

## CUSTOMER INNOVATIVENESS AN EFFUSIVE PERSPECTIVE TO BRAND EXTENSION

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### **Abstract**

Branding and consumer buying behaviour are positively correlated (Muhammad & Iqbal, 2014). Emotional loyalty is considered as optimistically influencing emotional brands towards customers (Jawahar & Maheswari, 2009). The value premium generation of the brand and effusion do get effected by the association of parent brand and brand extension. Concluded value trade off experienced from the parent brand is discovered to be effectively connected effusion towards brand extension. Mustafa & Akdogan (2015) admit that customer innovation exists in all segments of market. The article investigates buyers' excitement and experience relationship sometimes called as customer innovativeness is drawn as an association of value premium generation by the parent brand and effusion towards brand extension.

**Keywords:** Customer innovativeness, Parent brand, Brand extension.

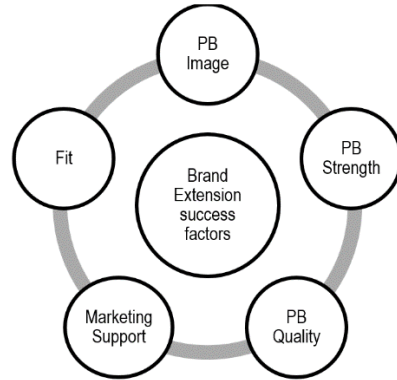
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### **1. INTRODUCTION**

"Branding is equipping goods and services with the competency of a brand" (Kotler & Keller, 2015). Similarly, the value premium generated by the parent brands has a significance involved in product promotion strategies worn by the businesses. Generally, businesses generate revenues using goodwill of their brand names by addition of new offers to the customers. A repetitive way to improve revenues from goodwill is continuous usage of the brand title.

A successful brand extension may make advantageous events to make the customer loyal (Viot, 2007, p. 64). Brand extensions are prioritized by enterprises in lieu of brand creation (Taylor, 2004, p1). The current trends is not same as companies introducing new and individual brands in the way it was formerly attempted by Raymond and Arvind Mills: the cost of promotion is too big and with greater risks. Rather businesses are concentrating on a bunch of powerful 'tower of strength' brand titles which could be used for the heart of product range, lines and brand extensions" (Doyle & Stern 2001, p159). Consumer evaluation of brand extension depends on Brand Image, Fit, Par Strength, Marketing Support, Quality and

Experience of consumer value perceived from the parent brand (Aaker & Keller, 1990; Bottomley & Holden, 2001).



**FIGURE 1. FACTORS OF SUCCESSFUL BRAND CONTINUATION**  
Source: Aaker & Keller, 1990; Bottomley & Holden, 2001

Brand extension refers to bringing into service and implementation of the traditionally accepted main brand name to new products to obtain the equity of the ideal brand and also to make space into new market segments (Kerin, Kalyanaram et al., 1996). Well-known brand requires relatively less cost and overheads of introduction such as cost of promotions etc. (Dodd & Louviere, 1999). The article investigates buyers' excitement and experience relationship sometimes called as customer innovativeness is drawn as an association of value premium generation by the parent brand and effusion towards brand extension.

## 2. THE HORIZONTAL AND VERTICAL BRAND EXTENSION

a) *Horizontal Brand Extension*: Horizontal brand extension implies using main brand title for the introduction of new goods and services (Chen & Liu 2004) whose sub-extensions are Line and franchise. Line extension apply parent brand name to make its space in a new market segment with similar goods and services. Franchise extension apply parent brand name to make their space into unknown market segment with non-similar goods and services (Pitta & Prevel Katsanis, 1995). Consumers in general appreciate wide variety as it provides them with additional choice and satisfies their diverse search for needs (Kahn, 1998). Franchise extension guides purchasers to make purchase of non-similar product items on parent brand names. The launching costs are greater as referred to line extension due to customer's unfamiliarity with the new goods and services, which causes additional promotional expenditures and supply chain cost (Stegemann, 2011).

b) *Vertical Brand Extension*: Vertical brand extension offers non-similar product items in a product line with quality and price variations. Vertical brand extension defines the brand's swing place of change within the

similar product category but with price variations (Kim, Lavack et al., 2001). Vertical brand extension is a well-known brand strategy among FMCG industries (Pitta & Katsanis, 1995).

