起挑战	1	2	3	4	5
11	创业企业非常具有竞争性和侵略性	1	2	3	4	5
12	创业者具有强烈的超越竞争者以提升竞争地位的态势.	1	2	3	4	5
创业行动学习						
	探索性学习	Strongly disagree ↔ Strongly agree				
13	企业善于进行全方位、多体系地探索思考， 从而掌握创业的知识能力	1	2	3	4	5
14	创业企业善于借鉴、模仿、学习大企业或国外先进的成果	1	2	3	4	5
15	创业企业善于开展与客户的交流活动以了解需求	1	2	3	4	5
16	创业企业善于收集竞争对手相关信息，了解竞争者经营策略	1	2	3	4	5
	转化性学习	Strongly disagree ↔ Strongly agree				
17	创业企业有鼓励分享经验教训的氛围	1	2	3	4	5
18	创业企业能经常检讨、分享和总结不成功的原因	1	2	3	4	5
19	创业企业有发现经营中错误想法或错误观念的正式规则	1	2	3	4	5
	开发性学习	Strongly disagree ↔ Strongly agree				
20	创业企业善于将技术知识转化为新产品	1	2	3	4	5
21	创业企业经常将新技术与新产品进行匹配	1	2	3	4	5
22	创业企业能迅速识别新技术知识对旧知识的补充	1	2	3	4	5
23	创业者能公司知道本企业谁是新技术开发能手	1	2	3	4	5
动态能力						
	机会感知能力	Strongly disagree ↔ Strongly agree				
24	在研发方面进行了大量的投资以探索各种技术可能性	1	2	3	4	5
25	经常探索和再探索顾客需求或潜在的顾客需求	1	2	3	4	5
26	密切监控供应商、竞争对手的创新行为	1	2	3	4	5
27	密切跟踪科学或技术领域的最新研究成果	1	2	3	4	5
28	经常通过各种途径了解行业的发展现状和趋势	1	2	3	4	5
	资源整合能力	Strongly disagree ↔ Strongly agree				
29	能够有效地利用不同技术或应用领域的知识	1	2	3	4	5
30	从外部获得的新知识能够在企业内部充分地共享	1	2	3	4	5
31	能够根据形势变化成功地应用新战略或对原有战略进行重大改变	1	2	3	4	5
32	能够有效地将现有的资源进行整合重组					
	组织重构能力	Strongly disagree ↔ Strongly agree				
33	能够灵活地调整企业的组织结构	1	2	3	4	5
34	企业赋予了不同部门很大的自主决定权	1	2	3	4	5
35	企业能够适时地对已有的工作流程和程序进行再设计	1	2	3	4	5
36	企业能够适时地对部门的工作任务和职能进行再设计	1	2	3	4	5

Questionnaire

Instructions:

This questionnaire aims to gather data on the relationship between key factors that influence brand extension success, particularly in the context of Chinese time-honored brands.

The questionnaire is divided into six parts:

Part 1: Views on causal factors of perceived risk.

Part 2: Views on perceived risks.

Part 3: Views on psychological contract violation

Part 4: Views on outcomes caused by perceived risk.

Part 5: Participant information.

Part 6: Recommendations (If any).

The data collected will benefit academic research and can be used to help Chinese time-honored brands develop more products that satisfy consumers. Therefore, please answer the questions truthfully so that we can proceed to the next step more completely. The information you provide will be kept strictly confidential and will only be presented in the aggregate. Thank you for taking the time to answer this survey in its entirety. If you have any questions or additional suggestions, please contact researcher Ms. Lu. The email is lu_c@mail.rmutt.ac.th.

Brand Extension Case Description

Before you continue to answer the following questions, we would like you to carefully understand the following scenario:

The Chinese time-honored brand [WLY] is a typical representative of China's strong-flavor liquor and a renowned national brand with a long history. [WLY] liquor is the company's leading product. [WLY] plans to leverage its brand influence to expand its product line, extending from the liquor market to the high-end consumer goods market, by launching a new product – [Perfume]. This perfume's packaging continues [WLY]'s classic style, adopting the common international brand specification of 50ML. Its market positioning is consistent with that of [WLY] liquor. It will be sold in [WLY]'s main retail stores.

