"IMPACT OF BRAND EQUITY ON BRAND EXTENSION"

A PROJECT STUDY SUBMITTED IN PARTIAL FULFILLMENT FOR THE REQUIREMENT OF THE TWO YEAR (FULL-TIME) MASTER IN BUSINESS ADMINISTRATION 2018-2020

SUBMITTED BY
PRATEEK SAROHA
ROLL NO. 2K18/MBA/018

UNDER THE GUIDANCE OF
Ms. DEEP SHREE

DELHI SCHOOL OF MANAGEMENT, DTU, DELHI

CERTIFICATE

This is to certify that the present study is based on my original research work and my indebtedness to others" works, publications, etc. wherever cited in this study has been duly acknowledged at appropriate places.

This work has not been submitted either in part or in full for the award of any diploma or degree in any university, and is now being submitted for evaluation in partial fulfilment for the requirement of the Two-year Full Time Masters in Business Administration.

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Signature of the Student
(Name & Roll No. of the student)

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Faculty Guide

DELHI SCHOOL OF MANAGEMENT, DTU, DELHI

Dated……………

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(Prateek Saroha)

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Faculty Guide

ACKNOWLEDGEMENT

I would like to thank to thank my faculty mentor, Ms. Deep Shree, Assistant Professor Delhi School of Management, for being helpful and cooperative and for guiding me during various stages of my project and eventually to the successful completion of the report.

Last but not the least; I would like to thank my peers for guiding me. They have always been there to support and enrich with their knowledge.

EXECUTIVE SUMMARY

In today‟s market, companies use a common method to launch a new product by using existing brand name on a new product in different category. This common method is known as Brand Extension. A company opting for brand extension hopes to leverage its existing customer base and brand loyalty to increase its profits with a new product offering. It involves introducing a new product under the existing brand name. It has become a popular-new strategy because of its attractive advantages.

The strategy of brand extension is to capitalize the brand equity since it plays a key role in providing a new source of revenue. Also, risk associated is also high since an unsuccessful brand extension or even a successful brand extension could damage the original brand.

This study analyzes the factors influencing brand extension. Specifically the study analyzes the impact of similarity, brand reputation, brand association, brand awareness and brand loyalty on the success of brand extensions into related or unrelated categories of FMCG products. A set of hypotheses were developed and tested by regression analysis. It investigated the effect of these factors on hypothetical potential brand extensions of two well-known brands, Dettol and Cinthol in the FMCG sector.

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1 INTRODUCTION

1.1 Background of Dettol's past extensions

Dettol brand has maintained an immense trust and loyalty with its customers. Since its inception in 1930"s in India, it has occupied a distinct position in the minds of customers. In order to achieve fast growth and establish a strong brand equity of Dettol, Reckitt Benckiser India Limited (RBIL) rolled out a number of Brand Extensions. Reckitt Benckiser India Limited (RBIL) is a wholly owned subsidiary of Reckitt Benckiser. The parent company was the world"s number one in household cleaning products. Among these brand extensions, such as, Dettol soap and Dettol liquid hand wash were success in the market, but, most of the other brand extensions have failed. Dettol has been considered as the most trusted brands since it protects families from various diseases and illness i.e. protection against micro germs

Usage:

- o Dettol can be used as an antiseptic liquid to protect the entire family from germs.
- o Dettol can be diluted in water or cleaned using mops to disinfect the floors completely.
- o Dettol can even be used to disinfect your clothes in washing and laundry.
- o Dettol had expansion in its products category and their product can be used for cuts, wounds and even for shaving, rinsing as a general disinfectant.

In order to fully exploit the potential of Dettol and to establish the brand presence in the customer"s daily life, a brand extension strategy was developed. In 1980"s, Dettol initiated its first brand extension of Dettol soap. Later RBIL introduced more than 8 brand extensions from prickly heat talcum powder to mouthwash. Apart from this, some of the brand extensions of dettol were not successful and hardly anyone remembers them.

Dettol Soap

It comes in different flavors for eg: original, cool, skin care, re-energize. It has majorly achieved success because of the growing awareness among consumers regarding health and environment, and, has been positioned as a 100% germ killing soap.

Dettol Hand Wash

Categories of Dettol hand wash are original, sensitive, skincare and fresh hand wash. Because of its perfect mix of constituents towards complete skin care, it enjoys a good reputation with trusted protection towards germs. This product comes in different bottle size.

Dettol No-touch Hand wash

It involves an advanced technology which automatically senses the person"s hand and dispense required amount of liquid soap. It comes in 2 different flavors: original and cucumber.

Dettol Medical Plasters

This brand extension was unable to achieve good sales in the market. Due to its relatively low value, customers prefer to use traditional methods for medications for small injuries. The company gave up this product eventually.

Dettol Shaving Cream

Reckit failed to enter the male grooming market by introducing shaving cream since it was not successful. This product was withdrawn from the market soon after its introduction. Since the company lacks the expertise in gels, the marketing was not practiced upto a good level which resulted in this extension to be unsuccessful.

Dettol Talc

The consumers believed for Dettol talc to have a medicinal smell instead of a pleasant fragrance, which was one of the main reasons for the failure of this brand extension. Also the competitive brands such as nycil, boroplus etc dominated the market in this segment

Dettol Mouth wash

Reckit experiment another brand extension in the form of mouthwash. This product possess the image of germs fighting product in the mouth. However, this product was not successful and soon was withdrawn.

Dettol Floor Cleaner

It was presented as a "double action purpose product which kills germs while cleaning". The main theme in the marketing communication for this product was the "need to prevent the frequency of illness in the family".

