ANALYZING CONSUMER DECISION MAKING FACTORS FOR SUCCESSFUL BRAND EXTENSIONS
(AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO FMCG PRODUCTS)

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ABSTRACT

Given the high cost of new product failure, brand extension strategies are getting more and more common with companies. New product failures often tempt marketers to leverage their well known and successful brand names to minimize risks of failure. Brand extension strategies also prove to be beneficial because new product introduction costs are substantially reduced. Modern entrepreneurs are increasingly using brand extension strategies in introducing new products to minimize risks inherent in today's dynamic and complex business environment while there can be significant benefits in brand extension strategies, there can also be significant risks, resulting in a severely damaged brand. A lack of understanding of the consumer and the marketplace can lead to catastrophic failures. So, firms need to be very careful and must analyze the consumer market before adopting one because if it clicks it will definitely add value to the brand but if fails the parent brand may also suffer irreparable damage. This research paper seeks to shed insights into how Indian consumers evaluate brand extensions within an FMCG environment. The paper involves an empirical analysis of the consumer decision making factors leading to successful brand extensions in FMCG. It also seeks to provide answers as to which brands are more likely to succeed as brand extensions into new categories within the Indian FMCG environment.

Keywords: Fast Moving Consumer Goods(FMCG), Consumer Decision Making, Brand Extension

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INTRODUCTION

Modern markets are evolving in a turbulent environment, characterized by five important environmental pressures. The first is the rapid rate of change in consumer tastes and preferences. Consumers are now asking for high quality price ratios and have very heterogeneous needs. The second is competition, which is becoming more and more intense & global, weakening not only local brands but also big international brands to a certain extent. Third, rapidly changing technology shortens product life cycle. Fourth, change is emanating from the empowerment of distribution partners reaching their private labels against national and international brands thereby, increasing their control in distribution channels. There is also pressure from investors asking for quick and steady cash flows. In these circumstances, to exploit new market opportunities, companies prefer brand names that have already succeeded in existing markets instead of venturing into a new market with a costly and uncertain brand name. Thus, brand extensions present many advantages; the most important of them being the reduction of perceived risk by consumers in their buying-decision process, efficiency in promotional expenditures, increased probability to gain distribution space as well as positive feedback on the company's brand equity in case of extension success. Almost 80% of products introduced in the Fast Moving Consumer Goods (FMCG) sector are brand extensions (Ernest & Young and Nielsen 1999).

Many companies in India have adopted this brand extension strategy for more mileage in gaining mind and market share. Some of the companies have extended their brands into different product categories like TATA, HUL, Godrej, BPL, Videocon, etc. Brand extension has become a very popular strategy in many firms manufacturing consumer goods and FMCG. Now the phenomenon has extended to service sector also. Modern entrepreneurs are increasingly using brand extension strategies in introducing new products to minimize risks inherent in today's dynamic and complex business environment. But firms need to be very careful and must analyze the consumer decision making for brand extended products and the factors affecting it before adopting one because if it clicks it will definitely add value to the brand but if fails the parent brand may also suffer irreparable damage. This study on FMCGs in Indian market conditions analyses the consumer decision making process for brand extended products and how it affects the success or failure of these extended brands. Advertising and middlemen (retailers) were found to influence brand extension strategies.

RATIONALE OF STUDY

The success or failure of brand extensions is vastly dependent on how the customers evaluate the brand extensions. Theoretical and managerial understanding of how a consumer evaluates the brand extensions is given substantial importance. This paper deals with the most important aspect for success of brand extension i.e. consumer decision making towards brand extensions. Based on previous studies on brand extensions the antecedents of similarity, reputation, perceived risk and innovativeness have been used for the purpose of analysis. After carefully analyzing a dozen studies the authors are of the opinion that most studies used fictitious brands and were undertaken with students. Only few studies were carried out with consumers. This study was conducted with consumers and also includes investigation of the role of advertising and middlemen in the success of extended brands.

OBJECTIVES OF THE STUDY

1) To study the perception of the consumer vis-à-vis parent brand & extension brand.
2) To study the factors affecting consumer decision making for the success of brand extended products.

METHODOLOGY & ANALYSIS

The research is an in-depth descriptive study aimed at finding out the various facts regarding the consumer decision making towards brand extended products in FMCG. The study is based on both Primary and Secondary data. The secondary data consists of information collected from journals, magazines, books and internet. To analyse consumer perception towards brand extension, several attitudinal questions were framed in the questionnaire. Several hypothesis have been designed to study the effect of perception of consumers on brand extension. The moderating impact of advertisements and intermediaries has been explored.