Before answering the following questions, please consider and fully comprehend the above situation. We would like to know your first impression and genuine opinion of the product and brand action when [WLY] launches the [Perfume].

Please note: Carefully read the following content and mark √ on the opinion level that most aligns with or closely matches your feelings. You are required to select an answer for each question. Thank you!

Part 1: Views on causal factors of perceived risk.

The scoring criteria:

5 = Most agree   4 = More agree   3 = Agree

2 = Less agree   1 = Least agree

S/N	**Questions**	**Agreement Level**				
		5	**4**	**3**	**2**	**1**
	Brand Trust					
	Quality trust					
1	In your impression, the quality of [WLY] product is good.					
2	Products from [WLY] are safe and certain.					
3	Using [WLY] brand products, you will receive products that best meet your needs.					
4	The [WLY] brand provides good value for the price paid.					
	Image trust					
5	[WLY] brand would make any effort to satisfy consumers' needs (Believable).					
6	You can rely on [WLY] to address and solve the problems you need resolved. (Competent).					
7	[WLY] would be honest and sincere in addressing consumers' concerns (Honest).					
8	[WLY] would compensate consumers in some way for the problem with the product (Responsible).					
	Customer satisfaction					
9	The overall feeling, you received from [WLY] was satisfied.					
10	[WLY]' performance meets your needs and expectations.					
11	[WLY] does not have misleading advertisements.					
12	Compared to other liquor brands, you are happy with [WLY].					
	Perceived Fit					
	Usage fit					

S/N	Questions	Agreement Level				
		5	**4**	**3**	**2**	**1**
13	In terms of consumption, [Perfume] is similar to [WLY] original products.					
14	You will use [WLY] original products and [Perfume] at the same time.					
15	Using [WLY] [Perfume] is appropriate for you.					
16	The type of needs satisfied by [WLY] [Perfume] and [WLY] original products are similar.					
Feature fit						
17	[Perfume] category was similar to the product category of [WLY] (SIMILAR)					
18	[Perfume] category was like to the product category of [WLY] (LIKE)					
19	[WLY] resources are helpful to manufacture and produce [[Perfume]					
20	The skills required to produce [WLY] [Perfume] and [WLY] original products are identical in terms of production needs.					
Image fit						
21	[Perfume] fit with your idea and image of [WLY] (IDEA).					
22	[Perfume] conveyed the same impressions as [WLY] (IMPRESN).					
23	Launching [Perfume] is logical for the [WLY].					
24	Launching [Perfume] is appropriate for the [WLY].					

Part 2: Views on perceived risk.

The scoring criteria:

5 = Most agree 4 = More agree 3 = Agree

2 = Less agree 1 = Least agree

S/N	Questions	Agreement Level				
		5	4	3	2	1
	Perceived Risk					
	Performance risk					
25	As you consider purchasing the [WLY] [Perfume], you worry about whether the product will really perform as well as it is supposed to.					
26	If you were to purchase the [WLY] [Perfume], you become concerned that the it will not provide the level of benefits that you expect.					
27	Considering the problems associated with the performance of [WLY] in producing perfumes, purchasing [WLY] [Perfume] involves a lot of risk.					
28	You are not confident that [WLY] [Perfume] will perform as expected.					
	Psychological risk					
29	The thought of purchasing and using the [WLY] [Perfume] makes you feel psychologically uncomfortable.					
30	The thought of purchasing the [WLY] [Perfume] gives you a feeling of unwanted anxiety.					
31	The purchasing of [WLY] [Perfume] might have a negative effect on your peace of mind.					
32	Purchasing [WLY] [Perfume] might bring you negative emotions					
	Financial risk					
33	Purchasing [WLY] [Perfume] would be an inappropriate way to spend your money.					
34	If you bought the [WLY] [Perfume], you would be concerned that this expense would not be wise.					
35	If you bought the [WLY] [Perfume], you would be concerned that you would not get your money's worth from the perfume.					

