Brand Extensions of Experiential Goods: Movie Sequel Evaluations

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We examine movie sequels as brand extensions of experiential goods. Study 1 reveals a reversal of the traditional categorization model such that dissimilar extensions are rated higher than similar extensions. This reversal is moderated by the name of the sequel; numbered sequels (Daredevil 2) are influenced by similarity more than named sequels (Daredevil: Taking It to the Streets). Study 2 reveals that the reversal arises because numbered sequels invoke a greater degree of assimilation with the parent movie, thereby increasing consumers’ level of satiation of experiential attributes. The Internet Movie Database (IMDb) provides external validity for our results (study 3).

Hollywood has begun branding movies in a way similar to that in which consumer-packaged-goods manufacturers brand their products. In this research we examine movie sequels as brand extensions in an experiential context. With sequels, studios try to capitalize on the success of an original movie by producing another film that reprises the same characters evolving in a new situation. As average movie production and marketing costs continue to escalate beyond $100 million (MPAA 2004), sequels represent an increasingly important new product introduction strategy for the studios. Since 1980, sequels have grossed over $20 billion at the box office. The average annual box-office revenue for sequels has more than doubled to $1.9 billion annually this decade, compared to $718 million in the 1990s. Predicting the success of any individual sequel, however, is difficult. For every highly touted success such as Spiderman 2, there are a greater number of disappointments such as Miss Congeniality 2 or Barbershop 2.

In this research we examine individual sequels as brand extensions using categorization models as our theoretical foundation. We contrast predictions in traditional-product contexts with predictions in experiential-goods contexts such as movies. Past research has consistently found that extensions in similar categories (e.g., line extensions) are consistently rated higher than extensions in dissimilar categories (e.g., category extensions) in a physical-product context (e.g., Aaker and Keller 1990). In the context of movies, we propose that experiential-attribute overlap (i.e., genre of the sequel) is more relevant than physical-attribute overlap as a measure of similarity. Consistent with previous brand-extension research, we expect that attitudes toward movie sequels will be influenced by perceived similarity with the original movie. However, in contrast to traditional models, we predict that this extension evaluation process reverses such that consumers will prefer dissimilar (vs. similar) movie sequels because consumers tend to satiate on experiential attributes (McAlister 1982). That is, consumers may prefer that experiential attributes such as the story line of the sequel include different genres from the original because people do not want to see the parent movie again in the sequel. Thus, increased assimilation with the parent brand may also increase the likelihood that satiation occurs during sequel evaluations.

In addition, we examine whether the naming strategy used to launch the sequel can moderate the proposed effects of assimilation with the parent movie. Satiation on experiential attributes such as the plot becomes more likely to the extent that the parent movie is used as the basis for evaluations. The naming of the sequel is one method to vary the degree of activation of the parent movie and therefore vary the degree of assimilation with the sequel. In particular, we suggest that sequels using a numbering title strategy (e.g., Daredevil 2) will depend more upon perceived similarity to the original movie than sequels using a naming title strategy (e.g., Daredevil: Taking It to the Streets) because the num-
branding strategy relies more heavily on the original movie as a basis for evaluations.

Using a multimethod research approach, we examine movie-sequel evaluations in three studies that provide supporting evidence regarding the effects of perceived similarity and naming strategies. In study 1, we investigate sequels that differ in terms of perceived similarity and title-naming strategy using a traditional laboratory experiment. In study 2, we incorporate a computer-based experiment with response latencies to more closely examine the degree of assimilation during sequel evaluations. In study 3, we analyze a movie database with over 2.8 million consumer ratings of sequels launched over a 48 yr. period from 1957 to 2005 to provide external validity to our laboratory results and examine predictions beyond the laboratory setting.

CONCEPTUAL DEVELOPMENT

Brand-Extension Research

Past research has conceptualized a brand as a category in memory (e.g., Aaker and Keller 1990; Boush and Loken 1991). Brand-extension evaluations are moderated by the perceived similarity between the parent-brand category in memory and the extension category (Gurhan-Canli and Maheshwaran 1998; Keller and Aaker 1992). When perceived similarity is high, extensions are assimilated with the parent brand and affect is transferred from the parent brand to the extension. Perceived similarity has been most often defined as some form of physical relationship in terms of feature overlap. When feature overlap is high then the extension category is similar and evaluations improve compared to when feature overlap is low and the extension category is dissimilar. For example, Crest is a brand of toothpaste; hence, an extension to a similar category such as mouthwash is rated higher than an extension to a more dissimilar category such as shaving cream (Aaker and Keller 1990).