1.2 Background of Cinthol's past extensions

Cinthol, more than a personal care brand, is an FMCG brand from Godrej. It is best described by 3 words "Alive is awesome". It makes people"s living worthwhile by giving people incredible experiences. With its inception in 1952, Cinthol was India"s first Energy drink and complexion soap brand. It was considered to be the alpha male"s brand with endorsers such as SRK, John Abraham, Imran Khan etc over the years.

Over the last 2 decades, Cinthol has modified its soap formulation, packaging design and product mix in order to fulfill the needs of consumers of new generation. Cinthol has undergone various extensions such as

- Deodorants
- Aftershave
- Talcum Powder
- Face Wash
- Shower Gel

Apart from that Cinthol has also launched new Soaps in the market in order to overcome the varying needs of their customers

Basically the brand is trying hard to relate its products to the new generation

1.3 Background of why companies partake in brand extensions

Brand extension is an alternative for companies to grow in a cost effective way. Brand extensions generally have lower start-up costs compared with products that are introduced with new names. Extension plays a key role in the life of brands since it shows market adaptability, growth and range, which are the most significant factors that researchers consider vital for companies to participate in brand extension. Further brand extensions are a natural strategy for a firm looking to grow by exploiting its assets.

Also the companies need to understand that there are certain risks which arrive if the brand is extended so far such that its core associations are weakened. Aeker (1991) has raised certain important issues in the brand extension decision such as:

- To what product should the brand be extended?
- How far can the brand be extended before brand equity is affected?
- And will the new associations of an extension be helpful or harmful?

Every company must identify the right time, place and content for a brand extension. Companies should equally consider brand extensions as long-term logic, because all brand extensions have an effect on the nature, scope and status of the brand"s equity.

1.4 Problem Discussion

There are several opportunities for a company to grow and brand extension is one of them. It is a way for many companies of leveraging their most valuable assets, namely their brand. Some companies stretch its brand and product offerings too far and some too little. However, both ways resulting in a potential danger for the survival of the company going forward.

When a company has decided to participate in brand extension, what remains is to identify the right time, place and content for the extension, as well as the methods to be implemented for the launch. Brand equity can serve as a platform when participating in brand extension and it is important to assess how they affect one another. As research in the academic world shows, the context and definition of brand equity as well as brand extension are both highly discussed and complex. This is the challenge which needs to be understood by a company. Therefore, a company needs knowledge about how to extend its brand and how brand equity impacts brand extension.

1.5 Objectives of the study

In order to determine whether a brand extension is able to capitalize on its parent brand whist avoiding or minimizing potential disadvantages, it is crucial to understand how the extensions are evaluated by consumers. The success of a brand extension is largely determined by how consumers evaluate the extension.

The purpose of the study was to examine and empirically test how consumers in evaluate brand extensions in reference to variables such as
(1) Perceived Similarity
(2) Reputation of the parent brand
(3) Brand Associations
(4) Brand Awareness
(5) Brand Loyalty

Two brands have been studied for this purpose in the FMCG sector: Dettol and Cinthol. Brands selected have been studies in the light of their potential related and unrelated extension. For Dettol, the two potential extensions are Dettol toilet cleaner (related) and Dettol facial wet wipes (unrelated). For Cinthol, the related extension is Cinthol Fairness cream and unrelated potential extension under study is Cinthol Energy Drink. Consumer response towards these hypothetical/potential extensions have been studied based on the consumer relationships with the brand.

2   LITERATURE REVIEW

2.1 Research Papers

In this section, we give an overview about the 3 researches which have been conducted related to brand extensions. We link these studies with our research.

1. Dhananjay Bapat and J.S. Pαnwar (2009) worked on consumer evaluation of Brand Extensions. They made the study in the Indian context with some famous brands they examine, Lux and Nirma in Energy drink, Amul and Maggi brands in to potato chips, LIC and Reliance into banking sector, TATA motors venturing into bikes and Bajaj Auto limited entering from bike to cars. They examine the evaluation of brand extensions for real brands in hypothetical product category by using survey. They conduct the research in different domain. They identify the factor for successful brand extension. Their findings indicate that successful extension of brand not only depends on strong parent brand association but also on extendable category borrowed brand extension. They made survey in these areas by their finding.

2. Chung K.Kim, Anne M.Lavack and Margo Smith (1995) did their research in the field of another type of brand extension. They want to know about the consumer evaluation on Vertical brand extension. It was a scientific research in which they made two experiments to measure consumer evaluations on both core brands and vertical brand extensions, they made research on the effect of direction of brand extension (Step up Vs Step down) and distancing techniques (close, Medium and far). In their research they examine the impact of product concept (function oriented Vs prestige oriented brands). They made two studies in study one they use car (lexus, Toyota) and in study 2 they use wrist watches (Rolex, Timex). They came to result that with any type of vertical brand extension whether step up or step down, it will have a negative impact on consumer evaluation of the core brand. But, by increasing the perceived distance between the extended brand and the core brand, this negative impact on the core brand will gradually decrease.

3. Another study in this related field was carried out from David A.Aaker and Kevin Lane Keller (1990).They made two studies to obtain insight on how consumer forms attitudes toward brand extensions. In the first study, the 20 brand extension reaction concepts which involve six well-known brand names were examined. In this study they find out that attitude toward the extension was higher when there was perception of "Fit" between extended brand and original brand. In second study examined the effectiveness of different positioning strategies for extension. They find out that potentially negative associations can be neutralized more effectively by elaborating on the attributes of the brand extension than by reminding consumers of positive associations with the original brand.