The parent brands and their extensions used for the purpose of analysis are listed below:

Parent Brand: Lifebuoy Soap

Brand Extension: Lifebuoy Talcum Powder

Parent Brand: Maggi Noodles

Brand Extension: Maggi Sauce

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Parent Brand: Amul Butter

Brand Extension: Amul Ice Cream

Parent Brand: Parachute Hair Oil

Brand Extension: Parachute After Shave

Parent Brand: Dabur Chyavanprash

Extended Brand: Dabur Glucose, Dabur Fairness Cream

Parent Brand: Ponds Cold Cream

Extended Brand: Ponds Shampoo

RESEARCH HYPOTHESES

The focus is on understanding perceived similarity, reputation, perceived risk and innovativeness as factors influencing the decision making of consumers and thereof their acceptability for brand extensions. The impact of explanatory variables of advertising and middlemen opinions on the attitudes and perceptions of consumers towards brand extensions has also been explored.

1. **Similarity:** refers to the extent to which consumers perceive the extended brand as similar to the parent brand (Smith and Park 1992). Past studies suggest that higher similarity between the parent and the extended brand has a greater impact (positive or negative) on the extended category (Aaker and Keller 1990; Boush and Loken 1991; Dacin and Smith 1994).

2. **Reputation**: refers to the consumers perception of quality associated with a brand (Aaker and Keller 1990). Brands perceived as high quality get higher evaluations than low perceived quality brands (Keller and Aaker 1992; Dacin and Smith 1994)

3. **Perceived Risk:** refers to the uncertainty about the consequences of making a mistake and uncertainty about the outcome (Gronhaug and Stone 1995; Mitchell 1995). Consumers tend to rely on a known, familiar brand to deal with their perception of risk (Roselius 1971; Rao and Monroe 1989).

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4. **Innovativeness:** refers to the personality trait of consumers related to the extent to which they are receptive to new ideas and their willingness to try new practices and products (Hem, Charnatony and Iverson 2003).

5. **Advertising:** Refers to one of the several several non-fit explanatory variables suggested by Boush (1993) and Pryor and Brodie (1998). They investigated the influence that priming advertising slogans has on the attitudes and perceptions of consumers towards brand extensions. The results suggest that advertising slogans can play an important role in either supporting or undermining a brand extension strategy.

6. **Middlemen (Retailers):** refers to the shopkeepers and salespeople at the point of purchase who may influence consumer perceptions regarding extended brands.

HYPOTHESES TESTING

HYPOTHESIS 1-A (FOR EDIBLES)

H_0 (Null): Similarity with the original brand has nothing to do with the success of extended brand.

H_1 (Alternative): A brand extends more easily when the category is similar to the original category.

USAGE PATTERN OF AMUL ICECREAM (EXTENDED BRAND OF AMUL BUTTER) * COMPANY'S GOODWILL IS THE PROMINENET FACTOR FOR THE SELECTION OF EXTENDED BRAND.

		SIMILARITY BETWEEN ORIGINAL & EXTENDED BRAND					
		strongly disagree	disagree	neutral	agree	strongly agree	Total
AMUL ICECREAM(EXTENDED PRODUCT OF AMUL BUTTER)	yes	9	45	3	103	35	195
	no	23	11	30	13	28	105
Total		32	56	33	116	63	300

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	101.609^a	4	.000
Likelihood Ratio	106.904	4	.000
Linear-by-Linear Association	8.219	1	.004
N of Valid Cases	300		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.20.

The critical value of chi square at α=0.05 level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. A brand extends more easily when the category is similar to the original category (for edibles).

HYPOTHESIS 1-B (FOR COSMETICS & TOILETRIES)

H_0 (Null): Similarity with the original brand has nothing to do with the success of extended brand.

H_1 (Alternative): A brand extends more easily when the category is similar to the original category.

USAGE PATTERN OF DETTOL SOAP (EXTENDED BRAND OF DETTOL LIQUID) * SIMILARITY BETWEEN EXTENDED PRODUCT AND PARENT PRODUCT IS FAVORABLE FACTOR TO GAIN ACCEPTANCE.

		SIMILARITY BETWEEN ORIGINAL & EXTENDED BRAND					
		strongly disagree	disagree	neutral	agree	strongly agree	Total
USAGE PATTERN OF	yes	33	42	10	49	28	162

DETTOL SOAP (EXTENDED PRODUCT OF DETTOL LIQUID) no	9	26	13	42	48	138
Total	42	68	23	91	76	300

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.892[a]	4	.000
Likelihood Ratio	22.715	4	.000
Linear-by-Linear Association	18.077	1	.000
N of Valid Cases	300		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.58.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. A brand extends more easily when the category is similar to the original category (for cosmetics and toiletries).