Subsequent extension research has shown that perceived similarity can be defined in terms of intangible attributes and brand-specific associations unrelated to the category. In some instances, intangible attributes influence extension evaluations more than tangible attributes. Physical similarity is less important when the relationship between the parent and the extension is based on brand-concept consistency (Park, Milberg, and Lawson 1991). For example, although a kitchen timer is physically more similar to a watch than a pair of cuff links, the Rolex brand extends more favorably to the latter category because of the shared association with status. Physical similarity has also been shown to be less important when the parent-to-extension relationship is based on a relevant brand-specific association (Broniarczyk and Alba 1994). For example, although oatmeal is more similar to cereal than lollipops, Froot Loops extends more favorably to the latter category because the color association provides a shared connection that is relevant to lollipops. Thus, one common theme in past brand-extension research is that high perceived similarity, whether defined as physical attributes, image-related characteristics, or specific brand associations, improves extension evaluations.

Our research diverges from past brand-extension research in that we predict that, when the products being extended are experiential and intangible in nature (e.g., movies), dissimilar extensions will be preferred to similar extensions. We base our predictions on categorization models with the caveat that experiential attributes have a different basis for evaluation compared to tangible attributes. According to the categorization model, assimilation with the parent brand improves evaluations when extensions are similar because the activated parent-brand associations, typically search attributes such as cavity protection for Crest, are favorable in similar extension contexts such as mouthwash (Keller 1993). For movie sequels, the parent-brand associations that come to mind are likely to be experiential attributes such as the original movie’s story line, its genre, and memorable scenes. These attributes are typically featured in movie trailers and television ads; hence, they should be relatively easy to recall. In contrast to physical goods, we suggest that experiential attributes such as the story line and genre tend to satiate such that consumers prefer to experience something different in the sequel; hence, dissimilarity is preferred to similarity. Although high similarity provides a closer connection to the original film, in experiential contexts this process of assimilation is more likely to result in satiation and may therefore lower sequel evaluations. For example, if the original movie is an action/adventure film, consumers may be more attracted to a sequel that also includes a new genre such as a romance relative to a sequel that simply continues the previous theme.

The effects of satiation in experiential-goods settings are well established in psychology and consumer behavior. Coombs and Avrunin (1977) used physiological measures to demonstrate that individuals become satiated with certain attributes after consumption of an experiential good exceeds a specified level. When consumers satiate on a product, they prefer to choose a product with different attributes on the next occasion (Lattin and McAlister 1985; McAlister 1982). Satiation has been identified as a mechanism underlying variety-seeking behavior—defined as the preference for change when consumers choose sequences of experiential goods (Kahn, Ratner, and Kahneman 1997; McAlister 1982). Consumers prefer to experience something new, perhaps as a means to maintain an optimal level of stimulation (Berlyne 1970; Raju 1982). Variety seeking therefore represents a preference for dissimilarity over similarity when consumers evaluate experiential-product experiences. This has been shown with music (Ratner, Kahn, and Kahneman 1999), snack foods (Simonson 1990), and appetizers at restaurants (Ratner and Kahn 2002). Within experiential goods, variety seeking has been shown to be higher for movies versus beer and soft drinks (Trivedi, Bass, and Rao 1994). Finally, in a 25 yr. review of the sensory-satiation literature, Inman (2001) proposed that consumers are more likely to seek variety in experiential attributes such as taste than nonexperiential attributes such as brand name. Surveys as well as
scanner panel data verified a general pattern of behavior of greater variety seeking among flavors than among brands, consistent with the notion that consumers satiate on experiential attributes. Thus, although not commonly considered in extension research, satiation can provide some insight to brand extensions in experiential contexts.

**HYPOTHESES**

We predict that, consistent with satiation of experiential attributes, consumers will rate dissimilar sequels higher than similar sequels. In the movie industry, the experiential categories are identified by genres such as action/adventure, comedy, and so on. Indeed, it is common for the entertainment industry to describe movies by genre: video stores organize rentals according to genres, and movie Web sites often group films by genre. Hence, we defined similarity of the sequel via the genre described for the new film relative to the original.