2.2 Brand Extensions

We came across many definitions of brand extension. Some of them are:

- Using a well-established name of one product class (say A) to enter into another product class (say B).
- A strategy which is commonly used by the firms for using an established and successful brand name in order to launch a new or a modified product in the market.
- Using an established brand name in order to launch a new product into a new product category which is new to the company which is known as franchise strategy.

Brand extension could be further classified into three brand categories that is
a) Vertical Extension
b) Distance Extension
c) Horizontal Extension

In Horizontal Extension concept, a brand name is used for a new product or service in either a product category totally new to the firm or to the related product class.

For related or unrelated extensions, we prefer close and distance extensions. When the distance between the extended product and the core product is nominal, then this kind of extension is known as close extension, whereas when the core product and the extended product are unrelated, then it is said to be distance extension.
For several different products, the same brand name is used while using an umbrella branding. Firms should make sure that the quality perception of the core products generally gets transferred to all the extensions while following this strategy

In Vertical Extensions, the product or service is introduced in the same product category as that of core brand, but at a different price point or at different quality level. There are 2 directions for vertical scaling.
If both the quality level and the price of the new product is high, then it will be known as up-scaling, however, if the quality level and the price is low, then it will be known as down-scaling.

Generally, vertical scaling is considered to be more acceptable strategy for management, since it is less risky.

2.3 Variables influencing brand evaluation

a) Similarity

Degree of resemblance of consumer perception between core brand and the extended brand is known as similarity. Higher the level of similarity between the extended and core brand category, higher would be the chances for extended brand of inheriting the positive and negative aspects of the core-brand. This hypothesis is based on the inference that consumers attitude will be more favorable towards those brand extension where they find higher level of consistency between the extension and the original brand.

b) Reputation

Brand extension strategy is based on a key assumption that the leverage providing capabilities of parent brands to brand extensions usually vary from brands to brands. It is higher for stronger brand and lower for weaker brand. Brand reputation refers to consumers perceptions on the quality associated with a brand. The consumers tend to evaluate those brands more favorably that have higher perceived quality as compared to low perceived quality brands. Reputation in the above studies have been conceptualized as a combination of (a) product quality,(b) firm"s marketing activities and (c) acceptance in the market place.

Consumer while evaluating higher perceived reputation brand would feel that it is comparatively less risky, thus their evaluations would be more positive towards these brands as compared to brands carrying lower brand reputation.

c) Brand Association

The terms such as product attributes, product benefits and costumers characteristics are generally used for conceptualization of brand Association. The consumer"s confidence on brand extension evaluation would be positive for brands that are associated with several products, provided there is no significant parity between the qualities of products. In fact addition of product would have positive evaluation, provided the quality level of additional product is the same. The research also indicates that indiscriminately brand extensions into unrelated product, even if the quality of the core brand is high, are not advisable. So, the first extension is more preferable to be into moderated categories and then (later) to unrelated categories. Following this stepwise extension from one category to moderated unrelated category would help the consumer in maintaining the perception of relatedness. Products, which have strong association with the core brand, could be easily evaluated by the consumers. Contrarily, products that have weaker association with the core brand are dependent on a certain degree of cues for evaluation purpose.

d) Brand Awareness

The extent to which a brand is recognized by its potential customers, and is correctly associated with a particular product is known as Brand Awareness. In other words, Brand awareness is the extent to which the consumer generally associates the brand with the product that they want to purchase. It is the brand recognition and the brand recall of the company to the consumers.

Brand recall -> is the ability of the consumer to recollect/identify the brand from its products
Brand recognition-> is the potential of the consumer to retrieve the knowledge of the brand when the brand is enquired or when shown a brand logo image.

Brand awareness plays a key role in brand development which helps the brand to differ from the others in this monopolistically competitive market.

e) Brand Loyalty

Brand loyalty is a measure of how often a customer is inclined to choose the same brand when buying from the product class. If most customers are indifferent to brand names and buy primarily on the basis of features, price, and convenience, then very little brand equity exists. If, on the other hand, they continue to purchase a brand even in the face of competitors with superior features, price, and convenience, substantial brand equity exists. Brand loyalty is not simply present or absent, but is present in varying strengths. Nearly all customers, no matter how loyal, have some propensity to at least "take a look" at other brands from time to time.

Brand switching is influenced not only by a customer's brand loyalty, but also by the customer's switching costs (time, money and risk involved in switching brands – not a part of brand loyalty). So, while measuring the occurrence of switching may not be an entirely valid indicator of brand loyalty, it is a good indicator in most instances. Accordingly, customer retention rates and average customer lifetimes, particularly changes in these measures, are important indicators of brand loyalty and should be watched carefully. Brands that are market leaders almost always have the highest brand loyalty. And, if we view niche brands as really being market leaders in narrowly defined markets, the loyalty-leads-to-market-share rule is essentially absolute. If brand awareness and brand image do not translate into brand loyalty, much of the effort and expense that has gone into building awareness and image has been wasted.