S/N	Questions	Agreement Level				
		5	**4**	**3**	**2**	**1**
36	Purchasing the [WLY] [Perfume] would not provide value for the money you spent.					
	Social risk					
37	Purchasing [WLY] [Perfume] might make you appear showy to your friends.					
38	Purchasing [WLY] [Perfume] might lead those whose opinions you value to view your purchase as unwise.					
39	Purchasing [WLY] [Perfume] might negatively influence how others perceive you.					
40	Choosing to buy [WLY] [Perfume] may result in judgment from friends and family about your decision.					

Part 3: Views on psychological contract violation.

The scoring criteria:

5 = Most agree 4 = More agree 3 = Agree

2 = Less agree 1 = Least agree

S/N	Questions	Agreement Level				
		5	**4**	**3**	**2**	**1**
	Psychological Contract Violation					
41	You feel a great deal of anger toward [WLY] for launching [Perfume].					
42	You feel betrayed by [WLY] for launching [Perfume].					
43	You feel that [WLY]'s launch of [Perfume] has violated the contract between you.					
44	You feel extremely frustrated by how you have been treated by the brand.					

Part 4: Views on outcomes caused by perceived risk.

The scoring criteria:

5 = Most agree 4 = More agree 3 = Agree

2 = Less agree 1 = Least agree

S/N	Questions	Agreement Level				
		5	**4**	**3**	**2**	**1**
	Brand Extension Success					
	Attitude toward extension product					
45	Your attitude toward [WLY] [Perfume] is positive.					
46	You are favorably disposed toward [WLY] [Perfume].					
47	You think [WLY] [Perfume] is a good product.					
48	You feel good about [WLY] [Perfume].					
	Behavioral intention					
49	You intend to purchase [WLY] [Perfume] in the future.					
50	You expect to purchase [WLY] [Perfume] in the future.					
51	It is likely that you will purchase [WLY] [Perfume] in the future.					
52	You would recommend the [WLY] [Perfume] to others.					
	Acceptance of price premiums					
53	You are willing to pay a higher price for [WLY] [Perfume] than for other private label products in the same category.					
54	You are willing to pay more for [WLY] over other brands of [Perfume].					
55	You are willing to pay a lot more for [WLY] than other brands of [Perfume].					
56	Only if the [WLY] [Perfume] is priced much higher than other similar products would you consider switching or give up trying.					

Part 5: Your information.

Description: Please tick (√) in the box before the text that matches your real situation.

1. Gender

□ Male □Female

2. Age

□Less than 30 years □30-39years □40-49years □50 years or above

3. Education

□Below high school □High school □Associate degree

□Bachelor’s degree □Master’s degree or above

4. Occupation

□Unemployed (non-student) □Student □Government/Institutional Employee

□ Professionals □Sole Proprietor/Small Business Owner

□ Freelancers □Corporate Employee □Other

5. How many times have you patronized WLY

□ Never □ 1-2 times □ 3-5 times □ 6 times or above

6. Your length of residence in Sichuan

□Less than 2 years □2-3 years □4-6 years □7-10 years □More than 10 years

Part 6: Recommendations for Implementing Brand Extension

1. Suggestions for reducing consumer perceived risk (if any).

____

____

2. Suggestions on brand extension strategies for Chinese time-honored brands (if any).

____

____

Interview Recruitment Announcement

If you are willing to participate in our interview to share your in-depth insights and experiences with the [WLY]. Please tell us your contact information or contact us at email: lu_c@mail.rmutt.ac.th. The interview will only involve content related to the topic. Thank you for your support and contribution.