HYPOTHESIS 1-C (FOR EDIBLES)

H_0 (Null): Consumer remains indifferent whether the extended category is similar or dissimilar to the original category.

H_1 (Alternative): Consumer's perception is favorable when the extended category is similar to the original category.

USAGE PATTERN OF MAGGI CUPPAMANIA(EXTENDED BRAND OF MAGGI NOODLES) * SHARING THE KEY ATTRIBUTES OF PARENT BRAND BY THE EXTENDED BRAND ENSURES ITS SUCCESS

		SIMILARITY BETWEEN ORIGINAL & EXTENDED BRAND					
		strongly disagree	disagree	neutral	agree	strongly agree	Total
MAGGI CUPPAMANIA (EXTENDED BRAND OF MAGGI NOODLES)	yes	16	46	7	108	39	216
	no	2	5	11	38	28	84
Total		18	51	18	146	67	300

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.314[a]	4	.000
Likelihood Ratio	27.956	4	.000
Linear-by-Linear Association	11.478	1	.001
N of Valid Cases	300		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.04.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. Consumer's perception is favorable when the extended category is similar to the original category (for edibles).

HYPOTHESIS 1-D (FOR COSMETICS &TOILETRIES)

H_0 (Null): Consumer remains indifferent whether the extended category is similar or dissimilar to the original category.

H_1 (Alternative): Consumer's perception is favorable when the extended category is similar to the original category.

USAGE PATTERN OF LIFEBUOY HANDWASH LIQUID(EXTENDED BRAND OF LIFEBUOY SOAP) * IN ORDER TO BE SUCCESSFUL THE EXTENSION SHOULD BE THE FIRST IN ITS PRODUCT CATEGORY

		SIMILARITY BETWEEN ORIGINAL & EXTENDED BRAND					
		strongly disagree	disagree	neutral	agree	strongly agree	Total
LIFEBUOY HANDWASH LIQUID(EXTENDED BRAND OF LIFEBUOY SOAP)	yes	31	54	5	56	35	181
	no	13	23	35	11	37	119
Total		44	77	40	67	72	300

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	62.479[a]	4	.000
Likelihood Ratio	65.931	4	.000
Linear-by-Linear Association	2.184	1	.139
N of Valid Cases	300		

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	62.479^a	4	.000
Likelihood Ratio	65.931	4	.000
Linear-by-Linear Association	2.184	1	.139
N of Valid Cases	300		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.87.

The critical value of chi square at α=0.05 level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. Consumer's perception is favorable when the extended category is similar to the original category (for cosmetics and toiletries).

HYPOTHESIS 2-A (FOR EDIBLES)

H_0 (Null): There is no significant association between the perceived reputations of the parent brand and evaluations of the extended brand.

H_1 (Alternative): The higher the perceived reputations of the parent brand, the more favorable should be evaluations of the brand extensions.

USAGE OF EXTENDED BRAND (MAGGI SAUCES: AN EXTENSION OF MAGGI NOODLES) * LOYALTYOFCONSUMERS' LOYALTY TOWARDS PARENT BRAND HAS AN EFFECT OVER THE IMAGE OF THE EXTENDED PRODUCT

| MAGGI SAUCES: AN EXTENSION OF MAGGI NOODLES	LOYALTYOFCONSUMERS' LOYALTY TOWARDS PARENT BRAND HAS AN EFFECT OVER THE IMAGE OF THE EXTENDED PRODUCT	TOTAL

		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	
USAGE OF EXTENDED BRAND	YES	29	53	17	51	56	206
	NO	7	8	46	24	9	94
TOTAL		36	61	63	75	65	300

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	71.903[A]	4	.000
LIKELIHOOD RATIO	70.391	4	.000
LINEAR-BY-LINEAR ASSOCIATION	.058	1	.810
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE MINIMUM EXPECTED COUNT IS 11.28.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted.i.e. The higher the perceived reputations of the parent brand, the more favorable should be evaluations of the brand extensions.