3 HYPOTHESES

In reference to the literature studied, we have established the following hypotheses:

H1a: The higher the perceived similarity towards the parent brand, the more favorable should be the evaluations of the brand extensions in related category.
H1b: The higher the perceived similarity towards the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

H2a: The higher the reputation of the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.
H2b: The higher the reputation of the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

H3a: The stronger the associations towards the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.
H3b: The stronger the associations towards the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

H4a: The higher the awareness of the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.
H4b: The higher the awareness of the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

H5a: The higher the loyalty towards the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.
H5b: The higher the loyalty towards the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

4   RESEARCH METHODOLOGY

Total sample size was 212 of which 101 were male and rest 111 were female, in terms of profession, 119 were students, 66 were service holders, 22 were business persons, 5 were homemakers. In terms of education, 59 were graduates, 148 were post graduates, 5 others. Age-below 25 yrs were 64, 25-35 yrs were 106, 35-45 were 37 and above 45 were 5.

We have used non-probabilistic sampling technique. The sample was collected with an intention to accommodate a certain number of male and female respondents and also from different occupational groups.

We have prepared and used a self-administered questionnaire and is filled from the respondents in order to collect the data. Data was collected from November 29 to December 30, 2016. The data was analyzed using SPSS and relied on regression analysis as its core analytical technique.

a) Stimuli Selection

A focus group discussion was held in which the respondents were asked to identify two brands and their potential extensions were discussed (related and unrelated). Thus the following two brands were finalized:
   a) Dettol
   b) Cinthol

COMPANY NAME	EXISTING PRODUCTS	POTENTIAL EXTENSIONS
GODREJ's CINTHOL	Bath Soaps, Face wash, Shower Gels, Talcum Powder	Fairness Cream (related) Energy Drink (unrelated)
RECKITT BENCKISER's DETTOL	Dettol Soap, Liquid Soap, Medicated Plasters, Shaving Cream, Talc, Floor Cleaner	Toilet Cleaner (related) Facial Wet Wipes (unrelated)

b) Measurements

The independent variables and dependent variables of this study are described below with the discussions on how these variables were measured:

c) Dependent Variable

Consumer evaluation of the brand extension is the dependent variable for this study. Keller and Aaker (1992) used the following statement in order to measure the overall evaluation: "I am very positive to the extension of XYZ".

d) Independent Variables:

i) Similarity

Between the parent brand and the extended brand, with the help of concepts of Aaker and Keller (1990) and Smith and Park (1992), Similarity was measured by asking the ratings of the respondents to the similarity between the extended brand and core brand of the two brand extensions which are used in this study.

ii) Reputation of Parent Brand

A very similar measure has been used by Aaker and Keller (1990); Loken & John (1993) for measuring reputation of parent brand. The questions derived from their conceptual definitions were:

- Altogether I am very positive with the brand XYZ
- Altogether I am very satisfied with the brand XYZ.
- Altogether I associate positive things with the brand XYZ.

iii) Brand Association

Smith (1994) has defined characteristics of parent brand in reference to broad and narrow association. For Example Sony Brand has broad association as these brand names are used with a wide variety of products. Other Brands such as close-up have narrow association since this brand name can be used for limited number of products. Based on this construct, the respondents were asked to rate the potential brand extensions in terms of fit with their associations with the parent brand.

iv) Brand Awareness

The extent to which the public i.e. the target market of an organization is able to identify a brand (or know about the brand) by its attributes/characteristics is known as Brand Awareness. It can be said that Brand recognition is considered most successful when the people can state a brand without being explicitly exposed to the company's name, but instead through visual signifiers such as brand slogans, brand colors and brand logos.

v) Brand Loyalty

The measure of how often a customer is inclined to select the same brand among different brands while buying from the product class is known as Brand Loyalty.

Sample Size

 The sample size for the study was 212.

Demographics of the sample

Gender

- Female 52%
- Male 48%

Occupation

- Homemakers 2%
- Business 10%
- Service 32%
- Students 56%

Education

- Others 2%
- Graduates 28%
- Post Graduates 70%

Age

- Above 45 yrs 2%
- 35-45 yrs 18%
- 25-35 yrs 50%
- Below 25 yrs 30%
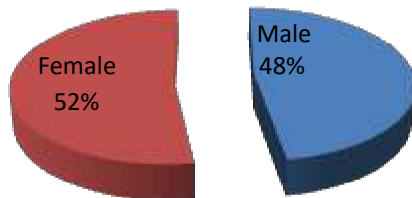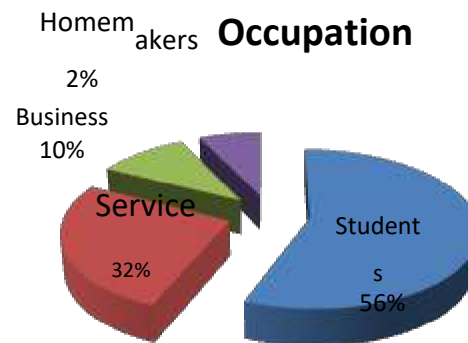
5 ANALYSES, RESULTS AND INTERPRETATIONS

5.1 Reliability Assessment

Prior to performing the regression, reliability analyses were performed. Reliability was assessed by measuring the reliability coefficient, or Cronbach''s alpha, which is defined as the average of all possible split-half coefficients resulting from different ways of splitting the scale items (Cronbach, 1951). The value of this coefficient varies between 0 and 1, where a value of 0.6 or less usually indicates unsatisfactory internal consistency reliability (Malhotra & Birks, 2003). An important characteristic/property of Cronbach''s alpha is that the alpha value increases as the number of scale items increases. So, the coefficient alpha may be artificially increasing i.e. inflate by including several redundant scale items (Peterson, 1994). The Cronbach''s alpha values in the reliability analysis came out to be greater than 0.8 for each of the brands (see tables).