In our studies we incorporate new genres in the written plot descriptions as a means to manipulate perceived similarity of the sequel. Similar extensions introduced a new story line for the sequel in the same genre as the original film; dissimilar extensions introduced a new story line that also included a different genre from the original film. For example, *Daredevil* was an action movie that primarily focused on a superhero fighting crime in New York City. In the context of a sequel, satiation may occur with the story of the Daredevil as an action-oriented superhero. Satiation therefore implies that consumers would prefer the sequel plot to be different in some substantive way so that the new movie would not be viewed as too close to the original. Adding a new genre to the sequel such as a romance element may provide the necessary variety to make the new film seem more interesting. Note, however, that this new story element makes the film less similar to the original than if the sequel were to update the story with more action centered on the Daredevil character (which is presumably what people liked about the original movie).

The name of the sequel should influence the degree of assimilation between the sequel and the original film, thereby moderating sequel evaluations. As the degree of assimilation increases, sequel evaluations rely more heavily on thoughts about the original movie; hence, assimilated-sequel evaluations should be more subject to satiation. We investigate two naming strategies for sequel titles that may result in varying degrees of assimilation during evaluations. One strategy, which we term the numbering strategy, simply adds a number to the original title to signify that the new movie is a sequel (e.g., *Daredevil 2*). An alternative strategy, which we term the naming strategy, adds a phrase to the original title instead of simply numbering the sequel (e.g., *Daredevil: Taking It to the Streets*). Both of these title strategies are quite common, as evidenced by recent sequels such as *Shrek 2* and *Bridget Jones: The Edge of Reason*.

Categorization research on subtyping indicates that these naming strategies may differ in the degree to which they invoke the process of assimilation. Subtyping models explain how new members of a category (e.g., a sequel) become integrated with the existing category in memory (e.g., the parent film). Most consistent new members of a category are assimilated with existing category knowledge such that similarities are encoded and recalled more frequently than differences (Sujan and Bettman 1989). In contrast, subtyped instances are highly memorable for their differences from the category rather than similarities. Subtyped instances are therefore not merely integrated into the existing category structure; rather, they are placed in a subcategory that is conceptually separate but linked to the original (Sujan and Bettman 1989; Weber and Crocker 1983).

In a branding context, subtyping has been associated with subbranded extensions. Subbranding is a form of brand extension that combines a parent brand name with an individual name to form the name of a brand extension (e.g., Courtyard by Marriott). Research suggests that extensions that include the parent brand name only (e.g., Marriott) are more likely to be assimilated with parent-brand knowledge structure, while subbranded extensions (e.g., Courtyard by Marriott) are more likely to be subtyped as distinct from the parent brand (Milberg, Park, and McCarthy 1997).

We suggest that the title strategy for sequels affects the degree of assimilation of the sequel and consequently influences the likelihood of satiation with the sequel’s story line. Similar to a parent-name-only branding strategy, a numbered sequel title (e.g., *Daredevil 2*) relies heavily on knowledge of the original movie (e.g., *Daredevil*) as a basis for evaluations of the sequel. In contrast, a named sequel title (e.g., *Daredevil: Taking It to the Streets*) relies less heavily on the original movie as a basis for evaluations because the added part of the name cues novelty in the plot. In addition, the extra phrase may help to subtype the sequel as potentially offering a different experience than the original. If numbered sequels are more likely to be assimilated with the original movie and subject to satiation than named sequels, then perceived similarity should significantly affect numbered sequels but not named sequels. Given that dissimilarity should be more desirable than similarity with experiential extensions, we derive the following hypothesis:

**H1:** There will be an interaction between naming strategy and perceived similarity in sequel evaluations. Dissimilar extensions will be rated more favorably than similar extensions when a numbering strategy is used; there will be no significant difference in sequel evaluations when a naming strategy is used.