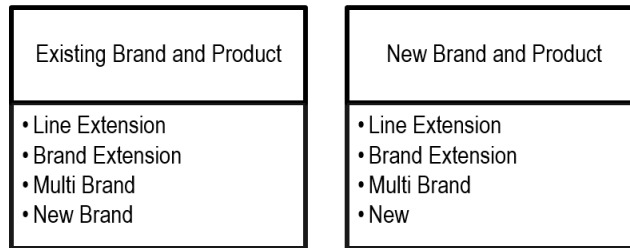


FIGURE 2. TYPES OF BRAND EXTENSION  
Source: Author's research

### 3. METHODS OF BRAND EXTENSION

Brand extension is pertinent both ways either making use of individual brand names or simply wearing umbrella brand name. Sub-brands can be referred to goods and services that are introduced associating the umbrella brand name with the individual brand name (Aaker, 1992; Katsanis, 1995 & Keller, 2012). Sub-branding is when business target is to reach a new audience with the creation of creates an individual brand within the umbrella brand. Buyers are found to have more faith on the brands of which they have good experiences when weighed up with the introduction of new and never heard brand names. Instead they would make a secondary relationship to the new brand title to use it as a reference in their purchase decisions.

Therefore, the new brand title would be an added extra information and not a primary component of the final decision to purchase. Brand continuation categories as mentioned below:

- Products act as a companion to each other. Example – Patanjali dantkanti toothpaste and Patanjali toothbrush.
- Introduction of a product in a non-similar type so as it could compete in a separate product category. Example – Snickers ice-cream.
- Use of prowess in a particular field of industrial and technical sectors. Example – Samsung.
- Addition of new products which would be used by the same consumer segment. Example – Himalaya baby products.
- Where brand name is changed to signify up-gradation of a product item. Example – Redmi note 12 vs note 13.
- Making use of the esteem value of brand title to launch other category products. Example – Peter England Watches and Armani accessories.
- The sobriquet obtained brand continuation (Broniarczyk, & Alba, 1994).

#### 4. EFFUSIONS TO BRAND EXTENSION

An effusion is a prejudgement build around the optimistic or pessimistic view about a good and service in particular. The optimistic or pessimistic effusion makes customers to decide their final choice of purchase and also controls their buying behaviour. Three elements which contribute in the build-up of consumer effusion are beliefs, affect and behavioural intentions (Madichie & Nnamdi, 2012). An effusion is a person's positive or negative presumption, estimation and behavioural changes (Kotler & Keller, 2009). Jung and Seock (2016) stated the network of corporate fame, effusion to brands and end aim to make buy. Brand awareness and perceived quality association was advised to confirm if the new combinations were visible. (Fayyaz, Muhammad, Abdullah & Syed, 2015) discovered that the optimistic brand image affects the consumers' effusion to extended brand of an enterprise concluding that if consumers have a positive brand representation and recognition then thoughtlessly the extended brand is likely to have preference privilege and on the other hand a negative brand image depicts the avoidance of people the extended product by the consumers. Deng & Messinger (2022) proposed that a brand extension is influenced by factors visible in the diagram below.



FIGURE 3. SIX INDIVIDUAL ASPECTS COMBINATION RATIO OF WHICH DECIDES BRAND EXTENSION FIT  
Source: Deng & Messinger, 2022.