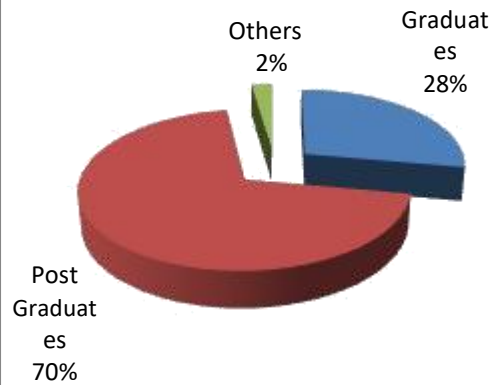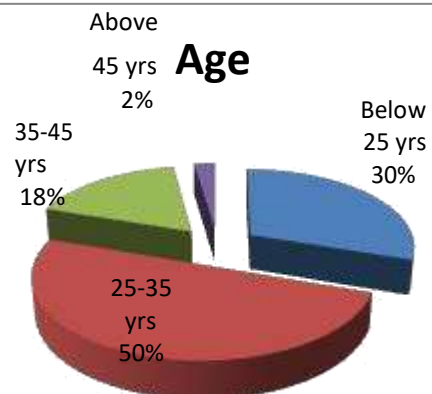**Reliability Statistics for Dettol toilet cleaner**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.874	.872	12

Reliability Statistics for Cinthol Fairness cream

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.863	.865	12

Reliability Statistics for Dettol wipes

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.821	.825	12

Reliability Statistics for Cinthol Energy drink

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.874	.879	12

5.2 Hypothesis Testing

5.2.1 Hypothesis 1

H1a: The higher the perceived similarity towards the parent brand, the more favorable should be the evaluations of the brand extensions in related category.
H1b: The higher the perceived similarity towards the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

The hypothesis postulate that brands extension to similar category would have more favourable consumer evaluation as compared to those brands that have been extended to non-similar category. Two brand extensions were used as stimuli i.e. Dettol and Cinthol. The summarized regression results are presented below:

RELATED EXTENSIONS

Dettol toilet cleaner-

Model Summary

R Square	Adjusted R Square	Std. Error of the Estimate
.735	.733	.216

a. Predictors: (Constant), How similar is the usage of Dettol and extension Dettol toilet cleaner?, How similar is the competency to make the original Dettol and extension Dettol toilet cleaner?

Cinthol fairness cream -

Model Summary

R Square	Adjusted R Square	Std. Error of the Estimate

.689	.686	.291

a. Predictors: (Constant), How similar is the usage of cinthol and extension cinthol fairness cream?, How similar is the competency to make the original cinthol product and extension cinthol fairness cream ?

The respondents found high levels of similarities between brand extensions of Dettol viz. Dettol Toilet Cleaner and Cinthol fairness cream. The relationship of variables "Similarities", and "Consumer Overall Evaluation" for the brands extensions "Dettol antiseptic Viz. Dettol Toilet cleaner" and "Cinthol Get fair Viz. Fairness cream" shows very strong relationships with coefficient of determinations being 0.73 and 0.68, respectively. Overall model is fit at 0.000 for both Dettol toilet cleaner and Cinthol Fairness cream. Hence, H1a is accepted.

UNRELATED EXTENSIONS

Dettol facial wet wipes-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.649[a]	.421	.419	.224

a. Predictors: (Constant), How similar is the usage of Dettol and extension Dettol facial wet wipes?, How similar is the competency to make the original Dettol and extension Dettol facial wet wipes?

Cinthol Energy drink-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.618[a]	.382	.376	.599

a. Predictors: (Constant), How similar is the usage of Cinthol and extension Cinthol Energy drink?, How similar is the competency to make the original Cinthol product and extension Cinthol Energy drink?

The coefficient of determinations for Dettol facial wet wipes and Cinthol Energy drink are rather weak at 0.421 and 0.382, respectively. Overall model is fit at 0.000 significance level for both Dettol facial wet wipes and Cinthol Energy drink. Hence, H1b is accepted.

Thus, in both related and unrelated extension category, the model is fit. However, the coefficient of determination is greater in the related category than the unrelated category.

Thus means that consumers evaluate the brand extensions more favourably as the similarity increases between the parent brand and the extension category.

5.2.2 Hypothesis 2

H2a: The higher the reputation of the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.

H2b: The higher the reputation of the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

The hypothesis postulates that the evaluation of brand extension would be positive for those brands whose parent brands have stronger reputation. The summarized regression results are presented below:

RELATED EXTENSIONS

Dettol toilet cleaner-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879^a	.772	.769	.289

a. Predictors: (Constant), All together, I am very satisfied with Dettol, All together, I am very positive to Dettol, All together, I associate positive things with Dettol

Cinthol Fairness cream-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889^a	.790	.788	.212

a. Predictors: (Constant), All together, I am very satisfied with Cinthol, All together, I am very positive to Cinthol, All together, I associate positive things with Cinthol

The results indicate that strong relationship exists between "Brand Reputation" and "Consumer evaluation of brand extensions". Dettol antiseptic viz. Dettol toilet cleaner and Cinthol viz. Cinthol fairness cream have coefficient of determinations being 0.772 and 0.790,

respectively. Overall model is fit at 0.000 for both Dettol toilet cleaner and Cinthol fairness cream. Hence, H2a is accepted.