注：请在最真实的选项中标注您的选项
1=完全不同意，2=不同意。3=一般。4=同意，5=完全同意

序号	问题	评价级别				
		1	2	3	4	5
		Strongly disagree ↔ Strongly agree				
创业绩效						
成长性绩效		Strongly disagree ↔ Strongly agree				
37	员工数量快速增长。	1	2	3	4	5
38	新产品或新服务发展速度快	1	2	3	4	5
39	市场份额快速增长。	1	2	3	4	5
40	新产品或服务的销售收入在总销售收入中占很大比例。					
获利性绩效		Strongly disagree ↔ Strongly agree				
41	创业型企业的净利润率高（净利润/总销售收入）。	1	2	3	4	5
42	创业企业投资回报率高	1	2	3	4	5
43	创业型企业净利润增长率快。	1	2	3	4	5
44	创业型企业的总销售收入快速增长。					
总体绩效		Strongly disagree ↔ Strongly agree				
45	形成可以销售的产品或者服务	1	2	3	4	5
46	已销售出所开发的科技型产品或者服务	1	2	3	4	5
47	获得高于行业平均水平的利润率	1	2	3	4	5

APPENDIX B

Semi-structured Interview

Semi-structured interviews are instruments for collecting qualitative research data. The research is on "Causal Relationship and Effect of Perceived Risk in Brand Extension: In Case of Chinese time-honored brand.

The semi-structured interviews are divided into 6 parts.

Part 1: Interview about general information of the respondents.

Part 2: Semi-structured interview on perceived risk.

Part 3: Semi-structured interview on the outcomes of perceived risk.

Part 4: Semi-structured interview on the causal relationship of perceived risk.

Part 5: Semi-structured interview on psychological contract violation.

Part 6: Interview on suggestions for controlling perceived risk and enhancing the brand extension success.

Brand Extension Case

[WLY] is a Chinese time-honored brand, representing a typical example of Chinese liquor and a renowned national brand with a long history. [WLY] liquor is the company's flagship product.

[WLY] plans to transform its brand value, leveraging its brand influence to extend its product line. The company aims to expand from the liquor market to the high-end consumer goods market by introducing a new product—"Perfume".

The packaging of this perfume continues [WLY]'s classic style. It adopts the common international standard of 50ML size for its specification, aligning with the market positioning of [WLY] liquor. Upon its launch, it will be sold in specialized [WLY] retail stores.

Part 1: General Information of Respondent

1.1 Name of the information provider

1.2 Consumption history and experience

1.3 Age

Part 2: Semi-Structured Interview on Perceived Risk

1.When considering whether to try [WLY]'s extended product [perfume], what risks do you think exist? Please elaborate on your views.

2. Will the risks you perceive affect your opinion of [WLY]'s launch of this extended product and its brand extension strategy? Please elaborate on your views.

3. What are the specific risks you mentioned, and what are the reasons or factors that cause them? Please elaborate on your views.

4. How does the consistency between the extended product and the parent brand affect your risk perception when purchasing the extended product? Please elaborate on your views.

5. As a consumer of the [WLY], how does brand trust affect your risk perception when considering purchasing its extended product (perfume)? Please elaborate on your views.

____

____

____

____

6. [WLY] has launched a perfume product. Do you think this goes against the expectations for the brand? Will this sense of violation affect your attitude towards brand extension and your willingness to purchase? Please elaborate on your views.

____

____

____

____

7. Regarding the brand extension of Chinese time-honored brand, what measures do you think should be taken to reduce consumers' risk perception and increase the likelihood of successful brand extension? Please elaborate on your views.

____

____

____

____

APPENDIX C

Letter Inviting Experts to Inspect Research Instrument

MHESI 0649.06/ 8541

Faculty of Business Administration
Rajamangala University of
Technology Thanyaburi
39 Moo 1, Khlong Hok Subdistrict,
Khlong Luang District Pathumthani
12110, Thailand

8 November 2023

Dear Dr.Chen, Ku-Hsieh
Professor Department of Applied Economics and Management, National Ilan University of Taiwan, Taiwan

Subject: Request for evaluation of the research instruments

Attachment: Dissertation questionnaire

I am writing to request your assistance as an honorary external research reviewer in evaluating the research instruments for Miss Change Lu doctoral student in Business Administration program specialized in Management at Rajamangala University of Technology Thanyaburi.

Miss Change Lu has been working on a dissertation titled " Causal Relationship and Effect of Perceived Risk in Brand extension: In Case of China Time-honored Brand" under supervision of Assistant Professor Dr. Thitima Pulpetch for a period of time. In this regard, I would like to request your valuable time to evaluate the research instruments as I strongly believe that your expertise will be of great value in improving the research instruments.