Bar Chart
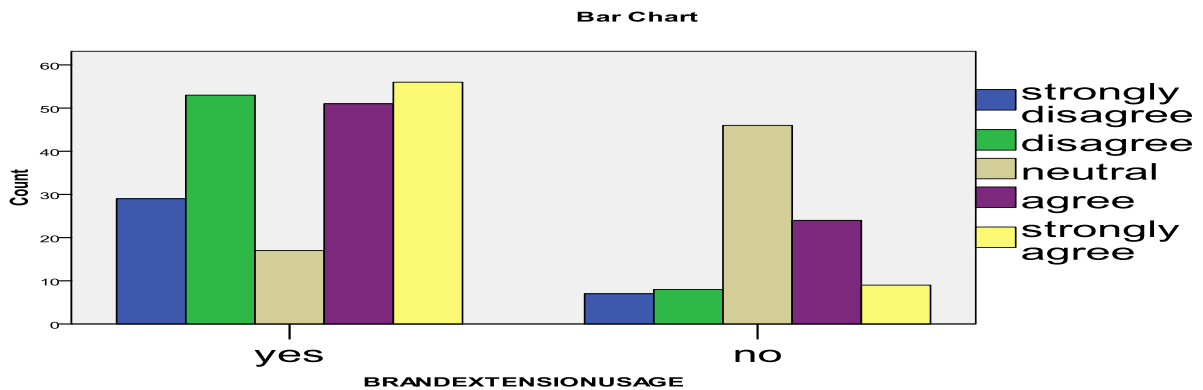
HYPOTHESIS 2-B (COSMETICS& TOILETRIES)

H_0 (Null): There is no significant association between the perceived reputations of the parent brand and evaluations of the extended brand.

H_1 (Alternative): The higher the perceived reputations of the parent brand, the more favorable should be evaluations of the brand extensions.

USAGE OF EXTENDED BRAND (LIFEBUOY TALCUM POWDER: AN EXTENDED BRAND OF LIFEBUOY SOAPS)* DECISION MAKING REGARDING THE PURCHASE OF EXTENDED BRAND IS INFLUENCED BY THE IMAGE OF THE PARENT BRAND

| LIFEBUOY TALCUM POWDER: AN EXTENDED BRAND OF LIFEBUOY SOAPS	DECISION MAKING REGARDING THE PURCHASE OF EXTENDED BRAND IS INFLUENCED BY THE IMAGE OF THE PARENT BRAND	TOTAL

		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	
USAGE OF EXTENDED BRAND	YES	10	32	6	58	23	129
	NO	46	36	20	50	19	171
TOTAL		56	68	26	108	42	300

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	26.530[A]	4	.000
LIKELIHOOD RATIO	28.344	4	.000
LINEAR-BY-LINEAR ASSOCIATION	15.720	1	.000
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE MINIMUM EXPECTED COUNT IS 11.18.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. higher the perceived reputations of the parent brand, the more favorable should be evaluations of the brand extensions.

Bar Chart
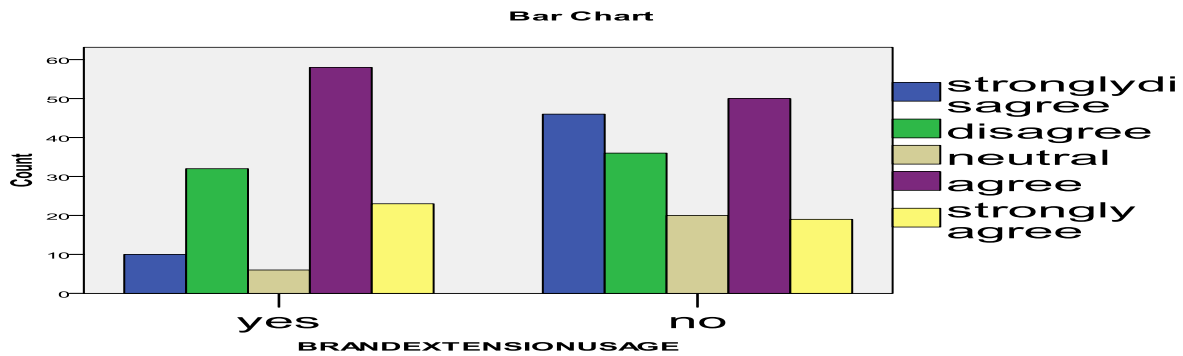
HYPOTHESIS 3-A (EDIBLES)

H_0 (Null): There is no significant association between the consumers' innovativeness and evaluations of the extended brand.

H_1 (Alternative): The higher consumers' innovativeness, the more positive will be the evaluations of extended brands.