We examine the assimilation process more closely by including latency measures and manipulating the order of presentation of information about the sequel. As discussed above, if assimilation is more prevalent with numbered sequels, then numbered (vs. named) sequel evaluations should rely more heavily on information stored in memory about the parent movie. Assimilation therefore involves faster evaluation response times because consumers base opinions
of the sequel on preformed opinions about the original movie (Boush and Loken 1991; Sujan and Bettman 1989). Conversely, evaluation times should be slower for named sequels because consumers rely more heavily on new information learned about the sequel as opposed to preformed opinions about the original (Milberg et al. 1997). In addition, this assimilation-based process implies that recall of the sequel plot description will be reduced for numbered sequels because evaluations rely more heavily on the original movie. As a result, response times should be faster and recall of the plot description should be lower as the degree of assimilation with the parent movie increases.

Assimilation can also be examined by manipulating the presentation order of information. If the sequel title is provided before the plot description, then the parent-movie category should be activated to a greater extent when the sequel is numbered (vs. named), leading to a greater degree of assimilation. If the sequel title is provided after the plot description, however, then the parent-movie activation is equalized across naming strategies, and evaluations of numbered sequels should more closely resemble named sequels. In summary, assimilation is more likely when a numbered title is provided before the description relative to when a numbered title is provided after the description. In contrast, named sequels should not be as subject to assimilation, and therefore, order of presentation should not have as much of an effect. This leads to the following three hypotheses:

H2: There will be an interaction between naming strategy and order of presentation in sequel evaluations. Numbered extensions will be rated more favorably when the title is presented after the description than when the title is presented before the description. There will be no significant difference in sequel evaluations when a naming strategy is used.

H3: There will be an interaction between naming strategy and order of presentation in reaction times of sequel evaluations. Numbered extensions will be rated faster when the title is presented before the description than when the title is presented after the description. There will be no significant difference in reaction times when a naming strategy is used.

H4: There will be an interaction between naming strategy and order of presentation in recall of sequel descriptions. Numbered extensions will have a higher recall when the title is presented after the description than when the title is presented before the description. There will be no significant difference in recall when a naming strategy is used.

**STUDY 1: SEQUELS AND PERCEIVED SIMILARITY**

Method

**Participants and Design.** Participants in this study were students at a large West Coast university. Two hundred thirty-eight participants were randomly assigned to four conditions. They completed the questionnaire in exchange for cash. The study was a 2 (similarity: similar or dissimilar) × 2 (sequel title: numbered or named) factorial design with two within-subject movie replicates.

**Procedure and Materials.** The first page of the questionnaire informed participants that they would be evaluating movie sequels that were going to be released in the near future. The next page was headed by the title of the first sequel, which used either a numbered or a named title strategy (e.g., Daredevil 2 vs. Daredevil: Taking It to the Streets). The title was followed by a brief description of the sequel’s plot. The plot description was organized in three sections. The first section indicated that the original movie’s primary actors were also going to be part of the sequel. The second section provided some brief details of the sequel’s plot, closely following the genre of the original movie (e.g., action). These two sections comprised one paragraph and constituted the entire plot description for the similar condition. In the dissimilar condition, a third section was added that described part of the plot that included a genre that was different from the original movie (e.g., romance in addition to action). An example stimulus is provided in the appendix.

After reading the plot description, participants evaluated the sequel on six scales: bad movie/good movie, forget it/must see, uninteresting/interesting, wait for rental/see opening night, will be a flop/will be a hit, and sounds worse than most films/sounds better than most films. All were seven-point scales where higher numbers indicated more favorable evaluations.

The next page included the title of the second sequel (e.g., Meet the Parents 2 or Meet the Parents: The Honeymoon) followed by a plot description and the same method for manipulating similarity. Finally, participants were asked to provide similarity ratings between the sequel and the original as a manipulation check.

**Results.** The manipulation check revealed that sequels described with the same genre were perceived to be more similar to the original movie than sequels described with an added genre (M_sim = 3.92 vs. M_dis = 4.65; F(1, 235) = 4.9, p < .01).

The six evaluation scales were combined into an overall sequel evaluation index for the analysis (Cronbach’s α = 0.95). A 2 × 2 × 2 (two replicates) mixed ANOVA was conducted to test the effect of the replicate factor. This analysis revealed a main effect of the movie replicate such that the sequel to Daredevil was rated lower than the sequel to Meet the Parents (M_Dare = 3.17 vs. M_MTP = 4.40; F(1, 235) = 126.6, p < .01) but did not reveal any signifi-
cant interactions involving the replicates (either three way or two way); hence, the data were collapsed across replicates. The analysis reveals a main effect of title strategy ($F(1, 235) = 21.1$, $p < .01$), a main effect of similarity ($F(1, 235) = 5.5$, $p < .05$), and an interaction between title strategy and similarity ($F(1, 235) = 4.9$, $p < .05$).