UNRELATED EXTENSIONS

Dettol facial wet wipes-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709[a]	.502	.497	.479

a. Predictors: (Constant), All together, I am very satisfied with Dettol, All together, I am very positive to Dettol, All together, I associate positive things with Dettol

Cinthol Energy drink-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691[a]	.477	.472	.511

a. Predictors: (Constant), All together, I am very satisfied with Cinthol, All together, I am very positive to Cinthol, All together, I associate positive things with Cinthol

The coefficient of determinations for Dettol facial wet wipes and Cinthol Energy Drink were not very high ie. 0.502 and 0.477, respectively. This means that 51% of the change in overall evaluation of the extension Dettol facial wet wipes is explained by the change in brand reputation of Dettol, similarly for Cinthol. Overall model is fit at 0.000 significance level for both Dettol facial wet wipes and Cinthol Energy Drink. Hence, H2b is accepted.

Thus, in both related and unrelated extension category, the model is fit. However, the coefficient of determination is greater in the related category than the unrelated category. Thus means that consumers evaluate the brand extensions more favourably when the parent brand has a strong reputation in case of related category than unrelated category.

5.2.3 Hypothesis 3

H3a: The stronger the associations towards the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.

H3b: The stronger the associations towards the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

The hypothesis postulates that the consumer evaluation of those brand extensions would be positive that have "strong association". The summarized regression results are presented below:

RELATED EXTENSIONS

Dettol toilet cleaner-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818^a	.669	.666	.285

a. Predictors: (Constant), I feel Dettol toilet cleaner would have the same standard of quality as the original brand, I feel Dettol toilet cleaner as an extension fits with the image of the brand Dettol

Cinthol Fairness cream-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.848^a	.719	.717	.259

a. Predictors: (Constant), I feel Cinthol Fairness cream would have the same standard of quality as the original brand, I feel Cinthol Fairness cream as an extension fits with the image of the brand Cinthol

The results indicate that strong relationship exists between "Brand Association" and "Consumer evaluation of brand extensions". Dettol antiseptic viz. Dettol toilet cleaner and Cinthol viz. Cinthol Fairness cream have coefficient of determinations being 0.669 and 0.719, respectively. Overall model is fit at 0.000 for both Dettol toilet cleaner and Cinthol Fairness cream. Hence, H3a is accepted.

UNRELATED EXTENSIONS

Dettol facial wet wipes-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651[a]	.422	.417	.518

a. Predictors: (Constant), I feel Dettol wet wipes would have the same standard of quality as the original brand, I feel Dettol facial wet wipes as an extension fits with the image of the brand Dettol

Cinthol Energy drink -

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711[a]	.505	.500	.494

a. Predictors: (Constant), I feel Cinthol Energy drink would have the same standard of quality as the original brand, I feel Cinthol Energy drink as an extension fits with the image of the brand Cinthol

The coefficient of determinations for Dettol facial wet wipes and Cinthol Energy drink were not very high ie. 0.422 and 0.505, respectively. Overall model is fit at 0.000 significance for both Dettol wet wipes and Cinthol Energy drink. Hence, H3b is accepted.

Thus, in both related and unrelated extension category, the model is fit. However, the coefficient of determination is greater in the related category than the unrelated category. Thus means that consumers evaluate the brand extensions more favourably when the parent brand has a strong association in case of related category than unrelated category.

5.2.4   Hypothesis 4

H4a: The higher the awareness of the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.
H4b: The higher the awareness of the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

The hypothesis postulates that the consumer evaluation of those brand extensions would be positive that have stronger awareness about the parent brand. The summarized regression results are presented below:

RELATED EXTENSIONS

Dettol toilet cleaner-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901[a]	.811	.809	.219

a. Predictors: (Constant), I can quickly recall symbol or logo of Dettol,
I can recognize Dettol in comparison with other competing brands

Cinthol Fairness cream-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832[a]	.692	.689	.290

a. Predictors: (Constant), I can quickly recall symbol or logo of Cinthol, I
can recognize Cinthol in comparison with other competing brands

The results indicate that strong relationship exists between "Brand Awareness" and "Consumer evaluation of brand extensions". Dettol antiseptic viz. Dettol toilet cleaner and Cinthol viz. Cinthol fairness cream have coefficient of determinations being 0.811 and 0.692, respectively. Hence, H4a is accepted.

UNRELATED EXTENSIONS

Dettol facial wet wipes-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603[a]	.363	.358	.551

a. Predictors: (Constant), I can quickly recall symbol or logo of Dettol,
I can recognize Dettol in comparison with other competing brands

Cinthol Energy drink -

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498[a]	.248	.241	.598

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498[a]	.248	.241	.598

a. Predictors: (Constant), I can quickly recall symbol or logo of Cinthol, I can recognize Cinthol in comparison with other competing brands

The coefficient of determinations for Dettol facial wet wipes and Cinthol Energy drink were found to be weak for both Dettol and Cinthol being 0.363 and 0.248, respectively. Overall model is fit at 0.000 significance for both Dettol wet wipes and Cinthol Energy drink. Hence, H4b is accepted.

5.2.5 Hypothesis 5

H5a: The higher the loyalty towards the parent brand, the more favorable should be the evaluations of the brand extensions in the related category.

H5b: The higher the loyalty towards the parent brand, the more favorable should be the evaluations of the brand extensions in the unrelated category.