USAGE OF EXTENDED BRAND(AMUL ICECREAM: AN EXTENDED BRAND OF AMUL BUTTER)* BRAND QUALITY IS MORE INFLUENTIAL FACTOR THAN BRAND NAME

AMUL ICECREAM: AN EXTENDED BRAND OF AMUL BUTTER	BRAND QUALITY IS MORE INFLUENTIAL FACTOR THAN BRAND NAME					
	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL

USAGE OF EXTENDED BRAND							
USAGE OF EXTENDED BRAND	YES	18	16	6	110	37	187
	NO	16	13	10	48	26	113
TOTAL		34	29	16	158	63	300

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	10.035[A]	4	.040
LIKELIHOOD RATIO	9.922	4	.042
LINEAR-BY-LINEAR ASSOCIATION	2.206	1	.137
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE MINIMUM EXPECTED COUNT IS 6.03.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e.): The higher consumers' innovativeness, the more positive will be the evaluations of extended brands.

Bar Chart
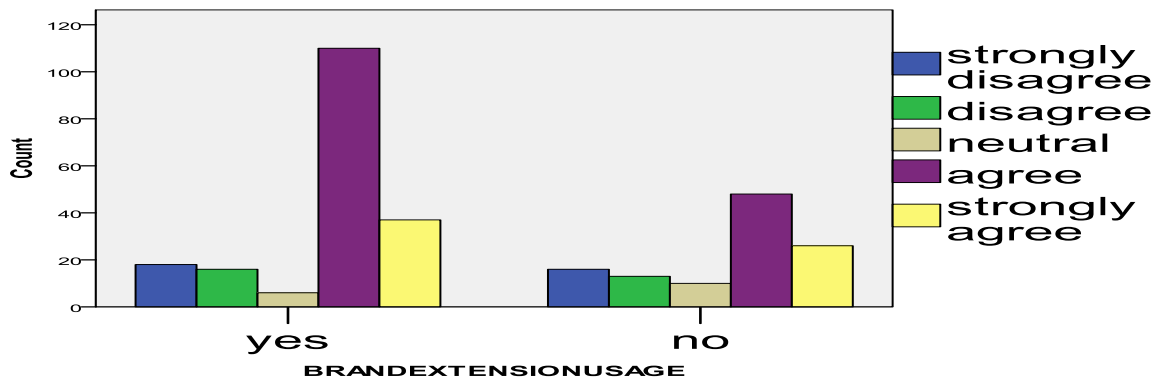
HYPOTHESIS 3-B (COSMETICS& TOILETRIES)

H_0 (Null): There is no significant association between the consumers' innovativeness and evaluations of the extended brand.

H_1 (Alternative): The higher consumers' innovativeness, the more positive will be the evaluations of extended brands.

USAGE OF EXTENDED BRAND(PARACHUTE AFTER SHAVE LOTION: AN EXTENDED BRAND OF PARACHUTE HAIR OIL) * THERE SHOULD BE HOMOGENITY IN THE ATTRIBUTES OF THE EXTENDED PRODUCT AND PARENT PRODUCT

PARACHUTE AFTER SHAVE LOTION: AN EXTENDED BRAND OF PARACHUTE HAIR OIL		THERE SHOULD BE HOMOGENITY IN THE ATTRIBUTES OF THE EXTENDED PRODUCT AND PARENT PRODUCT					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
USAGE OF EXTENDED BRAND	YES	25	37	4	36	28	130
	NO	17	31	19	55	48	170
TOTAL		42	68	23	91	76	300

Chi-Square Tests

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	16.017[A]	4	.003
LIKELIHOOD RATIO	16.667	4	.002
LINEAR-BY-LINEAR ASSOCIATION	7.975	1	.005
N OF VALID CASES	300		

Chi-Square Tests

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	16.017^A	4	.003
LIKELIHOOD RATIO	16.667	4	.002
LINEAR-BY-LINEAR ASSOCIATION	7.975	1	.005
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE
MINIMUM EXPECTED COUNT IS 9.97.

The critical value of chi square at α=0.05 level from table is 9.488, which is below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e.): The higher consumers' innovativeness, the more positive will be the evaluations of extended brands.

Bar Chart
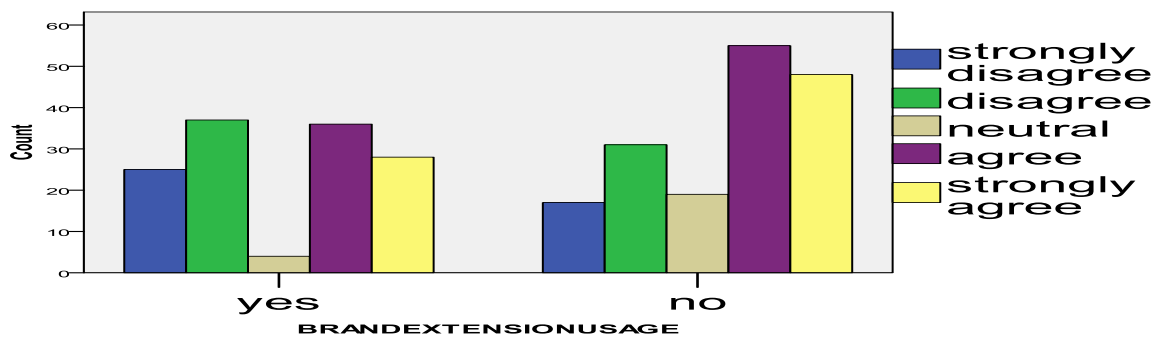
HYPOTHESIS 4-A (EDIBLES)