The results of the analysis are illustrated in figure 1. As predicted, planned contrasts revealed that, for numbered extensions, similar sequels were evaluated significantly lower than dissimilar sequels ($M_{\text{sim}} = 3.18$ vs. $M_{\text{dis}} = 3.77$; $F(1, 235) = 8.2$, $p < .01$). For named sequels, there was no effect of similarity because similar sequels were evaluated the same as dissimilar sequels ($M_{\text{sim}} = 4.05$ vs. $M_{\text{dis}} = 4.07$; $F(1, 235) < 1$, $p > .2$).

**Discussion**

The first study investigated movie sequels as a type of brand extension in an experiential-goods context. Two findings diverged from traditional brand-extension research on packaged goods. First, when evaluating numbered sequels, consumers preferred dissimilar sequels to similar sequels. Assuming that the numbered sequel is more likely to be assimilated with the parent movie, this indicates that consumers prefer sequels that differ in a substantive way from the original. In addition, similarity did not have any influence if the sequel used a naming strategy. This is interesting because it seems as though sequel evaluations can be improved either through a substantive change in content via additional genres or by a superficial change in the title (i.e., naming vs. numbering).

We proposed that the interaction found in the first study emerges because the numbered sequels were more likely to be assimilated with the original movie. As a result, when evaluating a numbered movie sequel, information about the sequel is more likely to be subject to the effects of satiation. We investigate this assimilation account more closely in study 2 by examining process measures including response times and incidental recall. In particular, as stated in hypotheses 2–4, we expect that the order of title presentation (i.e., before or after the plot description) will reduce the degree of assimilation for numbered but not named sequels.

**STUDY 2: ASSIMILATION AND ORDER OF PRESENTATION**

**Method**

**Participants and Design.** One hundred seventy-three students at a large East Coast university completed the surveys in exchange for course credit. The study included a 2 (title strategy: numbered or named) × 2 (presentation order: title first or title last) between-subjects factorial design. Participants were randomly assigned to a condition.

**Procedure.** Participants completed the survey on a personal computer. The first screen introduced the task of evaluating a movie sequel that will be released. After pressing a key, the computer screen revealed a second section determined by the order manipulation. Participants in the title-first condition read the title of the sequel first (either numbered or named) and then pressed a key to read the plot description. Participants in the title-last condition read the plot description first followed by the sequel title. In this study, only the Daredevil sequel was evaluated (the release of Meet the Fockers prevented us from using Meet the Parents again). After reading the title and description, participants pressed a key to provide their movie evaluations on the same six dimensions used in the first study. Following the evaluations, participants were given a surprise recall task where they were asked to record as many details about the sequel plot description as they could remember.

**Results.** The six evaluation measures were collapsed to provide an overall index (Cronbach’s $\alpha = 0.91$). As predicted, there was a significant interaction between presentation order and title strategy ($F(1, 167) = 4.1$, $p < .05$). This interaction is illustrated in figure 2A. Consistent with the assimilation-based model of evaluations, when the title was provided before the description, the numbered sequel was rated significantly lower than the named sequel ($M_{\text{num}} = 2.64$ vs. $M_{\text{name}} = 3.12$; $F(1, 167) = 4.4$, $p < .05$). There were no differences in evaluations when the title was provided after the description. No other effects were significant.

The response-latency measures of the evaluation task reveal the same interaction between presentation order and title strategy ($F(1, 167) = 7.0$, $p < .01$; see fig. 2B). Consistent with our prediction, evaluation response times were significantly faster when the numbered title was presented first compared to when the named title was presented first ($M_{\text{num}} = 19.1$ sec. vs. $M_{\text{name}} = 27.1$ sec.; $F(1, 167) = 18.8$, $p < .01$). Mirroring the pattern of sequel evaluations, there was no significant difference in response times if the description was presented first, but there was a significant
main effect of title strategy ($F(1, 167) = 8.0, p < .01$), where named sequels take longer to evaluate than numbered sequels.