If you have any questions or do need further information, please feel free to contact Miss Change Lu on the e-mail: change_397497467@qq.com

Your sincerely,

Associate Professor Dr. Klahan Na-Nan
Dean of Faculty of Business Administration

Office of Graduate Studies Doctoral Program
Tel.02-5494819, 081-7952191 Fax.02-5493243
Email: phd.bus.rmutt@hotmail.co.th

MHESI 0649.06/8542

Faculty of Business Administration
Rajamangala University of
Technology Thanyaburi
39 Moo 1, Khlong Hok Subdistrict,
Khlong Luang District Pathumthani
12110, Thailand

8 November 2023

Dear Assistant Professor Dr.Chang, Shun-Chieh

Subject: Request for evaluation of the research instruments

Attachment: Dissertation questionnaire

I am writing to request your assistance as an honorary external research reviewer in evaluating the research instruments for Miss Change Lu doctoral student in Business Administration program specialized in Management at Rajamangala University of Technology Thanyaburi.

Miss Change Lu has been working on a dissertation titled " Causal Relationship and Effect of Perceived Risk in Brand extension: In Case of China Time-honored Brand" under supervision of Assistant Professor Dr. Thitima Pulpetch for a period of time. In this regard, I would like to request your valuable time to evaluate the research instruments as I strongly believe that your expertise will be of great value in improving the research instruments.

If you have any questions or do need further information, please feel free to contact Miss Change Lu on the e-mail: change_397497467@qq.com

Your sincerely,

Associate Professor Dr. Klahan Na-Nan
Dean of Faculty of Business Administration

Office of Graduate Studies Doctoral Program
Tel.02-5494819, 081-7952191 Fax.02-5493243
Email: phd.bus.rmutt@hotmail.co.th

ที่ อว 0649.06/8540

คณะบริหารธุรกิจ
มหาวิทยาลัยเทคโนโลยีราชมงคลธัญบุรี
ตำบลคลองหก อำเภอคลองหลวง
จังหวัดปทุมธานี 12110

8 ธันวาคม 2566

เรื่อง ขอความอนุเคราะห์ตรวจสอบความถูกต้องเชิงเนื้อหาของแบบสอบถาม

เรียน ผู้ช่วยศาสตราจารย์ ดร.ดวงพร พุทธวงค์

สิ่งที่ส่งมาด้วย แบบสอบถามดุษฎีนิพนธ์

ด้วยคณะบริหารธุรกิจ มหาวิทยาเทคโนโลยีราชมงคลธัญบุรี ได้เปิดสอนระดับปริญญาเอก หลักสูตรปรัชญาดุษฎีบัณฑิต สาขาบริหารธุรกิจ ตั้งแต่ปีการศึกษา 2551 แล้วนั้น

เพื่อเป็นประโยชน์สำหรับนักศึกษา จึงใคร่ขอความอนุเคราะห์ตรวจสอบความถูกต้องเชิงเนื้อหาของแบบสอบถาม สำหรับนักศึกษา ราย Miss Change Lu รหัสนักศึกษา 126490501025-3 เป็นนักศึกษาหลักสูตรปรัชญาดุษฎีบัณฑิต สาขาวิชาบริหารธุรกิจ วิชาเอกการจัดการ เป็นผู้จัดทำดุษฎีนิพนธ์ เรื่อง CAUSAL RELATIONSHIP AND EFFECT OF PERCEIVED RISK IN BRAND EXTENSION: IN CASE OF CHAINA TIME-HONORED BRAND โดยมี ผู้ช่วยศาสตราจารย์ ดร.ฐิติมา พูลเพชร เป็นที่ปรึกษาดุษฎีนิพนธ์

จึงเรียนมาเพื่อขอความอนุเคราะห์ตรวจสอบความถูกต้องเชิงเนื้อหาของแบบสอบถาม จักเป็นพระคุณยิ่ง

ขอแสดงความนับถือ

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