H_0 (Null): There is no significant association between the perceived risk associated with the extension category and evaluations of the brand extensions.

H_1 (Alternative): The higher the perceived risk associated with the extension category, the more positive will be evaluations of the brand extensions.

USAGE OF EXTENDED BRAND(DABUR GLUCOSE: AN EXTENDED BRAND OF DABUR CHYAVANPRASH) * PRODUCT INNOVATION IS A BETTER OPTION THAN BRAND EXTENSION IN THE COMPETITIVE MARKET

DABUR GLUCOSE: AN EXTENDED BRAND OF DABUR CHYAVANPRASH		PRODUCT INNOVATION IS A BETTER OPTION THAN BRAND EXTENSION IN THE COMPETITIVE MARKET					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
USAGE OF EXTENDED BRAND	YES	46	29	35	32	51	193
	NO	30	32	18	14	13	107
TOTAL		76	61	53	46	64	300

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	15.168[A]	4	.004
LIKELIHOOD RATIO	15.445	4	.004
LINEAR-BY-LINEAR ASSOCIATION	9.521	1	.002
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE MINIMUM EXPECTED COUNT IS 16.41.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e.): The higher the perceived risk associated with the extension category, the more positive will be evaluations of the brand extensions.
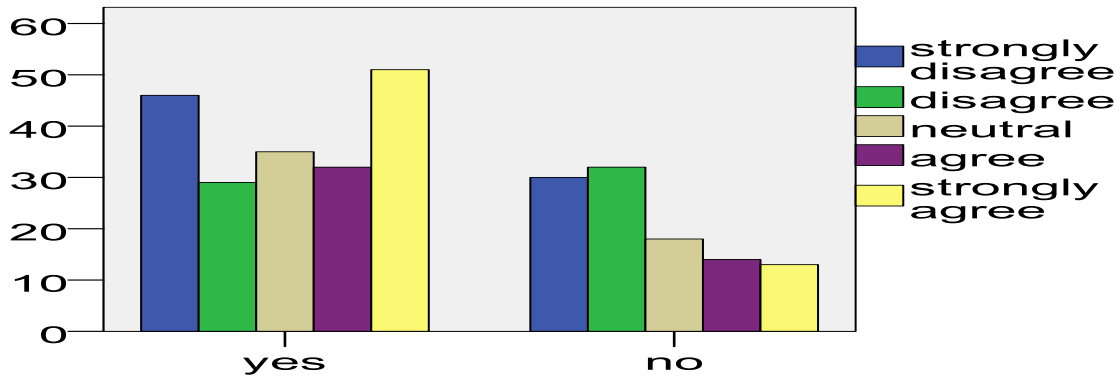
HYPOTHESIS 4-B (COSMETICS & TOILETRIES)

H_0 (Null): There is no significant association between the perceived risk associated with the extension category and evaluations of the brand extensions.

H_1 (Alternative): The higher the perceived risk associated with the extension category, the more positive will be evaluations of the brand extensions.

USAGE OF EXTENDED BRAND(DABUR UUVEDA FAIRNESS CREAM: AN INNOVATIVE PRODUCT FROM DABUR GROUP)* AN UNKNOWN INNOVATIVE PRODUCT FROM KNOWN BRAND IS EQUALLY RELIABLE AS THE PARENT BRAND

DABUR UUVEDA FAIRNESS CREAM: AN INNOVATIVE PRODUCT FROM DABUR GROUP		AN UNKNOWN INNOVATIVE PRODUCT FROM KNOWN BRAND IS EQUALLY RELIABLE AS THE PARENT BRAND					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
USAGE OF EXTENDED BRAND	YES	12	38	18	61	7	136
	NO	23	18	5	51	67	164
TOTAL		35	56	23	112	74	300

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	65.446^A	4	.000
LIKELIHOOD RATIO	73.152	4	.000
LINEAR-BY-LINEAR ASSOCIATION	16.849	1	.000
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE

MINIMUM EXPECTED COUNT IS 10.43

The critical value of chi square at α=0.05 level from table is 9.488, which is quite below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e.): The higher the perceived risk associated with the extension category, the more positive will be evaluations of the brand extensions.
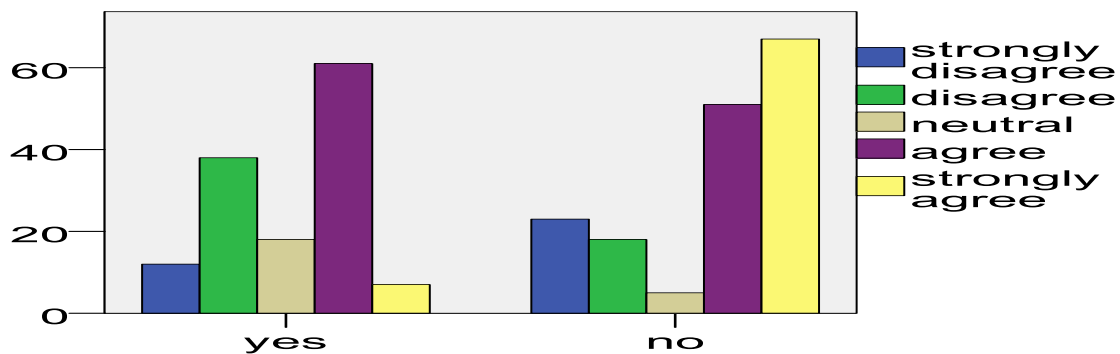
HYPOTHESIS 5-A

H$_0$ (Null): Advertising does not affect the sale of extended product.

H$_1$ (Alternative): Advertising affects the sale of extended product.

BRAND EXTENSION USAGE(MAGGI SOUPS:AN EXTENDED PRODUCT OF

MAAGI NOODLES * MASSIVE ADVERTISING INFLENCE THE SALE OF

EXTENDED PRODUCT

MAGGI SOUPS:AN EXTENDED PRODUCT OF MAAGI NOODLES		MASSIVE ADVERTISING INFLENCE THE SALE OF EXTENDED PRODUCT					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
USAGE OF EXTENDED BRAND	YES	11	44	6	48	27	136
	NO	5	12	10	47	90	164
TOTAL		16	56	16	95	117	300

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	53.320^A	4	.000
LIKELIHOOD RATIO	55.938	4	.000
LINEAR-BY-LINEAR ASSOCIATION	44.096	1	.000
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE MINIMUM EXPECTED COUNT IS 7.25.

The critical value of chi square at α=0.05 level from table is 9.488, which is quite below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e.: Advertising affects the sale of extended product.
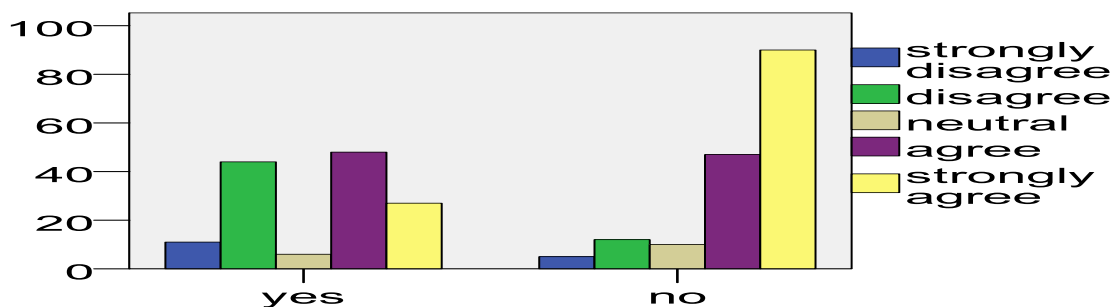
HYPOTHESIS 5-B

H_0 (Null): There is no association between risk taking capacity of consumer and advertising

H_1 (Alternative): Massive advertising campaign motivates the person to take the risk of consuming extended brand.