Finally, the recall measures also revealed the same interaction between presentation order and title strategy ($F(1, 143) = 4.1, p < .05$; see fig. 2C). Recall was significantly reduced when the numbered title was presented first compared to when the named title was presented first ($M_{\text{num}} = 24.4$ words vs. $M_{\text{name}} = 35.6$ words; $F(1, 143) = 6.0, p < .05$). Once again, there was no significant difference in recall if the description was presented first. No other effects were significant. We should note that in this analysis, only 149 data points were used because 24 participants did not provide an answer.

Discussion

The pattern of interactions between presentation order and naming strategy suggests that numbered-sequel evaluations involved a greater degree of assimilation, indicating greater reliance on the original movie as a basis for evaluations. When the numbered title was shown after the sequel description, respondents took longer to evaluate the sequels, they recalled more about the sequels, and they evaluated the numbered sequels more favorably. In contrast, evaluations of sequels with named titles seemed to invoke assimilation to a lesser degree because order of presentation did not affect evaluations. Consistent with a more piecemeal processing strategy, named sequels took longer to evaluate, and recall of sequel information was higher relative to a numbered sequel.

Summing across these two studies, the results thus far suggest that the naming-title strategy for sequels dominates the numbering strategy. Especially for similar story lines, named sequels tend to have higher evaluations. Since both types of movie-sequel-naming strategies are commonly used in practice, we obtained a database of movie sequels to examine the external validity of our experimental results. Although there are many factors that influence the acceptance of sequels (e.g., marketing budgets, number of screens, and competitive films with similar plots), we can examine whether perceived similarity and title-naming strategy actually lead to different sequel evaluations in the marketplace.

STUDY 3: INTERNET MOVIE DATABASE

In order to explore the external validity of the present set of results, we obtained a database of sequels from the Internet Movie Database (IMDb; http://www.imdb.com). The sequel database includes movies spanning a 48 yr. period (from 1957 to 2005). We extracted all of the movie sequels released in this period, the original movies, the year of release, the movie genre, and a user rating for each movie. We then removed movies that were erroneously coded as sequels and movies for which the numbering scheme was ambiguous (e.g., Teen Wolf Too). This left us with a final database of 317 sequels.

In addition to testing our conceptual factors in the marketplace, we could test new predictions that we did not examine in the laboratory experiments. According to our model of movie-sequel evaluations, a sequel is more likely to be successful if it is named (vs. numbered). The financial success of movies is difficult to gauge, given the competitive and market-dynamic effects affecting box office (Ainslie,
Drèze, and Zufryden 2005), the importance of secondary markets such as international box office and DVD sales or rentals (Neelamegham and Chintagunta 1999), and the great variability in production costs. However, we can measure the success of a sequel by the likelihood of releasing subsequent sequels. That is, we posit that a studio will only commission a second sequel if the first sequel was deemed to be successful. It would not make business sense to produce a third or a fourth film in a series if the predecessors flopped. Thus, the likelihood of releasing a third or higher numbered sequel should be greater when the title of the previous sequel is named versus numbered.

In order to examine these predictions, we coded the movies in the IMDb according to the experimental factors in study 1. For the title-naming factor, we coded each sequel as having a numbered title if the only change in name compared to the preceding movie in the series was the presence of a number (e.g., *Spiderman 2*); otherwise, the sequel was coded as a named title (e.g., *Bridget Jones: The Edge of Reason*). For the genre factor, we compared the genres listed for each sequel to the genres listed for its predecessor (a movie can be of multiple genres, e.g., action/comedy). If the sequel was described as having genres that were not present in the predecessor, it was coded as a dissimilar extension; otherwise, the sequel was coded as being a similar extension.

Finally, we incorporated user ratings as the dependent variable. Ratings are provided by users who visit the IMDb Web site. Each movie can be rated on an 11-point scale ranging from zero to 10, with higher numbers indicating more favorable ratings. The number of user ratings provided for each movie varies; however, the totals are considerable since the Web site is extremely popular. There is an average number of 8,826 ratings for each sequel in our database, or a total of about 2.8 million user ratings in the entire database.

