A SYSTEMATIC APPROACH TO EVALUATION OF BRAND EXTENSION STRATEGY FROM CONSUMER PERSPECTIVE

R. PRIYADHARSINI¹ & K. SHYAMASUNDAR²

¹Associate Professor, MBA, Mohamed Sathak College of Arts and Science, Tamil Nadu, India
²Dean- MBA, Mohamed Sathak College of Arts and Science, Tamil Nadu, India

ABSTRACT

Brand Management is a process of planning, implementing and monitoring brand strategies that enhances the successful marketing of products or services. The evaluation of brand extension strategy can be done under two broad categories Evaluation of Existing Brand Extensions and Evaluation of Prospective Brand Extensions. The paper deals with the dependent and independent variables that could be used by the researcher in a brand extension research especially the consumer evaluation. The measures suggested in the paper gives a clear picture of concepts and content of brand extension evaluation.

KEYWORDS: Brand Extension Evaluation, Marketing, Management

INTRODUCTION

Brand Management is a process of planning, implementing and monitoring brand strategies that enhances the successful marketing of products or services. Brand research is an important function of brand management. Brand research refers to gathering, recording and analyzing the data pertinent to brand management that facilitates the decision making by the brand manager. Brand extension is an exclusive brand strategy adopted by marketing firms and the need for research arises in the area of new extension of brand. This paper deals with the systematic approach to evaluation of brand extension strategy from the point of view of consumers.

REVIEW OF LITERATURE

Brand Research especially in the context of brand extension has brought out exciting and very useful findings. Some of such research highlights are

Vanitha Swaminathan et al (2001) has developed a framework for positive and negative reciprocal effects of brand extension on parent brands. The brand extension may be successful or failure but has an impact on the parent brand as well the parent brand has an impact on the brand extension. The major variables identified and analysed in the study includes parent brand experience, Relative price, Reciprocal effect, Advertisement and Displays.

Tom Meyvis and Chris Janiszewski (2004) have studied the brand breadth and brand extension opportunities. A comparison of extension of a broad brand and a narrow brand has been attempted and the results prove that the extension of broad brands will be much more successful than the extension of narrow brands. Piyush Kumar (2005) has focused his study based on hypothetical brand extension on counter extension of a brand.

Franziska Völckner & Henrik Sattler (2006) has analysed the drivers of brand extension such as Quality of the parent brand, History of previous brand extensions, Parent-brand conviction, Parent-brand experience, Marketing support and Retailer acceptance. It was found that the marketing support, parent-brand conviction, retailer acceptance, and
parent-brand experience were particularly major contributors in driving brand extension success. These factors deserve managerial attention. The parent brand fit was used as a major factor to determine the driving forces.

N. Thamaraiselvan and J.Raja (2008) showed similar research findings of Aaker and Keller (1990) with regard to correlation of similarity fit variables in the context of consumer evaluation of brand extension. The study focused on how consumers evaluate the brand extension for Fast Moving Consumer Goods and service categories in Indian market conditions. It establishes the relationships among similarity fit, brand reputation, perceived service quality and perceived risk in extended product categories through appropriate multivariate analysis.

**Consumer Evaluation of Brand Extension**

The evaluation of brand extension strategy can be done under two broad heads

- Evaluation of Existing Brand Extensions
- Evaluation of Prospective Brand Extensions

Evaluation of Existing brand extension is carried out to know the success or failure of the brand extension strategy. The impact of newly extended product on the parent brand is brought out to check whether any brand dilution has occurred. The prospective brand extensions also need to be evaluated for the purpose of avoiding failure of the new extended brand as well brand dilutions. Thus a pre study and a post study are preferred for brand extension strategies.

The process of carrying out such a research begins with identification of dependent, independent and moderating variables. These variables differ with products or the relevant environment of the study. But a rough design of such variables would be very useful to the researchers. The dependent, independent and moderating variables are

**Corporate Brand Identity**

Corporate identity is a company's visual presence, which involves the corporate logo and design strategy for corporate marketing. Corporate identity is best defined as the soul of the company. A corporate identity does, however, need to evolve with the times. Organizational culture, product quality, service reputation, features, benefits, performance, value and corporate social responsibility are some of the key factors of corporate brand identity.

A corporate brand such as Tata, ITC or Sony has its own identity and the products manufactured by these corporate reflect such identity. Corporate brands create visibility, awareness and greater exposure to the new products.