BRAND EXTENSION USAGE(PONDS SHAMPOO:AN EXTENDED PRODUCT OF FAMOUS BRAND PONDS COLD CREAM) * THERE IS AN IMPACT OF ADVERTISING OVER THE PURCHASE DECISION MAKING OF EXTENDED BRAND

PONDS SHAMPOO:AN EXTENDED PRODUCT OF PONDS COLD CREAM		THERE IS AN IMPACT OF ADVERTISING OVER THE PURCHASE DECISION MAKING OF EXTENDED BRAND					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
BRAND EXTENSION USAGE	YES	23	14	18	69	104	228
	NO	13	9	12	10	28	72
	TOTAL	36	23	30	79	132	300

CHI-SQUARE TESTS			
	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	16.126[A]	4	.003
LIKELIHOOD RATIO	15.949	4	.003
LINEAR-BY-LINEAR ASSOCIATION	7.811	1	.005
N OF VALID CASES	300		

A. 0 CELLS (.0%) HAVE EXPECTED COUNT LESS THAN 5. THE MINIMUM EXPECTED COUNT IS 5.52.

The critical value of chi square at α=0.05 level from table is 9.488, which is quite below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. Massive advertising campaign motivates the person to take the risk of consuming extended brand.
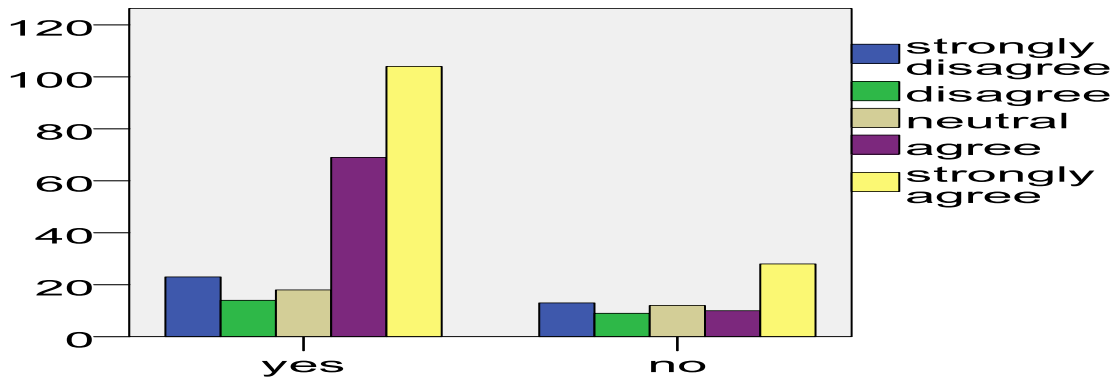
HYPOTHESIS 6

H_0 (NULL): Product choice for edibles based on its brand image is not affected by the information provided by the shopkeeper.

H_1 (ALTERNATIVE): Product choice for edibles based on its brand image is influenced by the information provided by the shopkeeper.

		Retailers opinion influences the purchase of extended product					
		Strongly disagree	disagree	neutral	agree	strongly agree	Total
shopkeeper (source of information)	yes	11	16	18	61	34	140
	no	11	39	4	85	21	160
Total		22	55	22	146	55	300

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.320[a]	4	.000
Likelihood Ratio	25.287	4	.000
Linear-by-Linear Association	2.950	1	.086
N of Valid Cases	300		

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.320[a]	4	.000
Likelihood Ratio	25.287	4	.000
Linear-by-Linear Association	2.950	1	.086
N of Valid Cases	300		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.27.

The critical value of chi square at $\alpha=0.05$ level from table is 9.488, which is much below the above-calculated value. Hence, the null hypothesis is rejected and alternative is accepted .i.e. purchase decision making for edibles (extended category) is affected by the information provided by the shopkeeper.

CONCLUSION

The results are in tune with similar earlier studies in other parts of the world and India. A brand extends more easily when the category is similar to the original category. (for edibles, cosmetics and toiletries). The goodwill of the company is an important factor for the selection of the extended brand. consumer's parent-brand experience and conviction, play an important role in driving brand extension success.

Higher perceived reputations of the parent brand, ensures more favorable evaluations of the brand extensions. If the perceived quality of the parent brand is high, then the attitude towards the brand extension is positive.

The higher consumers' innovativeness, the more positive will be the evaluations of extended brands. This is an indication that the innovators/risk takers/adventurers may be targeted my marketers for developing more effective brand extension strategies.

The consumers largely rely on the reputation of the brand to manage the uncertainty and risk involved in the purchase of extended brands. A well-known and familiar brand acts as a risk reliever and increases the possibility of trial of the new product. Familiarity and repeated exposure tends to reduce risk significantly.

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Advertising and middlemen (retailers) do have an impact in brand extension strategies. Advertising campaigns induce confidence in consumers and motivate them to take more risk with the extended brand category.

Retailers opinion also influences consumer perceptions about extended brand category.

FUTURE SCOPE OF STUDY

This study was restricted to shopkeepers and salespeople at the point of purchase and the results may not be applicable to big retailers and other middlemen. The role of intermediaries may be investigated in more detail to ensure success of extended brands.

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