## 5. CONSUMER INNOVATIVENESS

Consumer innovativeness contributes to the excitement of attempting something new by the purchasers. It conveys product categories possessing higher amount of consumer innovativeness will have more winning possibilities in context to launching a new change in product or practice. Innate innovativeness means “Willingness to purchase new and distinct goods and brands instead of sticking to earlier choices and consumer patterns” (Steenkamp et al., 1999). Consumer innovativeness, or “spotless usage” is the proneness to purchase new products constantly and more immediately surpassing other consumers (Midgley and Dowling, 1978). The authors expounded and found that consumer innovativeness as a component of final purchase decision is a combination ratio of consumers’ curiosity in type of product, product usage realization and surrounding events.

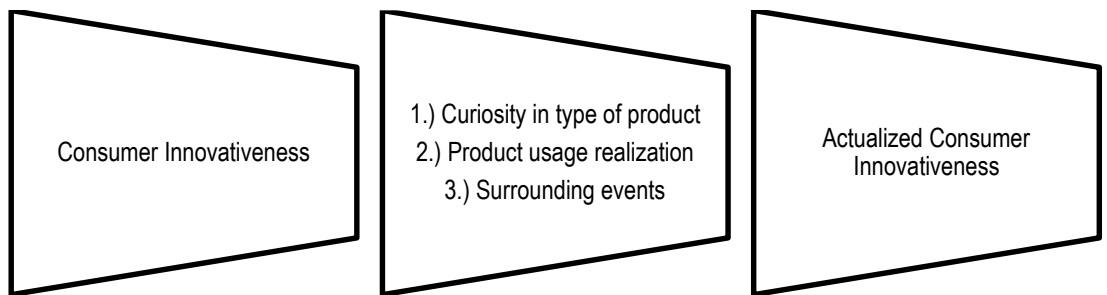


FIGURE 4. THREE FACTORS OF ACTUALIZED CONSUMER INNOVATIVENESS  
Source: Midgley and Dowling, 1978.

### Behavioural and personality consumer innovativeness

- 1.) Behavioural consumer innovativeness refers to the momentum of adaptation of new product idea as compared to other consumers in the same social segment.
- 2.) Personality consumer innovativeness refers to the adaptation of new product idea not influenced by the factorial purchasing experience of other consumers (Chao, Reid, & Mavondo, 2012).

Consumer innovativeness refers where consumers give priority to buy new products at their launching stage instead of sticking to their usual traditional choices and purchase occasions (Steenkamp, Hofstede, & Wedel, 1999). Innovative consumers are motivated towards new consumption experiences (Steenkamp & Gielens, 2003). Mustafa & Akdoğan (2015) state that consumer innovativeness in the market can be divided into three types: Conservatives, Modest innovative and Innovators, ranging from low to the highest level of consumer innovativeness depending upon the education and age of consumers. Thus, acknowledging that consumer innovativeness is visible in varied market segments.

Therefore, as depicted by different authors, “Greater the consumers’ innovativeness, greater would be effusion perspective to brand extension.”

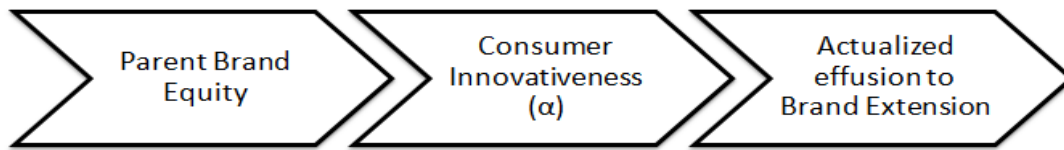


FIGURE 5. CONCEPTUAL MODEL

Source: Author.

Note:  $\alpha$  stands for accelerator; the consumer innovativeness acts as a medium of acceleration between goodwill of parent brand and actualized effusion to brand extension.

## 6. CONCLUSION

Consumer innovativeness affects effusion to brand extension as regards to the final purchase decision by the consumers. Introduction of new features in present categories must be based on the type of consumer innovativeness found to be associated with.

**Research Implication/Limitation:** The new product purchase intentions are connected with the learning process of the consumer (Jundi, Shuhaiber & Augustine, & Wright, 2019) which means that there is a need of a lot of promotional methods to educate customers.

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