Although the database allows us to examine the degree of correspondence between the laboratory results and the marketplace, it is important to note that the field study is constrained relative to the first two studies. Most important, the lack of experimental control in the real-world data dictates caution in directly comparing the results across methodologies. In our experiments, we kept the descriptions constant such that the same story line could be tested in all treatment conditions. In contrast, the movies in the database belong to only one condition, and therefore, the cell means compare different movies with different story lines. Similarly, the laboratory experiments controlled movie quality; the sequels were all the same except for the conceptual manipulations. The database, however, includes movies of differing quality across the cells. If movie studios act strategically when releasing sequels, then there may be some systematic reasons for naming a sequel differently or communicating a different genre that would dilute the strength of our conceptual factors studied in the laboratory.

To control for differences in quality across movies and account for the fact that each movie belongs to only one cell in study 1, we coded the ratings in terms of the relative change from one movie to the next. That is, we performed an ANOVA on the log of the ratio of the sequel rating relative to its parent. Results indicate significant main effects for similarity (*F*(1, 316) = 5.0, *p* < .05) and naming strategy (*F*(1, 316) = 4.2, *p* < .05). The interaction is not significant (*F*(1, 316) = .5, *p* > .4). The results are illustrated in figure 3. Due to the collinearity inherent to field data, the statistics reported here are based on the Type III sums of squares (SS) rather than Type I. This is a more conservative test of our hypotheses (Type I SS yield *F*’s of 8.8, 5.1, and .5 for similarity, naming, and the interaction, respectively).

To examine the prediction regarding the likelihood of future sequels, we ran a logistic regression using the presence of a sequel to the sequel as a dependent variable. That is, we coded a sequel as successful if it spawned further sequels (e.g., *Beverly Hills Cop 3* or *Batman Forever*). Since the database extends to 2005, we took precautions when estimating the likelihood of future sequels. For instance, the reason why there is no *Spiderman 3* is more likely due to the fact that *Spiderman 2* came out in 2004 rather than to the lack of success of the first sequel (*Spiderman 2* grossed $370 million domestically). Hence, we dropped recent movies from our analysis and only considered movies launched before 2000. This left us with 250 movies in the database. The 5 yr. cutoff was chosen in light of the fact that 75% of sequels are released within 5 yr. of their predecessor.

The results of the logistic regression are consistent with the ANOVA performed on ratings. We find significant main effects for both similarity (χ² = 7.6, *p* < .01) and naming (χ² = 3.9, *p* < .05) but no interaction (χ² = .1, *p* > .5).

**Discussion**

Consistent with study 1, sequels that were dissimilar to their parent movie (i.e., sequels with a different genre) received higher consumer ratings than sequels that were similar to their parent movie. Also consistent with study 1, named sequels received higher consumer ratings. In fact,
named sequels that were dissimilar in genre received evaluations that were almost as high as the parent movie. In addition, in the database we could further examine the long-term effects of naming strategy by examining the likelihood of future sequels. As implied by studies 1 and 2, named sequels were more likely than numbered sequels to be followed by another sequel.

There are important differences between the database results and the results of studies 1 and 2. First, the interaction between similarity and title-naming strategy failed to reach significance in the database. In addition to our earlier cautions regarding direct comparisons, in our laboratory studies respondents rated sequels that they had not seen (in fact, the sequels did not exist yet); in the database, the ratings were presumably provided by people who had seen the movie. This, no doubt, lessens the impact of the naming factor for similar movies because the actual movie content will reveal the truth, whereas our evaluations capture expectations. Second, in our studies respondents were randomly assigned to a condition. Random assignment was not possible in the database, and therefore, the results could be due to the fact that individual differences between people lead to differences in the types of movies they choose to see and how they rate those movies afterward.

Nevertheless, the main effects of similarity and sequel-naming strategy factors emerged despite these differences. Even more important, our prediction regarding the likelihood of future named sequels also reached significance in the database.

GENERAL DISCUSSION

Three studies examined movie sequels as a type of experiential brand extension. In contrast to traditional categorization models, our results revealed a reverse pattern for the effects of perceived similarity based on the degree of assimilation and the subsequent likelihood of satiation. Study 1 revealed that evaluations of numbered movie sequels improved when the sequels were dissimilar as opposed to similar, whereas named sequels did not depend on similarity. Study 2 showed that the likelihood of satiation is dependent upon activation of the original movie; numbered sequels were more likely to be assimilated with the original movie, leading to lower evaluations, faster response times, and reduced recall of the sequel’s plot. Study 3 found two of the experimental main effects actually extended to real-world sequel evaluations over a 48 yr. period. Dissimilar sequels were rated higher than similar sequels, and sequels with named titles were rated higher than sequels with numbered titles in the IMDb. In addition, named (vs. numbered) sequels were more likely to result in the launch of yet another sequel. Summing across these three studies, we conclude that for experiential attributes, the evaluations of brand extensions reverse the traditional pattern because consumers evidently value dissimilarity over similarity.