The hypothesis postulates that the consumer evaluation of those brand extensions would be positive that have stronger loyalty about the parent brand. The summarized regression results are presented below:

RELATED EXTENSIONS

Dettol toilet cleaner-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799[a]	.638	.635	.296

a. Predictors: (Constant), I strongly prefer Dettol to others in this product category, I have been committed to Dettol and will continue to be so in future

Cinthol Fairness cream-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704[a]	.496	.493	.350

a. Predictors: (Constant), I strongly prefer Cinthol to others in this product category, I have been committed to Cinthol and will continue to be so in future

The results indicate that strong relationship exists between "Brand Loyalty" and "Consumer evaluation of brand extensions". Dettol antiseptic viz. Dettol toilet cleaner and Cinthol viz. Cinthol fairness cream have coefficient of determinations being 0.638 and 0.496, respectively. Hence, H5a is accepted.

UNRELATED EXTENSIONS

Dettol facial wet wipes-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593[a]	.351	.345	.582

a. Predictors: (Constant), I strongly prefer Dettol to others in this product category, I have been committed to Dettol and will continue to be so in future

Cinthol Energy drink -

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.420[a]	.176	.169	.681

a. Predictors: (Constant), I strongly prefer Cinthol to others in this product category, I have been committed to Cinthol and will continue to be so in future

The coefficient of determinations for Dettol facial wet wipes and Cinthol Energy drink were found to be weak for both Dettol and Cinthol being 0.351 and 0.176, respectively. Overall model is fit at 0.000 significance for both Dettol wet wipes and Cinthol Energy drink. Hence, H5b is accepted.

6   CONCLUSION

6.1 Conclusion

This study advances knowledge of brand extensions in several ways. First, we found that perceived similarity is a crucial factor in the evaluation of brand extensions. The finding coincides with our hypothesis in the brand extension literature that any brand which is extended in similar product categories should get high consumer evaluations. Second, the parent brand reputation is an important factor in influencing the likelihood of a successful brand extension. Building a favourable reputation for a parent brand is an important contributor to the success of brand extensions. Third, we found that brand association is an important factor influencing brand extension judgements for FMCG products. Fourth, the awareness of the parent brand turns out to be an important factor influencing the success of the brand extension. Our research supports the postulate that a well-known brand acts as an aid for consumers to have a more favourable evaluation of the brand extensions. Finally, more loyal consumers evaluate brand extensions more favourably. Targeting more loyal consumers could be an efficient way of developing brand extension strategies. The summarized results are presented below:

a) The relationship of variables "Similarities", and "Consumer Overall Evaluation" for the brands extensions "Dettol Viz. Dettol toilet cleaner" and "Cinthol Viz. Cinthol fairness cream" shows very strong relationships with coefficient of determinations being 0.735 and 0.689 respectively.
On the other hand, the relationship of variables "Similarities", and "Consumer Overall Evaluation" for the brands extensions "Dettol i.e. Dettol facial wet wipes" and "Cinthol i.e. Cinthol Energy drink" shows weak relationship with coefficient of determinations being 0.421 and 0.382 respectively.

b) Between "Brand Reputation" and "Overall consumer evaluation" a strong relationship exists, for the brand extensions "Dettol i.e. Dettol toilet cleaner" and "Cinthol i.e. Cinthol fairness cream", with R2 being 0.772 and 0.790, respectively. Although, the relationship is not that strong between "Brand Reputation" and "Overall consumer evaluation" for the brand extensions "Dettol viz. Dettol facial wet wipes" and "Cinthol viz. Cinthol Energy drink", with R^2 being 0.502 and 0.477, respectively.

c) The relationship between "Brand Association" and "Overall evaluation" was found to be strong with coefficient of determinants being 0.669 for brand extension "Dettol viz. Dettol toilet cleaner", and 0.719 for "Cinthol viz. Cinthol fairness cream", respectively.
The relationship between "Brand Association" and "Overall evaluation" was found to be weak with coefficient of determinants being 0.422 for brand extensions "Dettol viz. Dettol facial wet wipes", and 0.505 for "Cinthol viz. Cinthol Energy drink", respectively.

d) The relationship between the "Brand Awareness" and "Overall evaluation" was found to be strong with coefficient of determinants being 0.811 for brand extensions "Dettol viz. Dettol toilet cleaner", and 0.692 for "Cinthol viz. Cinthol fairness cream", respectively.

The relationship between "Brand Awareness" and "Overall evaluation" was found to be weak with coefficient of determinants being 0.363 for brand extensions "Dettol viz. Dettol facial wet wipes", and 0.248 for "Cinthol viz. Cinthol Energy drink", respectively.

e) The relationship between "Brand loyalty" and "overall evaluation" was stronger for brand extension "Dettol viz. Dettol toilet cleaner" with coefficient of determination being 0.638 and weaker for "Cinthol viz. Cinthol fairness cream" with coefficient of determination being 0.496.

The relationship between "Brand loyalty" and "overall evaluation" was stronger for brand extension "Dettol viz. Dettol facial wet wipes" with coefficient of determination being 0.351 and weaker for "Cinthol viz. Cinthol Energy drink" with coefficient of determination being 0.176.

6.2 Managerial Implications

Managers should launch extensions with high perceived fit. Also, huge amount of effort is needed to extend the brands with high equity, because of their greater dilution. At last, managers need to understand that the feedback effects and the consumer evaluations of the same brand extensions can differ due to existence of cultural differences between consumers. Therefore, standardized brand extension strategies should be carefully considered.

7   LIMITATIONS

The following limitations were found while conducting this study:

1. Applied non-probability sampling technique for each stage.
2. Special care had to be taken in order to keep the language of the questions simple for better understanding of the respondents
3. Finally, the two samples are used in this study from related and unrelated of the FMCG product category. So, due to presence of limited timing constraints have brought hindrance in discussing other durable goods, high involvement or service sector products that might have resulted different outputs in these categories. Future study could examine the model on variety of other products in order to further verify the results.