**Parent Brand Awareness**

Awareness refers to the strength of a brand’s presence in the consumer’s mind. Parent brand memory structures and retrieval processes are the major focus in brand extension research. It is a way to tap into managerial concern about overextending brand names. The strength of brand associations in memory is a key element of brand name awareness, which in turn is a critical component of brand equity. Aaker (1991) defines brand awareness in terms of the consumer's ability to associate a brand with its product category. Awareness can be measured on different levels including the following:

- Recognition (Have you heard the brand X?)
- Recall (What brand of soaps you can recall?)
- Top of mind(The first named brand in recall task)
• Brand dominance (The only brand recalled)

• Brand familiarity

• Brand knowledge or salience (Opinion about the brand)

• Parent Brand Preference

Brand preference is the behavior exhibited by consumers in which there is prioritization of one brand over another in the same category. It is related to attitude measurements based upon beliefs about and relative importance of product-specific attributes. The measures that could be used are:

• Brand beliefs like Esteem, Value

• Attitude towards the brand

**Parent Brand Loyalty**

The extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands. Brand loyalty is a key consideration when placing a value on a brand that is to be bought or sold, because a highly loyal customer base can be expected to generate very predictable sales and profit stream. The measures of brand loyalty broadly includes

• Brand insistence

• Brand Recommendation

• Brand experience

**Parent Brand Equity**

Brand equity is a set of assets linked to a brand’s name and symbol that adds to the value provided by a product or service to a firm and its customers. Brand equity is a set of assets and it involves investment to create these assets. It links to the name and symbol of the brand. The measures of brand equity includes

• Brand loyalty

• Brand asset

• Brand leadership

• Market behavior

• Brand differentiation

**Parent Brand Personality**

The brand in a person perspective suggests a brand identity that is richer and more interesting than one based on product attributes. Like a person, a brand can be perceived as being upscale, competent, impressive, trustworthy, fun, active, humorous, casual, formal, youthful or intellectual. A brand personality can create a stronger brand by creative self expressive benefits. The four measures suggested are:

• Sincerity

• Excitement
• Competence
• Sophistication
• Ruggenedness

Brand Relationship Quality

Brand relationship quality deals with interpersonal relationship among the brand and consumers. It defines quality as a set of intangible values that brings expected exchanges between a buyer and a seller and increases product sales. Relationship quality is described as a higher-order construct with several distinct but related dimensions. But there are diverse views on its dimensions Vein, Fournier (1998) suggests that brand relationship is an emotional ties resulting from the interaction between the consumer and his/her brand. Therefore, brand relationship should be thought of as a result of the interactive process between the consumer and a personified brand rather than a simple pattern of repurchase based on the consumer’s satisfaction with a product or a service. Fournier lays an integrative theoretical groundwork for the research in this area and proposes six factors leading to a long-lasting brand relationship:

• Love and Passion
• Self-Connection
• Interdependence
• Commitment
• Intimacy and
• Brand Partner Quality

Perceived Quality

Perceived quality is a brand association that is elevated to the status of a brand asset. Among all brand associations, only perceived quality has shown to drive financial performance. It’s a major strategic thrust of a business. It is linked to brand perception. Perceived quality reflects a measure of goodness that spreads over all elements of the brand. The measures include:

• Brand expectations
• Brand perception
• Brand evaluation
• Brand performance consistency
• Brand comparison

Perceived Extension Fit

Perceived fit can be based on the extension being in a product category similar to other products sold by the parent brand or complementing the use with other products. The parent brand can contribute an appealing attribute to the extended brand. A parent brand with the skill and expertise to make the extension product, and an image that is compatible with the extension will perfectly match each other. Perceived fit can also be heightened by communications providing a plausible link between the extension and parent brand, thereby giving consumers more opportunity to discover possible
links, or countering negative inferences about the extension. Perceived fit, no matter how it is defined, is the most important determinant of brand extension success—more important than marketing support, retailer acceptance, and quality of the parent brand. The measures include:

- Evaluation of extended brand
- Familiarity
- Prior affect
- New Brand-Brand fit
- New product-Product fit
- New brand-Product fit
- New product-Brand fit

CONCLUSIONS

Leveraging a brand with extensions create advantage to the marketers. The analysis of good and bad issues involved in brand extension decision helps the marketers. The consumers evaluate the new brand extensions in different levels. Thus a systematic approach of evaluating the consumer perception and attitude towards the existing or proposed brand extensions is suggested by providing proper measures ranging from brand awareness to brand loyalty and also perceived quality and fit. The researcher can choose the best measures suitable to the product and the study, there by facilitating brand extension decisions.

REFERENCES