There are several limitations of the current research that should be further investigated. Collectively, the three studies reported provide indirect evidence for the process of satiation. Although the title-order manipulation in study 2 is consistent with this explanation, it would be helpful to have direct evidence of satiation. Future research should examine satiation in more detail. In addition, we have operationalized the experiential attributes in terms of a movie’s story line. Other experience-based categories such as television and music may provide interesting points of comparison to movie sequels. For example, in television, spin-offs are often created on the basis of an original hit show. Similar to movies, there are highly visible successes such as Frasier as well as highly visible disappointments such as Joey. It would be interesting to compare and contrast the determinants of success in a broader set of experiential categories.

The results have several theoretical and managerial implications. First, dissimilarity is preferred to similarity when consumers evaluate experiential brand extensions presumably because of assimilation with the parent movie. Since sequels are released years after the original movie, this result indicates that assimilation-based satiation may extend over a much longer period of time than previously considered. Previous research has typically focused on satiation with time horizons of seconds or days, not years as in our studies. Note that this is predicted rather than experienced satiation, reflecting that consumers have intuitions about the effects of satiation (Ratner and Novemsky 2003).

Second, the experimental results suggest that the title of the sequel can influence how consumers process information about the movie. Numbered sequels relied heavily on the original movie as a basis for evaluations, and a simple change to a named sequel seemed to diminish the degree of assimilation. Investigations of naming strategy show that similar superficial changes to a name can lead to profound influence on evaluations. Naming effects have occurred in brand-extension evaluations (Milberg et al. 1997), ingredient branding (Desai and Keller 2002), and children’s evaluations of brand extensions (Zhang and Sood 2002). Given this substantial impact that the brand name serves in terms of evaluations, future research should more systematically investigate how the components of a brand name affect information processing.

In terms of managerial implications, the results suggest that studios could improve the reception of sequels by using naming strategies for the title. In this article we did not manipulate the type of naming strategy used, but the results imply that the type of name itself may have an effect. Specifically, our titles cued respondents about something different in the sequel (e.g., Daredevil: Taking It to the Streets), and this cue was reinforced in the actual plot description. However, other naming strategies may not cue something new about the sequel and therefore would presumably be more likely to lead to assimilation (e.g., The Matrix Reloaded). It would be interesting to know if a superficial name change can lead to very different ratings of otherwise identical experiences. Note that we examined moderately discrepant sequels; if the sequel descriptions were highly discrepant (e.g., completely new plot), then a different pattern of evaluations may have emerged.
Summing across studies, we would expect that naming changes will mostly affect opening-week box-office results because the moviegoers who purchase a ticket on opening day are in a similar position to that of the participants of studies 1 and 2. These consumers know the movie title and probably have seen a trailer or read a description of the movie. In contrast, moviegoers who purchase a ticket on subsequent weeks will have a chance of being exposed to word of mouth and, thus, might have an opinion about the movie that is based on the movie content more than on the movie title. The responses of these moviegoers then are more likely to resemble the results of study 3. Interestingly for the studios, the naming strategy may be a useful tool for improving the opening-weekend reception.

APPENDIX

SEQUEL PLOT DESCRIPTION EXAMPLE

DAREDEVIL 2

Ben Affleck and Jennifer Garner reprise their roles in the next installment following the crime-fighting adventures of Daredevil Matt Murdock and Elektra Natchios. This time the Daredevil gets caught in a turf battle between two rival gangs in Hell’s Kitchen, New York. The gangs show no mercy, fighting each other with automatic weapons, fire bombs, and samurai-style swords. The Daredevil must harness his special powers in new ways in order to keep the streets of New York safe.

In addition to the action, in this movie the story line focuses more on the romance between Daredevil and Elektra, adding a new dimension to the Daredevil story [dissimilar condition].

REFERENCES