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9 APPENDIX

9.1 Questionnaire

DETTOL
Brand Reputation

1. All together, I am very positive to Dettol
   Strongly disagree 1 2 3 4 5 Strongly agree
2. All together, I associate positive things with Dettol
   Strongly disagree 1 2 3 4 5 Strongly agree
3. All together, I am very satisfied with Dettol
   Strongly disagree 1 2 3 4 5 Strongly agree

Brand Awareness

1. I can recognize Dettol in comparison with other competing brands
   Strongly disagree 1 2 3 4 5 Strongly agree
2. I can quickly recall symbol or logo of Dettol
   Strongly disagree 1 2 3 4 5 Strongly agree

Brand Loyalty

1. I have been committed to Dettol and will continue to be so in future
   Strongly disagree 1 2 3 4 5 Strongly agree
2. I strongly prefer Dettol to others in this product category
   Strongly disagree 1 2 3 4 5 Strongly agree

DETTOL TOILET CLEANER
Perceived Similarity

1. How similar is the competency to make the original Dettol and extension Dettol toilet cleaner?
   Highly dissimilar 1 2 3 4 5 Highly similar
2. How similar is the usage of Dettol and extension Dettol toilet cleaner?
   Highly dissimilar 1 2 3 4 5 Highly similar

Brand Association

1. I feel Dettol toilet cleaner as an extension fits with the image of the brand Dettol
   Strongly disagree 1 2 3 4 5 Strongly agree
2. I feel Dettol toilet cleaner would have the same standard of quality as the original brand
   Strongly disagree 1 2 3 4 5 Strongly agree

Overall evaluation

Overall I have a positive attitude towards the extension Dettol toilet cleaner
   Strongly disagree 1 2 3 4 5 Strongly agree

DETTOL FACIAL WET WIPES

Perceived Similarity

1. How similar is the competency to make the original Dettol and extension Dettol facial wet wipes?

   Highly dissimilar 1 2 3 4 5 Highly similar

2. How similar is the usage of Dettol and extension Dettol facial wet wipes?

   Highly dissimilar 1 2 3 4 5 Highly similar

Brand Association

1. I feel Dettol facial wet wipes as an extension fits with the image of the brand Dettol

   Strongly disagree 1 2 3 4 5 Strongly agree

2. I feel Dettol facial wet wipes would have the same standard of quality as the original brand

   Strongly disagree 1 2 3 4 5 Strongly agree

Overall evaluation

Overall I have a positive attitude towards the extension Dettol facial wet wipes

Strongly disagree 1 2 3 4 5 Strongly agree

CINTHOL

Brand Reputation

1. All together, I am very positive to Cinthol

   Strongly disagree 1 2 3 4 5 Strongly agree

2. All together, I associate positive things with Cinthol

   Strongly disagree 1 2 3 4 5 Strongly agree

3. All together, I am very satisfied with Cinthol

   Strongly disagree 1 2 3 4 5 Strongly agree

Brand Awareness

1. I can recognize Cinthol in comparison with other competing brands

   Strongly disagree 1 2 3 4 5 Strongly agree

2. I can quickly recall symbol or logo of Cinthol

   Strongly disagree 1 2 3 4 5 Strongly agree

Brand Loyalty

1. I have been committed to Cinthol and will continue to be so in future

   Strongly disagree 1 2 3 4 5 Strongly agree

2. I strongly prefer Cinthol to others in this product category

   Strongly disagree 1 2 3 4 5 Strongly agree

CINTHOL FAIRNESS CREAM

Perceived Similarity

1. How similar is the competency to make the original Cinthol product and extension Cinthol fairness cream?

   Highly dissimilar 1 2 3 4 5 Highly similar

2. How similar is the usage of Cinthol and extension Cinthol fairness cream?

Highly dissimilar 1 2 3 4 5 Highly similar

Brand Association

1. I feel Cinthol fairness cream as an extension fits with the image of the Cinthol brand

   Strongly disagree 1 2 3 4 5 Strongly agree

2. I feel Cinthol fairness cream would have the same standard of quality as the original brand

   Strongly disagree 1 2 3 4 5 Strongly agree

Overall evaluation

Overall I have a positive attitude towards the extension Cinthol fairness cream

Strongly disagree 1 2 3 4 5 Strongly agree

CINTHOL ENERGY DRINK

Perceived Similarity

1. How similar is the competency to make the original Cinthol product and extension Cinthol Energy drink?

   Highly dissimilar 1 2 3 4 5 Highly similar

2. How similar is the usage of Cinthol and extension Cinthol Energy drink?

   Highly dissimilar 1 2 3 4 5 Highly similar

Brand Association

1. I feel Cinthol Energy drink as an extension fits with the image of the Cinthol brand

   Strongly disagree 1 2 3 4 5 Strongly agree

2. I feel Cinthol Energy drink would have the same standard of quality as the original brand

   Strongly disagree 1 2 3 4 5 Strongly agree

Overall evaluation

Overall I have a positive attitude towards the extension Cinthol Energy drink

Strongly disagree 1 2 3 4 5 Strongly agree

Profession

Student   Service   Business   Homemaker   Others

Age

Less than 25 yrs ☐   25-35 yrs ☐   35-45 ☐   Above 45 yrs ☐

Gender

Male   Female   Prefer not to say

Record of Meetings with the Project Guide for the Final Research Project

Meeting #	Date	Purpose	Remarks	Signature (Project Guide)
1				
2				
3				
4				
5				